

SENATE BILL 813

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2000 Regular Session  
0lr2493  
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By: **Senator Bromwell**

Introduced and read first time: February 16, 2000

Assigned to: Rules

Re-referred to: Finance, February 18, 2000

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 27, 2000

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CHAPTER\_\_\_\_\_

1 AN ACT concerning

2 ~~Maryland Racing Facility Redevelopment Act~~ **Racing Act of 2000**

3 FOR the purpose of establishing the Maryland Racing Facility Redevelopment  
4 Program; requiring the Racing Commission to perform certain acts to carry out  
5 the Program; requiring eligible racing licensees before receiving assistance  
6 under this Act to submit racing facility master plans to the Racing Commission;  
7 requiring the Commission to approve a racing facility master plan if the plan  
8 meets certain criteria; authorizing the Maryland Economic Development  
9 Corporation to issue bonds under certain circumstances; specifying certain  
10 funds available to eligible racing licensees for certain assistance; requiring the  
11 Commission to approve an application for certain improvements and  
12 expenditures if certain requirements are met; requiring the Commission to give  
13 a certain notice to the Corporation; specifying a certain manner of apportioning  
14 certain assistance to eligible racing licensees; requiring that a certain amount of  
15 funds from the State lottery be credited to the Special Fund under certain  
16 circumstances; requiring the Comptroller to pay a certain amount of money  
17 from the Special Fund to the Corporation under certain circumstances; allowing  
18 the allocation of certain moneys to be made in accordance with a certain  
19 agreement; repealing certain provisions relating to certain increased revenue  
20 allocated to certain licensees; altering certain provisions relating to certain  
21 funds paid to the Maryland Million, Ltd., Maryland-Bred Race Fund, and the  
22 Maryland Standardbred Race Fund; requiring a certain payment from a certain  
23 special fund to a certain trust for the purpose of providing certain health,  
24 disability, and retirement benefits to certain active, disabled, or retired  
25 thoroughbred jockeys; altering the allocation of certain amounts bet on certain  
26 thoroughbred and harness races; altering the termination provision relating to  
27 the allocation of certain amounts bet on certain thoroughbred and harness

1 races; defining certain terms; providing for the termination of a portion of this  
 2 Act; ~~making this Act contingent on the taking effect of another Act creating a~~  
 3 ~~certain fund; requiring that certain lottery revenues for a certain fiscal year be~~  
 4 ~~distributed to a special fund to be used only for certain purposes; requiring the~~  
 5 ~~Maryland Stadium Authority to review certain capital improvements which are~~  
 6 ~~funded by proceeds of certain bonds; authorizing the Governor to request certain~~  
 7 ~~deficiency appropriations under certain circumstances; requiring that the~~  
 8 ~~purses and bred funds be increased according to a certain formula; providing for~~  
 9 ~~the time during which a certain licensee in Allegany County may hold live or~~  
 10 ~~simulcast racing; altering certain provisions relating to the distribution of~~  
 11 ~~money from uncashed pari-mutuel tickets; repealing certain provisions~~  
 12 ~~requiring certain agreements and approvals relating to simulcast racing and~~  
 13 ~~intertrack betting; altering certain conditions under which certain licensees may~~  
 14 ~~conduct certain pari-mutuel betting; altering certain conditions under which a~~  
 15 ~~certain track in Allegany County may be a receiving track and sending track for~~  
 16 ~~the purpose of intertrack betting; altering the amounts that certain licensees~~  
 17 ~~may deduct from certain pari-mutuel betting; altering the allocation of the~~  
 18 ~~amounts deducted from certain pari-mutuel betting; requiring that each~~  
 19 ~~licensee consult with certain persons and ensure that certain improvements are~~  
 20 ~~compatible with existing local ordinances under certain circumstances;~~  
 21 ~~providing for the termination of certain portions of this Act; providing for a~~  
 22 ~~delayed effective date of a portion of this Act; and generally relating to horse~~  
 23 racing in the State.

24 BY repealing and reenacting, ~~without~~ with amendments,  
 25 Article - Business Regulation  
 26 Section 11-402, ~~11-615, and 11-616~~ 11-403(a), 11-406, 11-504(a), 11-514,  
 27 11-515, 11-613(c), 11-803, 11-804.1, 11-804.2, and 11-811(e)(5) and (6)  
 28 11-811(d) and (e)(5) and (6), and 11-825(a)  
 29 Annotated Code of Maryland  
 30 (1998 Replacement Volume and 1999 Supplement)

31 ~~BY repealing and reenacting, without amendments,~~  
 32 ~~Article - Business Regulation~~  
 33 ~~Section 11-406~~  
 34 ~~Annotated Code of Maryland~~  
 35 ~~(1998 Replacement Volume and 1999 Supplement)~~  
 36 ~~(As enacted by Chapter 477 of the Acts of the General Assembly of 1998)~~

37 BY adding to  
 38 Article - Business Regulation  
 39 Section 11-402.1 ~~and 11-515.1, 11-515.2, and 11-811(e)(6) and (7);~~  
 40 ~~and 11-1201 through 11-1206~~ 11-1208, to be under the new subtitle  
 41 "Subtitle 12. Maryland Racing Facility Redevelopment Program"  
 42 Annotated Code of Maryland  
 43 (1998 Replacement Volume and 1999 Supplement)

1 BY repealing and reenacting, with amendments,  
2 Article - Business Regulation  
3 Section ~~11-514, 11-515, and 11-614~~ 11-616  
4 Annotated Code of Maryland  
5 (1998 Replacement Volume and 1999 Supplement)  
6 (As enacted by Chapter 750 of the Acts of the General Assembly of 1997)

7 BY repealing  
8 Article - Business Regulation  
9 Section ~~11-517, 11-521, and 11-630~~ 11-630, 11-804(e), and 11-811(f)  
10 Annotated Code of Maryland  
11 (1998 Replacement Volume and 1999 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article - Business Regulation  
14 Section 11-402  
15 Annotated Code of Maryland  
16 (1998 Replacement Volume and 1999 Supplement)  
17 (As enacted by Section 1 of this Act)

18 BY repealing and reenacting, with amendments,  
19 Article - Business Regulation  
20 Section 11-803  
21 Annotated Code of Maryland  
22 (1998 Replacement Volume and 1999 Supplement)  
23 (As enacted by Chapter 748 of the Acts of the General Assembly of 1997)

24 ~~BY repealing and reenacting, with amendments,~~  
25 ~~Chapter 750 of the Acts of the General Assembly of 1997, as amended by~~  
26 ~~Chapter 477 of the Acts of the General Assembly of 1998 and Chapter 291~~  
27 ~~of the Acts of the General Assembly of 1999~~  
28 ~~Section 5~~

29 Preamble

30 WHEREAS, Since the 1700s, Maryland's horse industry has been part of the  
31 cultural and historical fabric of the State; and

32 WHEREAS, Maryland is home to historic Pimlico Race Course which was  
33 founded in 1870 and Laurel Park which was founded in ~~1994~~ 1911; and

34 WHEREAS, Pimlico Race Course and Laurel Park are in need of modernization;  
35 and

1     WHEREAS, Rosecroft Race Course was constructed in 1949 and the last major  
2     renovation was in 1991; and

3     WHEREAS, Maryland's horse industry reaches across the State affecting farm  
4 owners, breeders, horsemen, and track personnel from the Eastern Shore to Western  
5 Maryland; and

6     WHEREAS, The more than 900 horse farms in Maryland that encompass more  
7 than 200,000 acres provide employment for many Marylanders, preserve green open  
8 spaces, and positively impact on land values; and

9     WHEREAS, The State of Maryland and its citizens would benefit from the  
10 retention of open spaces and green spaces in agricultural use, and it is necessary to  
11 provide additional programs and funding to preserve the State's horse farms; and

12    WHEREAS, The horse industry employs more than 15,000 people and  
13 generates nearly \$1 billion annually in economic activity for the State, more than any  
14 other professional sport in the State; and

15    WHEREAS, The General Assembly finds and declares that the Maryland  
16 horse industry is vulnerable to a decline; and

17    WHEREAS, The competition from other states for quality racehorses and the  
18 betting dollars has increased as a result of mechanisms aimed at increasing purse  
19 structures and providing funds for capital improvements to racing facilities in those  
20 states; and

21    WHEREAS, The General Assembly finds and declares that this Act is  
22 necessary to preserve, restore, and revitalize the horse racing and breeding industries  
23 and preserve in Maryland the economic impact associated with these industries; and

24    WHEREAS, Increased funding for the redevelopment of racing facilities in the  
25 State will enhance the appeal of the sport, and increased attendance will support  
26 industry growth; now, therefore,

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

29                                   **Article - Business Regulation**

30 11-402.

