

HOUSE BILL 942

C7, C6

2lr2517
CF SB 792

By: **Delegate Luedtke**

Introduced and read first time: February 10, 2022

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Horse Racing – Satellite Simulcast Betting Facilities and Permit Holders –**
3 **Alterations**

4 FOR the purpose of providing that certain zoning approval is not required to use a facility
5 for satellite simulcast betting if the facility is properly zoned for certain gaming
6 activities; authorizing the State Racing Commission to waive review of an applicant
7 for a satellite simulcast betting permit if the applicant is licensed to conduct certain
8 gaming activities; repealing certain requirements for the standard of and amenities
9 offered by a satellite simulcast facility; altering certain requirements for the
10 operation of pari-mutuel betting equipment by certain horse racing licensees; and
11 generally relating to satellite simulcast betting on horse racing.

12 BY repealing and reenacting, without amendments,
13 Article – Business Regulation
14 Section 11–101(a), (d), and (i)
15 Annotated Code of Maryland
16 (2015 Replacement Volume and 2021 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Business Regulation
19 Section 11–817, 11–818, and 11–825
20 Annotated Code of Maryland
21 (2015 Replacement Volume and 2021 Supplement)

22 BY repealing and reenacting, without amendments,
23 Article – State Government
24 Section 9–1E–04(a)
25 Annotated Code of Maryland
26 (2021 Replacement Volume)

27 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Government
2 Section 9–1E–04(c)
3 Annotated Code of Maryland
4 (2021 Replacement Volume)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
6 That the Laws of Maryland read as follows:

7 **Article – Business Regulation**

8 11–101.

9 (a) In this title the following words have the meanings indicated.

10 (d) “Commission” means the State Racing Commission.

11 (i) “Licensee” means a person who has been awarded racing days for the current
12 calendar year.

13 11–817.

14 (a) A person must have a permit granted by the Commission whenever the person
15 holds satellite simulcast betting.

16 (b) **(1) [Nothing] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
17 **SUBSECTION, NOTHING** in this Part III of this subtitle may preempt local zoning laws or
18 ordinances.

19 **(2) THE USE OF A FACILITY FOR SATELLITE SIMULCAST BETTING IS**
20 **NOT REQUIRED TO BE SUBMITTED TO OR APPROVED BY ANY COUNTY OR MUNICIPAL**
21 **ZONING BOARD, AUTHORITY, OR UNIT IF THE FACILITY IS PROPERLY ZONED AND**
22 **OPERATING FOR THE FOLLOWING ACTIVITIES:**

23 **(I) OPERATION OF A VIDEO LOTTERY FACILITY;**

24 **(II) OPERATION OF A SPORTS WAGERING FACILITY; OR**

25 **(III) OPERATION OF ELECTRONIC BINGO OR ELECTRONIC TIP**
26 **JAR MACHINES.**

27 11–818.

28 (a) Any person may apply for a permit.

29 (b) An applicant for a permit shall submit to the executive director of the
30 Commission an application in the form that the Commission requires.

1 (c) Except as provided in subsection (e) of this section, the Commission shall
2 conduct a personal and financial background check of an applicant for a permit including:

3 (1) a review, by a certified public accountant, of the certified financial
4 statements of the applicant, including contingent or pledged liabilities, sufficient to
5 determine the ability of the applicant to purchase or lease, and develop and maintain the
6 satellite simulcast facility for which the permit is sought;

7 (2) an income statement of the applicant for the most recent year;

8 (3) a statement of financial and related records of any person in which the
9 applicant has at least a majority interest;

10 (4) a disclosure of all financial interests in horse racing and any other
11 legalized betting activity;

12 (5) the disclosure of each person who is a beneficial owner of the applicant;

13 (6) with the assistance of federal, State, and local law enforcement
14 authorities, a criminal background review; and

15 (7) a character review.

16 (d) The Commission shall adopt regulations establishing uniform procedures for
17 conducting the personal and financial background check required by this section.

18 (e) The Commission may waive [portions] **ALL OR ANY PORTION** of the review
19 that it determines to be appropriate for any applicant that is:

20 (1) a licensee;

21 (2) **A VIDEO LOTTERY OPERATION LICENSEE UNDER TITLE 9,**
22 **SUBTITLE 1A OF THE STATE GOVERNMENT ARTICLE; OR**

23 (3) **A SPORTS WAGERING FACILITY LICENSEE UNDER TITLE 9,**
24 **SUBTITLE 1E OF THE STATE GOVERNMENT ARTICLE.**

25 11-825.

