

HOUSE BILL 217

C7
HB 403/21 – W&M

3lr1488

By: **Delegates Ebersole, Charles, and Wilkins**

Introduced and read first time: January 23, 2023

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 10, 2023

CHAPTER _____

1 AN ACT concerning

2 **Video Lottery Operation License – Renewal**

3 FOR the purpose of altering the number of years before the end of the term of a video lottery
4 operation license that a licensee is required to provide certain notice of intent to
5 renew the license and is authorized to apply for renewal; providing for the term of a
6 renewed license; requiring the State Lottery and Gaming Control Commission to
7 renew a certain license unless the Commission makes a certain finding; requiring
8 the Commission, under certain circumstances, to provide a licensee a certain
9 hearing; requiring a licensee to pay a certain ~~annual~~ fee ~~for the length of~~ over the
10 course of the renewal license term under certain circumstances; and generally
11 relating to the renewal of video lottery operation licenses.

12 BY repealing and reenacting, with amendments,
13 Article – State Government
14 Section 9–1A–13, 9–1A–17, and 9–1A–30(c)
15 Annotated Code of Maryland
16 (2021 Replacement Volume and 2022 Supplement)

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

19 **Article – State Government**

20 9–1A–13.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) The initial term of a video lottery operation license is 15 years from the date
2 on which the video lottery facility is issued the license by the Commission.

3 (b) During the initial term of a video lottery operation license, the licensee shall
4 provide the Commission with an annual update of the information required under this
5 subtitle for the issuance of a license by the date set by the Commission in regulations and
6 on the form required by the Commission.

7 (c) [Two years] **AT LEAST 2 YEARS BUT NOT MORE THAN 5 YEARS** before the
8 expiration of the **INITIAL 15-YEAR LICENSE** term **OR A RENEWAL TERM** of a video lottery
9 operation license, the licensee shall file with the Commission a notice of intent to [reapply
10 for] **APPLY FOR RENEWAL OF** the license under this subtitle.

11 (d) **(1) THIS SUBSECTION APPLIES TO THE FIRST RENEWAL OF A VIDEO**
12 **LOTTERY OPERATION LICENSE FOLLOWING THE INITIAL 15-YEAR TERM AND EACH**
13 **SUBSEQUENT RENEWAL OF THE LICENSE.**

14 **(2) A RENEWAL OF A VIDEO LOTTERY OPERATION LICENSE IS FOR A**
15 **TERM OF 15 YEARS.**

16 **(3) [Within 1 year of] AT LEAST 1 YEAR BUT NOT MORE THAN 5 YEARS**
17 **BEFORE** the end of the initial 15-year license term **OR A RENEWAL TERM**, a video lottery
18 operation licensee may [reapply for a] **FILE AN APPLICATION TO RENEW A VIDEO**
19 **LOTTERY OPERATION** license [that has a license term of 10 years and a license fee to be
20 established by statute].

21 **(4) ON PROPER APPLICATION FOR RENEWAL OF A VIDEO LOTTERY**
22 **OPERATION LICENSE, THE COMMISSION SHALL RENEW THE LICENSE UNLESS THE**
23 **COMMISSION FINDS THAT THE LICENSEE IS NO LONGER QUALIFIED UNDER THIS**
24 **SUBTITLE TO HOLD A LICENSE.**

25 **(5) BEFORE DENYING AN APPLICATION UNDER THIS SUBSECTION,**
26 **THE COMMISSION SHALL PROVIDE THE VIDEO LOTTERY OPERATION LICENSEE AN**
27 **OPPORTUNITY FOR A HEARING.**

28 **(6) (I) ~~SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH,~~**
29 **~~FOR EACH YEAR OF THE RENEWAL LICENSE TERM, FOR EACH 5-YEAR PERIOD OF~~**
30 **~~THE 15-YEAR TERM, THE VIDEO LOTTERY OPERATION LICENSEE SHALL PAY AN~~**
31 **~~ANNUAL FEE OF \$500 FOR EACH VIDEO LOTTERY TERMINAL AND EACH TABLE GAME~~**
32 **~~THAT IS AUTHORIZED FOR OPERATION~~ A FEE EQUAL TO 1% OF THE AVERAGE**
33 **ANNUAL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY TERMINALS AND**
34 **TABLE GAMES AT THE VIDEO LOTTERY FACILITY FOR THE PRECEDING 3-YEAR**
35 **PERIOD, TO BE PAID IN EQUAL ANNUAL INSTALLMENTS.**

1 **(II) THE VIDEO LOTTERY OPERATION LICENSEE SHALL PAY ~~THE~~**
 2 **~~FEE REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH~~ EACH**
 3 **INSTALLMENT:**

4 **1. FOR THE FIRST YEAR OF THE 15-YEAR TERM, ON THE**
 5 **EFFECTIVE DATE OF THE RENEWED LICENSE; AND**

6 **2. FOR THE REMAINING 14 YEARS OF THE**
 7 **15-YEAR TERM, IF THE LICENSEE REMAINS QUALIFIED TO HOLD A LICENSE UNDER**
 8 **THIS SUBTITLE, ON THE DATE OF THE ANNIVERSARY OF THE EFFECTIVE DATE OF**
 9 **THE RENEWED LICENSE.**

10 **~~(III) BEGINNING OCTOBER 1, 2024, AND EACH OCTOBER 1~~**
 11 **~~THEREAFTER, THE COMMISSION SHALL ADJUST THE FEE ESTABLISHED UNDER~~**
 12 **~~SUBPARAGRAPH (I) OF THIS PARAGRAPH TO REFLECT ANY AGGREGATE INCREASE~~**
 13 **~~IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U) FOR THE~~**
 14 **~~WASHINGTON METROPOLITAN AREA, OR ANY SUCCESSOR INDEX, FOR THE~~**
 15 **~~PREVIOUS YEAR.~~**

16 **~~(IV)~~ (III) THE COMMISSION SHALL PAY THE RENEWAL LICENSE**
 17 **FEES SUBMITTED UNDER THIS PARAGRAPH TO THE EDUCATION TRUST FUND**
 18 **ESTABLISHED UNDER § 9-1A-30 OF THIS SUBTITLE.**

19 (e) If a licensee has its license revoked or otherwise surrenders the license, the
 20 video lottery operation license reverts to the State.

21 9-1A-17.

22 **(A) THIS SECTION DOES NOT APPLY TO THE RENEWAL OF A VIDEO LOTTERY**
 23 **OPERATION LICENSE.**

24 **(B)** Subject to the power of the Commission to deny, revoke, or suspend a license,
 25 a license in force may be renewed by the Commission for the next succeeding license period
 26 on:

27 (1) proper application for renewal; and

28 (2) payment of all required application, license, and other fees and taxes.

29 9-1A-30.

30 (c) (1) There shall be credited to the Education Trust Fund:

31 **(I)** all proceeds allocated to the Fund under § 9-1A-27 of this
 32 subtitle [and];

1 (II) all judgments paid to the Fund under § 11–210 of the Education
2 Article; AND

3 (III) RENEWAL LICENSE FEES PAID TO THE FUND UNDER §
4 9–1A–13 OF THIS SUBTITLE.

5 (2) Money in the Education Trust Fund shall be invested and reinvested
6 by the Treasurer, and interest and earnings shall accrue to the Fund.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2023.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.