31    The Special Fund consists of:

- 32                   (1)     the State share of daily licensee fees;
- 33                   (2)     pari-mutuel taxes;
- 34                   (3)     the impact aid under § 11-812 of this title;

1           (4)     ~~except as provided in § 11-521 of this title,~~ money from uncashed  
2 pari-mutuel tickets that are from bets made into the betting pools of ~~nonharness~~  
3 licensees; and

4           (5)     any permit fees under §§ 11-820 and 11-832 of this title.

5 ~~11-402.1.~~

6     ~~(A)     EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE~~  
7 ~~COMPTROLLER SHALL PAY FROM THE SPECIAL FUND ESTABLISHED UNDER § 11-401~~  
8 ~~OF THIS SUBTITLE TO THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION AN~~  
9 ~~AMOUNT EQUAL TO THE PARI MUTUEL TAXES COLLECTED.~~

10    ~~(B)     ON CERTIFICATION BY THE MARYLAND ECONOMIC DEVELOPMENT~~  
11 ~~CORPORATION TO THE COMPTROLLER THAT THE FULL AMOUNT OF PARI MUTUEL~~  
12 ~~TAXES COLLECTED IS NOT NEEDED BY THE CORPORATION, THE COMPTROLLER~~  
13 ~~SHALL PAY FROM THE SPECIAL FUND TO THE CORPORATION PART OF THE~~  
14 ~~PARI MUTUEL TAXES COLLECTED IN AN AMOUNT DETERMINED BY THE~~  
15 ~~CORPORATION.~~

16 11-403.

17     (a)     The Comptroller shall pay from the Special Fund an annual grant of:

18           (1)     \$825,000 to the Maryland Agricultural Fair Board to promote State  
19 and county agricultural fairs and exhibits;

20           (2)     \$100,000 to Prince George's County to replace money formerly  
21 received from the admissions and amusement tax;

22           (3)     \$40,000 to the Great Frederick Fair to support exhibition harness  
23 racing with money for construction and maintenance of new stalls, track  
24 maintenance, and purses;

25           (4)     \$50 to the City of Bowie for each day that the training facilities are  
26 open at the Bowie Race Course Training Center;

27           (5)     \$75,000 to the Maryland Agricultural Education Foundation, Inc., to  
28 promote and enhance statewide agricultural education; [and]

29           (6)     an amount not to exceed \$30,000 in fiscal year 1998 and \$20,000 in  
30 each fiscal year thereafter to the Great Pocomoke Fair, Inc. to support exhibition  
31 harness racing with money for construction and maintenance of new stalls, track  
32 maintenance, and purses;

33           (7)     \$500,000 TO THE MARYLAND MILLION, LTD. TO SUPPORT AND  
34 PROMOTE THE RUNNING OF MARYLAND MILLION RACES; AND

35           (8)     \$350,000 TO THE MARYLAND STANDARDBRED RACE FUND FOR THE  
36 SIRE STAKES PROGRAM.

1 11-406.

2 After all deductions from the Special Fund are made, money that remains in the  
3 Special Fund shall be ~~paid into the General Fund of the State~~ ALLOCATED IN THE  
4 FOLLOWING WAY:

5 (1) 70% TO THE MARYLAND-BRED RACE FUND; AND

6 (2) 30% TO THE MARYLAND STANDARD BRED RACE FUND, TO BE DIVIDED  
7 EQUALLY BETWEEN THE SIRE STAKES PROGRAM AND THE FOAL STAKES  
8 PROGRAM.

9 11-504.

10 (a) (1) A licensee may [not] hold LIVE racing after 6:15 p.m. BUT NOT  
11 LATER THAN 9:00 P.M. [unless] IF:

12 [(1)] (I) circumstances beyond the control of the licensee cause a delay;

13 [(2)] (II) the racing day is of national prominence; or

14 [(3)] the racing consists of betting on races held at an out-of-state track,  
15 and the racing is:]

16 (III) THE RACING IS APPROVED BY THE HARNESS TRACK LICENSEE  
17 WHOSE TRACK IS CLOSEST TO THE LICENSEE'S TRACK, THE GROUP THAT  
18 REPRESENTS A MAJORITY OF THE OWNERS AND TRAINERS WHO RACE HORSES AT  
19 THAT HARNESS TRACK, AND THE GROUP THAT REPRESENTS A MAJORITY OF THE  
20 HARNESS BREEDERS IN THIS STATE.

21 (2) A LICENSEE MAY HOLD RACING AFTER 6:15 P.M. THAT CONSISTS OF  
22 BETTING ON RACES HELD AT AN OUT-OF-STATE TRACK, IF THE RACING IS:

23 (i) authorized under § 11-804 of this title; and

24 (ii) approved by the harness track licensee whose track is closest to  
25 the licensee's track, the group that represents a majority of the owners and trainers  
26 who race horses at that harness track, and the group that represents a majority of the  
27 harness breeders in this State.

28 (3) NOTWITHSTANDING ANY APPROVAL FOR RACING AFTER 6:15 P.M.,  
29 ELECTRICAL OR ARTIFICIAL ILLUMINATION, NECESSARY FOR THE PURPOSE OF  
30 HOLDING LIVE RACING, MAY NOT BE PERMITTED AT PIMLICO RACE COURSE.

31 (4) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OR (2) OF  
32 THIS SUBSECTION, A LICENSEE IN ALLEGANY COUNTY MAY HOLD LIVE OR  
33 SIMULCAST RACING AFTER 6:15 P.M., BUT NOT LATER THAN 11:30 P.M., UNLESS  
34 CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE CAUSE A DELAY.

1 ~~11-514.~~

2       (a)     ~~A licensee shall deduct from the handle:~~

3               (1)     ~~all the breakage;~~

4               (2)     ~~[17%] 17.25% from each regular mutuel pool;~~

5               (3)     ~~[19%] 21.75% from each multiple mutuel pool on 2 horses; and~~

6               (4)     ~~[25%] 25.25% from each multiple mutuel pool on 3 or more horses.~~

7       (b)     ~~Money that remains after deductions are made under subsection (a) of this~~  
8 ~~section shall be returned as winnings to successful bettors.~~

9 11-515.1.

10       (A)     (1)     NOTWITHSTANDING § 11-515 OF THIS SUBTITLE, THE AMOUNT OF  
11 THE TAKEOUT RELATING TO PURSES, THE MARYLANDBRED RACE FUND, AND THE  
12 AMOUNT RETAINED BY THE LICENSEE MAY BE ALLOCATED IN ACCORDANCE WITH  
13 THE TERMS OF A WRITTEN AGREEMENT SIGNED BY THE AUTHORIZED  
14 REPRESENTATIVES OF:

15               (I)     THE LICENSEE;

16               (II)    THE GROUP THAT REPRESENTS A MAJORITY OF THE OWNERS  
17 AND TRAINERS LICENSED IN THE STATE AT THE TIME THE AGREEMENT IS SIGNED;  
18 AND

19               (III)   THE GROUP THAT REPRESENTS A MAJORITY OF THE BREEDERS  
20 IN THE STATE AT THE TIME THE AGREEMENT IS SIGNED.