26 (a) A satellite simulcast facility:

27 (1) shall be in premises owned or leased by a permit holder;

28 (2) may not be within a 35-mile radius of any mile thoroughbred track or
29 harness track unless approved by the track licensee, the group that represents a majority

1 of the applicable owners and trainers licensed in the State and the group that represents a
2 majority of the applicable breeders in the State, considered separately;

3 (3) unless the track agrees otherwise, may not operate during hours on
4 those days that racing with pari-mutuel betting is permitted at a racetrack located in this
5 State within a 35-mile radius of the satellite simulcast facility; and

6 (4) shall offer pari-mutuel betting facilities and amenities that the
7 Commission finds are[:

8 (i) comparable to those available in the sports palace facilities of the
9 mile thoroughbred racing licensees including:

10 1. high quality dining, lounge, and seating areas that are of
11 a manner generally found in fine restaurants; and

12 2. teletheatre screen capacity; and

13 (ii) appropriate for the area where the satellite simulcast facility is
14 located.

15 (b) (1) A mile thoroughbred racing licensee or a harness racing licensee:

16 (I) shall own or lease the pari-mutuel betting equipment at a
17 satellite simulcast facility; and

18 (II) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
19 SUBSECTION, shall, with its employees, operate the equipment.

20 (2) (I) IN THIS PARAGRAPH, "SPORTS WAGERING LICENSEE" HAS
21 THE MEANING STATED IN § 9-1E-01 OF THE STATE GOVERNMENT ARTICLE.

22 (II) SUBJECT TO THE APPROVAL OF THE COMMISSION AND THE
23 STATE LOTTERY AND GAMING CONTROL COMMISSION:

24 1. A SELF-SERVICE KIOSK AT A SATELLITE SIMULCAST
25 FACILITY THAT IS LOCATED IN A SPORTS WAGERING FACILITY MAY ACCEPT BOTH
26 SATELLITE SIMULCAST BETS AND SPORTS WAGERS, PROVIDED THAT THE KIOSK
27 SEPARATELY ACCOUNTS FOR THE DIFFERENT TYPES OF WAGERS AND MEETS ALL
28 SPECIFICATIONS AND REQUIREMENTS ESTABLISHED BY REGULATION BY THE STATE
29 LOTTERY GAMING CONTROL COMMISSION; AND

30 2. A MILE THOROUGHbred RACING LICENSEE OR A
31 HARNESS RACING LICENSEE MAY ENTER INTO AN AGREEMENT WITH A SPORTS
32 WAGERING LICENSEE AUTHORIZING THE EMPLOYEES OF THE SPORTS WAGERING

1 LICENSEE TO OPERATE THE PARI-MUTUEL BETTING EQUIPMENT AND TO ACCEPT
2 PARI-MUTUEL BETS ON HORSE RACING IN A SATELLITE SIMULCAST FACILITY.

3 (c) A mile thoroughbred racing licensee or a harness racing licensee shall submit
4 to the Commission all contracts and agreements relating to satellite simulcast betting
5 under this subtitle.

6 (d) (1) The Commission shall periodically be assured by permit holders that
7 facilities continue to meet the requirements of this section.

8 (2) (i) The Commission shall inspect satellite simulcast facilities at
9 least four times each year to determine if the permit holders are continuing to comply with
10 the provisions of this section.

11 (ii) The inspections under this subsection shall include evaluations
12 of the financial and physical conditions of each satellite simulcast facility.

13 (3) If the Commission finds that a permit holder is not complying with the
14 provisions of this section, the Commission may impose a penalty on the permit holder
15 similar to those penalties levied on licensees as provided under § 11-308 of this title.

16 **Article – State Government**

17 9-1E-04.

18 (a) Except as otherwise provided in this subtitle, the Commission shall regulate
19 sports wagering and the conduct of sports wagering to the same extent that the Commission
20 regulates the operation of video lottery terminals and table games under Subtitle 1A of this
21 title.

22 **(C) THE COMMISSION MAY ADOPT REGULATIONS AUTHORIZING A SPORTS**
23 **WAGERING LICENSEE, IF A SATELLITE SIMULCAST FACILITY IS LOCATED IN THE**
24 **LICENSEE’S SPORTS WAGERING FACILITY, TO ALLOW ITS EMPLOYEES TO:**

25 **(1) ACCEPT SATELLITE SIMULCAST BETS ON HORSE RACING; AND**

26 **(2) OPERATE KIOSKS CAPABLE OF ACCEPTING BOTH SPORTS WAGERS**
27 **AND SATELLITE SIMULCAST BETS.**

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2022.