

## QUESTION 7: REFERENDUM BY STATUTORY ENACTMENT

### **Gaming Expansion – Video Lottery Terminals and Table Games**

Chapter 1 of the Second Special Session of 2012 (Senate Bill 1)

#### Summary

Chapter 1 of the Acts of the General Assembly of the second special session of 2012 (1) authorizes video lottery operation licensees to operate “table games”; (2) increases from 15,000 to 16,500 the maximum number of video lottery terminals that may be operated in the State; and (3) increases from five to six the maximum number of video lottery operation licenses that may be awarded in the State and allows a video lottery facility to operate in Prince George’s County.

Article XIX of the Maryland Constitution, approved by the voters at the November 2008 general election, authorized a maximum of five video lottery facility licenses at specified locations in Allegany County, Anne Arundel County, Baltimore City, Cecil County, and Worcester County. All five licenses have been awarded, and the facilities in Anne Arundel County, Cecil County, and Worcester County are open to the public.

Article XIX also requires that additional forms or expansion of commercial gaming in the State, such as provided under Chapter 1, be approved by referendum in a general election.

#### **Prince George’s County Facility**

Chapter 1 states the intent of the General Assembly that a video lottery operation license may not be awarded in Prince George’s County unless this referendum is approved by a majority of the voters in Prince George’s County voting on the question.

If a video lottery facility is authorized in Prince George’s County, it must be located within a four-mile radius of the intersection of Bock Road and St. Barnabas Road, which encompasses both National Harbor and Rosecroft Raceway. A facility in Prince George’s County may be allocated up to 3,000 video lottery terminals. Neither video lottery terminals nor table games may be operational in Prince George’s County until the earlier of July 1, 2016, or 30 months after the video lottery facility in Baltimore City is open.

Upon the opening of a Prince George’s County facility, a guaranteed additional allocation from video lottery terminal proceeds is provided to certain video lottery licensees for capital improvements and marketing and promotional costs.

#### **Use of Gaming Proceeds**

Chapter 1 adds expansion of public early childhood education programs to the permitted uses of gaming proceeds, including proceeds from table games if the referendum is approved

statewide. Under current law, the primary purpose of video lottery terminals is to raise revenue for: (1) education for the children of the State in public schools (prekindergarten through grade 12); (2) public school construction and public school capital improvements; and (3) construction of capital projects at community colleges and public senior higher education institutions.

### **Additional Changes to State Gaming Laws**

If the voters statewide approve this referendum, other changes to current law will take effect, including:

- Allowing a video lottery facility to operate 24 hours a day, 7 days a week. Under current law, a video lottery facility may be open from 8 a.m. to 2 a.m., Sunday through Thursday, and 8 a.m. to 4 a.m. on Friday and Saturday.
- Altering the distribution of and required uses of video lottery terminal proceeds.
- Providing for the distribution of proceeds from the operation of table games.