21       (2)     NOTHING IN THIS SUBSECTION MAY BE CONSTRUED TO PERMIT THE  
22 LICENSEE TO IN ANY WAY ALTER THE MANDATORY TAKEOUT ALLOCATED TO THE  
23 COMMISSION FOR:

24               (I)     THE STATE TAX; OR

25               (II)    THE PAYMENT TO THE RACING REDEVELOPMENT BOND FUND  
26 FOR THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION.

27 [11-517.

28       (a)     In this section, "increased revenue" means the revenue from the increased  
29 percentage of the takeout that has been allocated since July 1, 1985, to a licensee.

30       (b)     Increased revenue is provided so that a licensee shall improve the facilities  
31 and services of its track and increase its marketing activity, so as to promote:

32               (1)     increased attendance and pari-mutuel betting; and

(2) enhanced well-being of the racing industry.

(d) The General Assembly, by statute, may direct that the Commission not award in the following calendar year part or all of the additional racing days authorized under § 11-511 of this subtitle to the licensee, if the General Assembly finds that:

(1) the proposed use of the increased revenue is inconsistent with the purposes specified under this section; or

(2) the licensee has not spent the increased revenue as proposed.

(e) In addition to the expenditures required by subsection (b) of this section, in each year a licensee shall spend for capital improvements, marketing, public relations, and maintenance not less than the average yearly expenditure for the same activities in the 3 fiscal years of the licensee that immediately preceded April 9, 1985.]

[11-521.

(a) \$500,000 in money from uncashed pari-mutuel tickets that are from bets made into the mutuel pools of mile thoroughbred licensees shall be paid to the Maryland Million, Ltd., as a grant to support and promote the running of Maryland Million races.

(b) There is a special fund to be used only for marketing, purses, and promotion activities directly related to the running of the Maryland Million races.

(c) In accordance with § 7-209 of the State Finance and Procurement Article, the Governor by budgetary amendment shall allocate money from the special fund under subsection (b) of this section as a grant to the Maryland Million, Ltd., for marketing, purses, and promotional activities directly related to the running of Maryland Million races.]

~~11-615.~~

~~(a) From a licensee's share of the takeout on each mutuel pool, the licensee whose average handle is over \$600,000 shall allocate equally to the Sires Stakes Program and the Foaled Stakes Program of the Maryland Standardbred Race Fund the following amounts:~~

~~(1) on the first \$125,000 of the average handle:~~

~~(i) 0.50% of each regular mutuel pool;~~

~~(ii) 0.50% of each multiple mutuel pool on 2 horses; and~~

~~(iii) 1% of each multiple mutuel pool on 3 or more horses.~~

~~(2) on the rest of the average handle:~~



- (i) 1% of each regular mutuel pool;
- (ii) 1% of each multiple mutuel pool on 2 horses; and
- (iii) 1.5% of each multiple mutuel pool on 3 or more horses.
- (b) From the licensee's share of the takeout, the licensee shall allocate 0.50% on the part of an average handle over \$150,000 to pay for:
- (1) purses;
- (2) personnel related expenses, physical improvements, track maintenance, and indebtedness related to the track, including indebtedness for clubhouse and grandstand construction; and
- (3) maintenance of proper living conditions in the backstretch.
- (c) (1) From the licensee's share of the takeout, the licensee shall allocate 0.25% of each mutuel pool to improve the facilities and services of the track and to increase marketing activity, so as to promote:
- (i) increased attendance and pari-mutuel betting; and
- (ii) enhanced well being of the standardbred racing industry.
- (2) The General Assembly, by statute, may direct that the Commission not award in the following calendar year part or all of the racing days authorized under § 11-610 of this subtitle to the licensee if the General Assembly finds that:
- (i) the proposed use of the allocation under this subsection is inconsistent with the purposes specified in this section; or
- (ii) the licensee has not spent the allocation in a way that is consistent with the proposal.
- (d) From the licensee's share of the takeout on each multiple mutuel pool on 2 horses, the licensee shall allocate at least 1% of the mutuel pool as follows:
- (1) one-half to purses; and
- (2) one-half to personnel related expenses, physical improvements, track maintenance, and indebtedness related to the track, including indebtedness for clubhouse and grandstand construction.
- (e) From the licensee's share of the takeout on each multiple mutuel pool on 3 or more horses, a licensee shall allocate at least 6.5% of each mutuel pool as follows:
- (1) one-half to purses; and

1           (2)     ~~one half to personnel related expenses, physical improvements,~~  
2 ~~track maintenance, and indebtedness related to the track, including indebtedness for~~  
3 ~~clubhouse and grandstand construction.~~

4 [11-630.

5     Money from uncashed pari-mutuel tickets that are from bets made into the  
6 betting pools of harness licensees shall be paid to the Fund and allocated to the Sire  
7 Stakes Program.]

8 11-803.

9     (a)     If a winning ticket is not redeemed within 1 year, the licensee into whose  
10 betting pool the bet was placed shall pay the amount needed to redeem the ticket to [:

11           (1)     the Maryland Standardbred Race Fund under § 11-630 of this title  
12 for bets made into the betting pools of a harness licensee;

13           (2)     the Commission, for bets made into the betting pools of a mile  
14 thoroughbred licensee, to be credited as follows:

15                   (i)     \$500,000 to the special fund under § 11-521 of this title; and

16                   (ii)    the remainder to the special fund under Subtitle 4 of this title;  
17 or

18           (3)]     the Commission [for all other bets,] to be credited to the special fund  
19 under Subtitle 4 of this title.

20     (b)     Every year for the preceding calendar year, each licensee shall:

21           (1)     report to the Commission the amount payable to the [Maryland  
22 Standardbred Race Fund or the] Commission under this section; and

23           (2)     pay that amount to the [Maryland Standardbred Race Fund or the]  
24 Commission [,whichever is applicable].

25     (c)     (1)     The license of a licensee shall be revoked if the licensee:

26                   (i)     fails to report when money under this section is due; or

27                   (ii)    knowingly or willfully submits a report that understates the  
28 amount due.

29           (2)     A license whose license is revoked under this subsection may not hold  
30 a license for at least one year.

31 11-804.

32     [(e)     A contract with an out-of-state track under this section is subject to the  
33 approval of the group that represents a majority of the owners and trainers who race

1 horses at that track and the group that represents a majority of the applicable  
2 breeders in this State.]

3 11-804.1.

4 (a) Subject to the Interstate Horseracing Act of 1978, 15 U.S.C. §§ 3001  
5 through 3007, a licensee may simulcast races held in this State to another jurisdiction  
6 where betting on racing is lawful.

7 (b) All payments to the licensee under this section shall be allocated to the  
8 licensee, purses, and the applicable bred fund [in the way agreed to by:

9 (1) the licensee;

10 (2) the group that represents a majority of the applicable owners and  
11 trainers licensed in the State; and

12 (3) the group that represents a majority of the applicable breeders in the  
13 State] AS DETERMINED BY THE LICENSEE.

14 11-804.2.

15 Notwithstanding § 11-804(c) of this subtitle, a licensee [that has not conducted  
16 racing before January 1, 1999,] IN ALLEGANY COUNTY may [only] conduct  
17 pari-mutuel betting under § 11-804 of this subtitle ON A DAY WHEN THE  
18 COMMISSION HAS AUTHORIZED THE LICENSEE TO HOLD RACING ONLY:

19 (1) at the track of the licensee; [or

20 (2) at a satellite simulcast facility, or its predecessor, at which satellite  
21 simulcast wagering was not conducted prior to January 1, 1999.]

22 (2) AT A SATELLITE SIMULCAST FACILITY:

23 (I) IN WHICH THE LICENSEE HAS MAJORITY OWNERSHIP  
24 INTEREST; AND

25 (II) WHICH COMPLIES WITH THE REQUIREMENTS OF § 11-825(A) OF  
26 THIS SUBTITLE; OR

27 (3) AT A RECEIVING TRACK LOCATED MORE THAN 35 MILES FROM ANY  
28 OF LAUREL PARK, PIMLICO RACE COURSE, AND ROSECROFT RACEWAY.

29 11-811.

30 (d) The Commission may authorize licensees, Fair Hill, or the State Fair  
31 Society to participate in intertrack betting by operating sending tracks and receiving  
32 tracks only if:

33 (1) the operators of the sending track and the receiving track submit a  
34 joint application to the Commission;

1           (2)     the Commission holds a public hearing on the matter;

2           (3)     the operator of the receiving track shows to the satisfaction of the  
3 Commission that the operator has held, is holding, or will hold regularly scheduled  
4 race meetings at the receiving track in accordance with a license and has complied  
5 with the terms of the license; and

6           (4)     the receiving track meets the requirements of subsection (e) of this  
7 section, unless the Commission has waived them[, and subsection (f) of this section].

8     [(f)   (1)     Intertrack betting may be held only if the organizations specified in  
9 this subsection approve the agreement between the receiving track and the sending  
10 track to simulcast races.

11           (2)     If the sending track is a mile thoroughbred track or a track where  
12 racing is conducted by the State Fair Society or Fair Hill, approval shall be by an  
13 organization representing:

14                   (i)     a majority of the owners and trainers at the sending track; and

15                   (ii)    a majority of the thoroughbred breeders in the State.

16           (3)     If the sending track is a harness track, approval shall be by an  
17 organization representing:

18                   (i)     a majority of the owners, trainers, and drivers of standardbred  
19 horses at the sending track, and

20                   (ii)    a majority of the standardbred breeders in the State.

21           (4)     If the receiving track is a mile thoroughbred track or a track where  
22 racing is conducted by the State Fair Society, approval shall be by an organization  
23 representing:

24                   (i)     a majority of the owners and trainers at the receiving track; and

25                   (ii)    a majority of the thoroughbred breeders in the State.

26           (5)     If the receiving track is a harness track, approval shall be by an  
27 organization representing:

28                   (i)     a majority of the owners, trainers, and drivers of standardbred  
29 horses at the harness track; and

30                   (ii)    a majority of the standardbred breeders in the State.]

31     (e)    (5)     A track in Allegany County may be a sending track only:

32                   (I)     TO ANY RECEIVING TRACK:

1                    [(i)]    1.        on days when the track is licensed to conduct and actually  
2 conducts live racing; and

3                    [(ii)]   2.        for live races conducted at the track; OR

4                    (II)        TO A RECEIVING TRACK LOCATED MORE THAN 35 MILES FROM  
5 ANY OF LAUREL PARK, PIMLICO RACE COURSE, AND ROSECROFT RACEWAY:

6                    1.        ON ANY DAY THE COMMISSION HAS AUTHORIZED THE  
7 LICENSEE TO HOLD RACING; AND

8                    2.        FOR LIVE AND SIMULCAST RACES CONDUCTED AT THE  
9 TRACK.

10                (6)        SUBJECT TO § 11-804.2 OF THIS SUBTITLE, NOTHING IN PARAGRAPH  
11 (5) OF THIS SUBSECTION SHALL LIMIT THE ABILITY OF A TRACK IN ALLEGANY  
12 COUNTY TO ACT AS A SENDING TRACK TO A SATELLITE SIMULCAST FACILITY.

13                (7)        A TRACK IN ALLEGANY COUNTY MAY BE A RECEIVING TRACK:

14                    (I)        DURING ITS OPENING YEAR IF IT HAS SCHEDULED AT LEAST 21  
15 DAYS OF LIVE RACING TO OCCUR WITHIN 12 MONTHS OF ITS OPENING AND THE  
16 COMMISSION HAS GRANTED ITS APPLICATION TO RACE ON THOSE DAYS; AND

17                    (II)        IN SUBSEQUENT YEARS IF AT LEAST 21 DAYS OF LIVE RACING  
18 WERE HELD AT THE TRACK IN THE PREVIOUS CALENDAR YEAR.

19                [(6)]    (8)        The Commission may waive a requirement of this subsection if  
20 the receiving track could not meet the requirement because of:

21                    (i)        an act of God; or

22                    (ii)       what the Commission finds to be an emergency.

23 11-825.

24                (a)        A satellite simulcast facility:

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

26                    (2)        may not be within a 35-mile radius of any mile thoroughbred track or  
27 harness track unless approved by the track licensee[, the group that represents a  
28 majority of the applicable owners and trainers licensed in the State and the group  
29 that represents a majority of the applicable breeders in the State, considered  
30 separately];

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

1                   (4)       shall offer pari-mutuel betting facilities and amenities that the

2 Commission finds are:

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

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

7                               2.       teletheatre screen capacity; and

8                   (ii)       appropriate for the area where the satellite simulcast facility is  
9 located.

10                               SUBTITLE 12. MARYLAND RACING FACILITY REDEVELOPMENT PROGRAM.

11 11-1201.

12       (A)       IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
13 INDICATED.

14       (B)       "AUTHORITY" MEANS THE MARYLAND STADIUM AUTHORITY.

15       ~~(B)~~       (C)       "CORPORATION" MEANS THE MARYLAND ECONOMIC DEVELOPMENT  
16 CORPORATION.

17       ~~(C)~~       (D)       "ELIGIBLE RACING LICENSEE" MEANS A MILE THOROUGHBRED  
18 LICENSEE OR A HARNESS RACING LICENSEE THAT CONDUCTS LIVE RACING ~~WHEN~~  
19 AT THE TIME BONDS ARE ISSUED AND ALLOCATES TAKEOUT TO THE CORPORATION  
20 UNDER § 11-515 OR ~~§ 11-614~~ § 11-616 OF THIS TITLE.

21       (E)       "FUND" MEANS THE RACING FACILITY REDEVELOPMENT BOND FUND  
22 ESTABLISHED UNDER § 11-616 OF THIS SUBTITLE.

23       ~~(D)~~       (F)       "RACING FACILITY" MEANS A RACE TRACK OR ~~A SATELLITE~~  
24 ~~SIMULCAST TRAINING~~ FACILITY OWNED, OPERATED, OR CONTROLLED BY AN  
25 ELIGIBLE RACING LICENSEE OR COMBINATION OF ELIGIBLE RACING LICENSEES.

26 11-1202.

27       (A)       THE COMMISSION SHALL ESTABLISH A MARYLAND RACING FACILITY  
28 REDEVELOPMENT PROGRAM.

29       (B)       TO CARRY OUT THE PROGRAM, THE COMMISSION:

30               (1)       SHALL REVIEW, IN ACCORDANCE WITH THE PROVISIONS OF § 11-1203  
31 OF THIS SUBTITLE, RACING FACILITY MASTER PLANS THAT ELIGIBLE RACING  
32 LICENSEES SUBMIT UNDER § 11-1203(A) OF THIS SUBTITLE; AND

33               (2)       ~~MAY APPROVE~~ SHALL SUBMIT TO THE AUTHORITY FOR APPROVAL  
34 UNDER §§ 11-1204 AND 11-1207 OF THIS SUBTITLE, REQUESTS FROM ELIGIBLE

1 RACING LICENSEES TO USE PROCEEDS FROM BONDS ISSUED BY THE MARYLAND  
2 ECONOMIC DEVELOPMENT CORPORATION FOR CAPITAL IMPROVEMENTS OR  
3 RELATED EXPENDITURES.

4 11-1203.

5 (A) BEFORE RECEIVING ASSISTANCE UNDER § 11-1204 OF THIS SUBTITLE FOR  
6 A SPECIFIC CAPITAL IMPROVEMENT OR EXPENDITURE, AN ELIGIBLE RACING  
7 LICENSEE SHALL SUBMIT FOR APPROVAL TO THE COMMISSION A RACING FACILITY  
8 MASTER PLAN.

9 (B) THE COMMISSION SHALL APPROVE AN ELIGIBLE RACING LICENSEE'S  
10 RACING FACILITY MASTER PLAN IF:

11 (1) THE COMMISSION FINDS THAT THE PLAN IS IN THE BEST INTEREST  
12 OF RACING IN THE STATE;

13 (2) THE APPLICANT SUBMITS A STATEMENT THAT THE PLAN MEETS  
14 APPLICABLE LAND USE LAWS AND REGULATIONS;

15 (3) FOR PIMLICO RACE COURSE IN BALTIMORE CITY, THE APPLICANT  
16 SUBMITS A STATEMENT THAT THE PLAN MEETS THE REQUIREMENTS OF THE  
17 BALTIMORE CITY PLANNED UNIT DEVELOPMENT ORDINANCE 75-977;

18 (4) THE APPLICANT SUBMITS A FEASIBILITY STUDY OF THE PROPOSED  
19 IMPROVEMENTS AND RELATED EXPENDITURES, INCLUDING IMPACT ON BETTING  
20 AND REVENUES AT THE RACING FACILITY; ~~AND~~

21 (5) THE APPLICANT PROVIDES INFORMATION ON THE AMOUNT OF  
22 EXPENDITURES RELATED TO THE IMPROVEMENTS THAT WILL BE PAID TO MINORITY  
23 BUSINESS ENTERPRISES AND COMMITS TO A MINORITY PARTICIPATION GOAL OF AT  
24 LEAST 14% OF THE AMOUNT OF THE CONTRACTS; AND

25 (6) THE AUTHORITY HAS REVIEWED THE MASTER PLAN AND PROVIDED  
26 INPUT TO THE COMMISSION.

27 (C) IF THE COMMISSION DISAPPROVES A MASTER PLAN, THE COMMISSION  
28 SHALL STATE FINDINGS OF FACT FOR THE DISAPPROVAL.

29 (D) IF A MASTER PLAN IS DISAPPROVED, THE LICENSEE MAY ADDRESS THE  
30 COMMISSION'S STATED REASONS FOR DISAPPROVAL AND RE-SUBMIT THE PLAN.

31 (E) UPON APPLICATION BY THE LICENSEE, THE COMMISSION MAY APPROVE  
32 AMENDMENTS TO THE PLAN SUBJECT TO THE PROVISIONS OF THIS SECTION.

33 (F) THE CORPORATION MAY RELEASE FUNDS TO AN ELIGIBLE LICENSEE  
34 ONLY AFTER THE LICENSEE COMPLIES WITH THE PROVISIONS OF §§ 11-1204 AND  
35 11-1207 OF THIS SUBTITLE.

1     ~~(E)~~     (G)     THE CORPORATION MAY ISSUE A BOND AFTER THE COMMISSION  
2 NOTIFIES THE CORPORATION THAT A RACING FACILITY MASTER PLAN HAS BEEN  
3 APPROVED.

4 11-1204.

5     (A)     SUBJECT TO THE AVAILABILITY OF FUNDS, AN ELIGIBLE RACING  
6 LICENSEE QUALIFIES FOR ASSISTANCE FROM THE MARYLAND ~~RACE TRACK~~  
7 ~~IMPROVEMENT PROGRAM IF THE COMMISSION APPROVES AN APPLICATION~~ RACING  
8 FACILITY REDEVELOPMENT PROGRAM IF THE ELIGIBLE LICENSEE COMPLIES WITH  
9 THE PROVISIONS OF THIS SECTION AND § 11-1207 OF THIS SUBTITLE.

10    (B)     FUNDS AVAILABLE TO ELIGIBLE RACING LICENSEES FOR ASSISTANCE  
11 WITH CAPITAL IMPROVEMENTS AND RELATED EXPENDITURES UNDER THIS SECTION  
12 INCLUDE:

13           (1)     PROCEEDS FROM THE SALE OF BONDS BY THE CORPORATION UNDER  
14 TITLE 5, SUBTITLE 2 OF ARTICLE 83A OF THE CODE;

15           (2)     FUNDS APPROPRIATED FOR ASSISTANCE WITH CAPITAL  
16 IMPROVEMENTS AND RELATED COSTS; AND

17           (3)     REVENUES COLLECTED OR RECEIVED BY THE CORPORATION FROM  
18 ANY SOURCES, ~~INCLUDING THOSE ESTABLISHED UNDER §§ 11-402.1, 11-515, AND~~  
19 ~~11-614 OF THIS TITLE~~; THAT ARE RELATED TO RACING FACILITIES.

20    (C)     ~~THE COMMISSION SHALL APPROVE AN APPLICATION~~ AN ELIGIBLE  
21 LICENSEE'S REQUEST FOR ASSISTANCE FOR A SPECIFIC CAPITAL IMPROVEMENT  
22 AND RELATED EXPENDITURES SHALL:

23           (1)     ~~THE SPECIFIC CAPITAL IMPROVEMENT IS CONTAINED WITHIN A~~  
24 ~~RACING FACILITY MASTER PLAN THAT HAS BEEN APPROVED BY THE COMMISSION~~  
25 ~~UNDER § 11-1203 OF THIS SUBTITLE~~ BE APPROVED BY THE AUTHORITY UNDER §  
26 11-1207 OF THIS SUBTITLE; AND

27           (2)     ~~THE APPLICANT PROVIDES IF THE APPLICANT IS A MILE~~  
28 ~~THOROUGHBRED LICENSEE, PROVIDE EVIDENCE THAT THE APPLICANT AND IT~~  
29 ~~AFFILIATES WILL MAKE CAPITAL EXPENDITURES~~ EXPENDITURES FOR PHYSICAL  
30 IMPROVEMENTS IN ADDITION TO THE ASSISTANCE GRANTED UNDER THIS SUBTITLE:

31                   (I)     ~~IN THE YEAR FOR WHICH ASSISTANCE UNDER THIS SUBTITLE~~  
32 ~~IS REQUESTED~~ EACH YEAR BONDS ISSUED BY THE CORPORATION ARE  
33 OUTSTANDING; AND

34                   (II)    ~~IN AN AMOUNT NOT LESS THAN THE AVERAGE AMOUNT OF~~  
35 ~~CAPITAL EXPENDITURES MADE DURING THE CALENDAR YEARS FROM 1994 THROUGH~~  
36 ~~1998~~ AMOUNT ALLOCATED TO THE RACING FACILITY REDEVELOPMENT BOND FUND  
37 BY THE APPLICANT AND ITS AFFILIATES UNDER § 11-515 OF THIS TITLE IN THAT  
38 YEAR.



1 (D) ~~THE COMMISSION AUTHORITY~~ SHALL NOTIFY THE CORPORATION OF THE  
2 APPROVAL OF AN APPLICATION UNDER THIS SECTION BEFORE THE CORPORATION  
3 MAY RELEASE FUNDS TO AN ELIGIBLE RACING LICENSEE.

4 11-1205.

5 ~~TOTAL ASSISTANCE GRANTED TO ELIGIBLE RACING LICENSEES UNDER THIS~~  
6 ~~SUBTITLE SHALL BE APPORTIONED IN THE FOLLOWING MANNER:~~

7 (A) EXCEPT FOR THE AMOUNT OF ASSISTANCE, IF ANY, GRANTED TO AN  
8 ELIGIBLE LICENSEE LOCATED IN ALLEGANY COUNTY, TOTAL ASSISTANCE GRANTED  
9 TO ELIGIBLE RACING LICENSEES UNDER THIS SUBTITLE SHALL BE APPORTIONED IN  
10 THE FOLLOWING MANNER:

11 (1) 80% TO ELIGIBLE RACING LICENSEES THAT ARE MILE  
12 THOROUGHBRED RACING LICENSEES; AND

13 (2) 20% TO ELIGIBLE RACING LICENSEES THAT ARE HARNESS RACING  
14 LICENSEES.

15 (B) THE TOTAL ASSISTANCE GRANTED TO AN ELIGIBLE RACING LICENSEE  
16 THAT IS LOCATED IN ALLEGANY COUNTY, INCLUDING THE AMOUNT OF BONDS  
17 ISSUED BY THE CORPORATION, MAY NOT BE MORE THAN A PROPORTIONATE  
18 AMOUNT OF TOTAL ASSISTANCE GRANTED TO ALL LICENSEES UNDER THIS  
19 SUBTITLE BASED ON THE TAKEOUT ALLOCATED TO THE RACING FACILITY  
20 REDEVELOPMENT BOND FUND BY THE LICENSEE LOCATED IN ALLEGANY COUNTY  
21 COMPARED TO THE TAKEOUT ALLOCATED TO THE BOND FUND BY ALL ELIGIBLE  
22 LICENSEES.

23 11-1206.

24 (A) THERE IS A RACING FACILITY REDEVELOPMENT BOND FUND.

25 (B) THE CORPORATION SHALL USE THE FUND AS A NONLAPSING REVOLVING  
26 FUND FOR CARRYING OUT THE PROVISIONS OF THIS SUBTITLE RELATING TO RACING  
27 FACILITIES.

28 (C) ALL OF THE FOLLOWING RECEIPTS OF THE COMMISSION SHALL BE  
29 PLACED IN THE FUND:

30 (1) THE TAKEOUT ALLOCATION UNDER § 11-515 OF THIS TITLE FROM  
31 MILE THOROUGHBRED LICENSEES;

32 (2) THE TAKEOUT ALLOCATION UNDER § 11-616 OF THIS TITLE FROM  
33 HARNESS LICENSEES;

34 (3) EFFECTIVE JULY 1, 2001 AND SUBJECT TO THE PROVISIONS OF  
35 SUBSECTION (D) OF THIS SECTION, MONEY FROM UNCASHED PARI-MUTUEL TICKETS  
36 PAID BY LICENSEES TO THE COMMISSION UNDER § 11-803 OF THIS TITLE; AND

1           (4)     ANY OTHER REVENUE, GIFT, DONATION, OR OTHER SOURCE UNDER  
2 A WRITTEN AGREEMENT BETWEEN THE ELIGIBLE LICENSEES AND THE  
3 CORPORATION.

4       (D)     (1)     TO THE EXTENT DEEMED APPROPRIATE BY THE CORPORATION, THE  
5 RECEIPTS OF THE FUND SHALL BE PLEDGED TO AND CHARGED WITH THE PAYMENT  
6 OF:

7                     (I)     DEBT SERVICE ON CORPORATION BONDS FOR RACING  
8 FACILITIES;

9                     (II)    ALL REASONABLE CHARGES AND EXPENSES RELATED TO  
10 CORPORATION BORROWING AND THE MANAGEMENT OF CORPORATION  
11 OBLIGATIONS RELATED TO RACING FACILITIES; AND

12                    (III)   ALL REASONABLE CHARGES AND EXPENSES RELATED TO THE  
13 AUTHORITY'S REVIEW OF RACING FACILITIES PURSUANT TO THE PROVISIONS OF  
14 THIS SUBTITLE.

15           (2)     BEGINNING JULY 1, 2002 AND ANNUALLY THEREAFTER, TO THE  
16 EXTENT DEEMED APPROPRIATE BY THE CORPORATION, THE RECEIPTS OF THE FUND  
17 RELATED TO UNCASHED PARI-MUTUEL TICKETS UNDER SUBSECTION (C)(3) OF THIS  
18 SECTION THAT ARE NOT NEEDED TO PAY THE COSTS UNDER PARAGRAPH (1) OF THIS  
19 SUBSECTION SHALL BE PAID TO THE COMMISSION TO BE CREDITED TO THE RACING  
20 SPECIAL FUND ESTABLISHED UNDER § 11-401 OF THIS TITLE.

21       (E)     (1)     THE FUND SHALL BE INVESTED AND REINVESTED BY THE  
22 TREASURER IN THE SAME MANNER AS STATE FUNDS.

23                    (2)     ANY INVESTMENT EARNINGS SHALL BE TRANSFERRED TO THE  
24 CREDIT OF THE FUND.

25       (F)     NOTHING IN THIS SECTION MAY BE CONSTRUED TO LIMIT OR ALTER THE  
26 POWERS GRANTED TO THE CORPORATION BY LAW.

27 11-1207.

28       (A)     BEFORE A LICENSEE MAY RECEIVE ANY ASSISTANCE UNDER THIS  
29 SUBTITLE, THE AUTHORITY SHALL REVIEW AND DETERMINE WHETHER TO APPROVE  
30 OR DISAPPROVE ALL CAPITAL IMPROVEMENTS OF AN ELIGIBLE RACING LICENSEE  
31 WHICH ARE FUNDED IN WHOLE OR IN PART BY PROCEEDS FROM BONDS ISSUED BY  
32 THE CORPORATION.

33       (B)     APPROVAL BY THE AUTHORITY SHALL BE GIVEN IF THE FOLLOWING  
34 CONDITIONS ARE MET:

35                    (1)     THE PROPOSED CAPITAL IMPROVEMENTS ARE CONSISTENT WITH  
36 THE MASTER PLAN APPROVED BY THE COMMISSION;

1           (2)     THE ELIGIBLE RACING LICENSEE HAS ESTABLISHED PROCEDURES  
2 TO ENSURE A COMPETITIVE PRICE FOR CONSTRUCTION CONTRACTS;

3           (3)     THE AUTHORITY HAS REVIEWED AND APPROVED THE ELIGIBLE  
4 RACING LICENSEE'S DESIGN FEES AND DOCUMENTS AND THE LICENSEE'S BUDGET  
5 FOR THE PROPOSED CAPITAL IMPROVEMENTS;

6           (4)     THE ELIGIBLE RACING LICENSEE HAS TAKEN INTO ACCOUNT THE  
7 AUTHORITY'S INPUT WITH RESPECT TO VALUE-ENGINEERING; AND

8           (5)     THE ELIGIBLE RACING LICENSEE HAS PROVIDED THE AUTHORITY  
9 WITH EVIDENCE, SATISFACTORY TO THE AUTHORITY, THAT THE LICENSEE'S  
10 IMPROVEMENTS ARE IN COMPLIANCE WITH ALL APPLICABLE BUILDING LAWS,  
11 RULES, AND REGULATIONS, INCLUDING THE AMERICANS WITH DISABILITIES ACT.

12       (C)     THE AUTHORITY SHALL BE REIMBURSED BY THE CORPORATION FOR ITS  
13 ACTUAL COSTS IN PERFORMING THE REVIEWS REQUIRED UNDER THIS SUBTITLE.

14 ~~11-1206~~ 11-1208.

15       (A)     BEGINNING JULY 1, 2001, NOTWITHSTANDING § 9-120 OF THE STATE  
16 GOVERNMENT ARTICLE AND SUBJECT TO SUBSECTION (B) OF THIS SECTION, AN  
17 EXCESS AMOUNT OF LOTTERY FUNDS DISTRIBUTED TO THE GENERAL FUND UNDER  
18 § 9-120(B)(1)(II) OF THE STATE GOVERNMENT ARTICLE SHALL BE  
19 CREDITED TO THE SPECIAL FUND ESTABLISHED UNDER § 11-401 OF THIS ARTICLE IF:

20           (1)     THE EXCESS AMOUNT OF FUNDS RESULTS FROM CUMULATIVE  
21 DISTRIBUTIONS IN A FISCAL YEAR TO THE GENERAL FUND UNDER § 9-120(B)(1)(II) OF  
22 THE STATE GOVERNMENT ARTICLE EXCEEDING THE LAST OFFICIAL ESTIMATE OF  
23 THE BOARD OF REVENUE ESTIMATES FOR THAT YEAR; AND

24           (2)     ~~EXPENSES OF THE SPECIAL FUND FOR THAT YEAR EXCEED~~  
25 ~~REVENUES AS A RESULT OF PAYMENTS MANDATED BY SUBTITLE 11 OF THIS TITLE~~  
26 THE COMPTROLLER MAKES PAYMENTS TO THE RACING FACILITY REDEVELOPMENT  
27 BOND FUND UNDER § 11-803 OF THIS TITLE.

28       (B)     THE EXCESS AMOUNT OF FUNDS SHALL BE CREDITED ONLY IN THE  
29 AMOUNT NEEDED TO PAY THE DEFICIENCY OF THE SPECIAL FUND OF THE PAYMENT  
30 TO THE RACING FACILITY REDEVELOPMENT BOND FUND UNDER § 11-803 OF THIS  
31 TITLE LESS THE AMOUNT OF ANY REPAYMENT TO THE COMMISSION BY THE  
32 CORPORATION UNDER § 11-1206(D) OF THIS SUBTITLE.

33       (C)     IF EXCESS LOTTERY REVENUES DO NOT PROVIDE FUNDS IN AMOUNT  
34 SUFFICIENT TO FULLY CREDIT THE SPECIAL FUND AS REQUIRED UNDER THIS  
35 SECTION, THE GOVERNOR MAY REQUEST A DEFICIENCY APPROPRIATION DURING  
36 THE NEXT LEGISLATIVE SESSION.

37       SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
38 read as follows:

**Article - Business Regulation**

11-514.

(a) A licensee shall deduct from the handle:

(1) all the breakage;

(2) [17%] NOT MORE THAN 18% from each regular mutuel pool;

(3) [19%] NOT MORE THAN 21% from each multiple mutuel pool on 2 horses; and

(4) [25%] NOT MORE THAN 25.75% from each multiple mutuel pool on 3 or more horses.

(b) Money that remains after deductions are made under subsection (a) of this section shall be returned as winnings to successful bettors.

(C) (1) THE AMOUNT DEDUCTED BY THE LICENSEE UNDER SUBSECTION (A) OF THIS SECTION SHALL BE AS PROVIDED IN § 11-515 OF THIS SUBTITLE, UNLESS OTHERWISE PROVIDED IN A WRITTEN AGREEMENT SIGNED BY THE AUTHORIZED REPRESENTATIVES OF:

(I) THE LICENSEE;

(II) THE GROUP THAT REPRESENTS A MAJORITY OF THE OWNERS AND TRAINERS LICENSED IN THE STATE AT THE TIME THE AGREEMENT IS SIGNED; AND

(III) THE GROUP THAT REPRESENTS A MAJORITY OF THE BREEDERS IN THE STATE AT THE TIME THE AGREEMENT IS SIGNED.

(2) NOTHING IN THIS SUBSECTION MAY BE CONSTRUED TO PERMIT THE LICENSEE TO IN ANY WAY ALTER THE MANDATORY TAKEOUT ALLOCATED TO THE COMMISSION FOR:

(I) THE STATE TAX; OR

(II) THE PAYMENT TO THE RACING FACILITY REDEVELOPMENT BOND FUND FOR THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION.

11-515.

(a) Except as provided in § 11-516 of this subtitle, the takeout that a licensee deducts from the handle of a race shall be allocated in accordance with this section.

(b) A licensee shall:

(1) keep 50% of the breakage;

1 (2) allocate 45% of the breakage for purses; and

2 (3) allocate 5% of the breakage to the Maryland-Bred Race Fund.

3 (c) From the [17%] ~~17.25%~~ AMOUNT that a licensee deducts from each regular  
4 mutuel pool, the licensee shall:

5 (1) keep 7.70% of each regular mutuel pool, from which the licensee shall  
6 pay 0.25% of each regular mutuel pool to the Maryland Race Track Employees  
7 Pension Fund;

8 (2) allocate [0.5%] 0.32% of each regular mutuel pool to the Commission  
9 for State tax;

10 (3) allocate 1.10% of each regular mutuel pool to the Maryland-Bred  
11 Race Fund; [and]

12 (4) allocate ~~7.88%~~ 7.70% of each regular mutuel pool for purses; ~~AND~~

13 (5) ~~ALLOCATE 0.25% 1.0% OF EACH REGULAR MUTUEL POOL TO THE~~  
14 ~~COMMISSION FOR PAYMENT TO THE MARYLAND ECONOMIC DEVELOPMENT~~  
15 ~~CORPORATION. RACING FACILITY REDEVELOPMENT BOND FUND; AND~~

16 (6) ALLOCATE 0.18% OF EACH MULTIPLE MUTUEL POOL AS AN  
17 ADDITIONAL AMOUNT FOR PURSES.

18 (d) From the [19%] ~~21.75%~~ AMOUNT that a licensee deducts from each  
19 multiple mutuel pool on 2 horses, the licensee shall:

20 (1) keep 8.70% of each multiple mutuel pool, from which the licensee  
21 shall pay 0.25% of each multiple mutuel pool to the Maryland Race Track Employees  
22 Pension Fund;

23 (2) allocate [0.5%] 0.32% of each multiple mutuel pool to the Commission  
24 for State tax;

25 (3) allocate 1.10% of each multiple mutuel pool to the Maryland-Bred  
26 Race Fund; [and]

27 (4) allocate ~~8.88%~~ 8.70% of each multiple mutuel pool for purses; ~~AND~~

28 (5) ~~ALLOCATE 2.75% 2.0% OF EACH MULTIPLE MUTUEL POOL TO THE~~  
29 ~~COMMISSION FOR PAYMENT TO THE MARYLAND ECONOMIC DEVELOPMENT~~  
30 ~~CORPORATION. RACING FACILITY REDEVELOPMENT BOND FUND; AND~~

31 (6) ALLOCATE 0.18% OF EACH MULTIPLE MUTUEL POOL AS AN  
32 ADDITIONAL AMOUNT FOR PURSES.

33 (e) From the [25%] ~~25.25%~~ AMOUNT that a licensee deducts from each  
34 multiple mutuel pool on 3 or more horses, the licensee shall:

- 1 (1) keep 11.70% of each multiple mutuel pool, from which the licensee  
2 shall pay 0.25% of each multiple mutuel pool to the Maryland Race Track Employees  
3 Pension Fund;
- 4 (2) allocate ~~[0.5%]~~ 0.32% of each multiple mutuel pool to the Commission  
5 for State tax;
- 6 (3) allocate 1.10% of each multiple mutuel pool to the Maryland-Bred  
7 Race Fund; [and]
- 8 (4) allocate ~~11.88%~~ 11.70% of each multiple mutuel pool for purses; AND
- 9 (5) ~~ALLOCATE 0.25%~~ 0.75% OF EACH MULTIPLE MUTUEL POOL TO THE  
10 COMMISSION FOR PAYMENT TO THE MARYLAND ECONOMIC DEVELOPMENT  
11 CORPORATION. RACING FACILITY REDEVELOPMENT BOND FUND; AND
- 12 (6) ALLOCATE 0.18% OF EACH MULTIPLE MUTUEL POOL AS AN  
13 ADDITIONAL AMOUNT FOR PURSES.
- 14 11-515.2.
- 15 (A) IF THE LICENSEE IS LOCATED IN ALLEGANY COUNTY AND THE LICENSEE  
16 ELECTS NOT TO PARTICIPATE IN THE MARYLAND RACING FACILITY  
17 REDEVELOPMENT PROGRAM UNDER SUBTITLE 12 OF THIS TITLE, THE ALLOCATION  
18 TO THE RACING FACILITY REDEVELOPMENT BOND FUND UNDER § 11-515 OF THIS  
19 SUBTITLE SHALL BE RETURNED AS WINNINGS TO SUCCESSFUL BETTORS.
- 20 (B) IF A LICENSEE RECEIVES ASSISTANCE FROM THE MARYLAND RACING  
21 FACILITY REDEVELOPMENT PROGRAM UNDER SUBTITLE 12 OF THIS TITLE, THE  
22 LICENSEE SHALL MAKE THE ALLOCATIONS TO THE RACING FACILITY  
23 REDEVELOPMENT BOND FUND REQUIRED UNDER § 11-515 OF THIS SUBTITLE AS  
24 LONG AS THE BONDS ISSUED BY THE CORPORATION ARE OUTSTANDING.
- 25 11-613.
- 26 (c) If the average handle is \$600,000 or less, the takeout shall be:
- 27 (1) NOT MORE THAN 18.75% from each regular mutuel pool;
- 28 (2) NOT MORE THAN 20.75% from each multiple mutuel pool on 2 horses;  
29 and
- 30 (3) NOT MORE THAN 26.75% from each multiple mutuel pool on 3 or more  
31 horses.
- 32 ~~11-614.~~
- 33 ~~A licensee whose average handle is over \$600,000 shall:~~
- 34 (1) ~~allocate 0.32% of each mutuel pool to the Commission as State tax;~~

1           (2)       allocate for purses 0.18% of each mutuel pool, or an amount that is  
2 otherwise agreed to by the licensee and the organization representing a majority of  
3 the harness owners and trainers in the State, which shall provide revenue in addition  
4 to any other funds set aside for purses by private parties;

5           (3)       allocate 0.25% of each mutuel pool to the Maryland Harness Track  
6 Employees Pension Fund;

7           (4)       ~~ALLOCATE 1.5% OF EACH MUTUEL POOL TO THE COMMISSION FOR~~  
8 ~~PAYMENT TO THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION;~~

9           ~~[(4)]~~   (5)       keep ~~[16.25%]~~ 14.75% of each regular mutuel pool;

10          ~~[(5)]~~   (6)       keep ~~[18.25%]~~ 16.75% of each multiple mutuel pool on 2 horses;  
11 and

12          ~~[(6)]~~   (7)       keep ~~[24.25%]~~ 22.75% of each multiple mutuel pool on 3 or more  
13 horses.

14 ~~11-616-~~

15   A licensee whose average handle is \$600,000 or less shall:

16          (1)       allocate 0.32% of each mutuel pool to the Commission as State tax;

17          (2)       allocate for purses 0.18% of each mutuel pool, or an amount that is  
18 otherwise agreed to by the licensee and the organization representing a majority of  
19 the harness owners and trainers in the State, which shall provide revenue in addition  
20 to any other funds set aside for purses by private parties;

21          (3)       subject to § 11-618 of this subtitle, allocate 0.25% of each mutuel pool  
22 to the Maryland Harness Track Employees Pension Fund;

23          (4)       keep 18.00% of each regular mutuel pool;

24          (5)       keep 20.00% of each multiple mutuel pool on 2 horses; and

25          (6)       keep 26.00% of each multiple mutuel pool on 3 or more horses.

26 11-616.

27    (A)    A licensee whose average handle is MORE THAN \$200,000 BUT NOT MORE  
28 THAN \$600,000 [or less] shall:

29          (1)       allocate [0.50%] 0.32% of each mutuel pool to the Commission as  
30 State tax;

31          (2)       subject to § 11-618 of this subtitle, allocate 0.25% of each mutuel pool  
32 to the Maryland Harness Track Employees Pension Fund;

1           (3)     ALLOCATE 1.5% OF EACH MUTUEL POOL TO THE COMMISSION FOR  
2 PAYMENT TO THE RACING FACILITY REDEVELOPMENT BOND FUND;

3           (4)     ALLOCATE FOR PURSES 0.18% OF EACH MUTUEL POOL, OR AN  
4 AMOUNT THAT IS OTHERWISE AGREED TO BY THE LICENSEE AND THE  
5 ORGANIZATION REPRESENTING A MAJORITY OF THE HARNESS OWNERS AND  
6 TRAINERS IN THE STATE, WHICH SHALL PROVIDE REVENUE IN ADDITION TO ANY  
7 OTHER FUNDS SET ASIDE FOR PURSES BY PRIVATE PARTIES;

8           ~~[(3)]~~   (5)     keep [18.00%] 16.5% of each regular mutuel pool;

9           ~~[(4)]~~   (6)     keep [20.00%] 18.5% of each multiple mutuel pool on 2 horses;  
10 and

11          ~~[(5)]~~   (7)     keep [26.00%] 24.5% of each multiple mutuel pool on 3 or more  
12 horses.

13    (B)     A LICENSEE WHOSE AVERAGE HANDLE IS \$200,000 OR LESS SHALL:

14          (1)     ALLOCATE 0.32% OF EACH MUTUEL POOL TO THE COMMISSION AS A  
15 STATE TAX;

16          (2)     SUBJECT TO § 11-618 OF THIS SUBTITLE, ALLOCATE 0.25% OF EACH  
17 MUTUEL POOL TO THE MARYLAND HARNESS TRACK EMPLOYEES PENSION FUND;

18          (3)     ALLOCATE FOR PURSES 0.18% OF EACH MUTUEL POOL, OR AN  
19 AMOUNT THAT IS OTHERWISE AGREED TO BY THE LICENSEE AND THE  
20 ORGANIZATION REPRESENTING A MAJORITY OF THE HARNESS OWNERS AND  
21 TRAINERS IN THE STATE, WHICH SHALL PROVIDE REVENUE IN ADDITION TO ANY  
22 OTHER FUNDS SET ASIDE FOR PURSES BY PRIVATE PARTIES;

23          (4)     KEEP 18.00% OF EACH REGULAR MUTUEL POOL;

24          (5)     KEEP 20.00% OF EACH MULTIPLE MUTUEL POOL ON 2 HORSES; AND

25          (6)     KEEP 26.00% OF EACH MULTIPLE MUTUEL POOL ON 3 OR MORE  
26 HORSES.

27    (C)     NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, A  
28 LICENSEE IN ALLEGANY COUNTY IS SUBJECT TO THE TAKEOUT PROVISIONS OF:

29          (1)     SUBSECTION (A) OF THIS SECTION IF THE LICENSEE ELECTS TO  
30 PARTICIPATE IN THE MARYLAND RACING FACILITY REDEVELOPMENT PROGRAM  
31 UNDER SUBTITLE 12 OF THIS TITLE; OR

32          (2)     SUBSECTION (B) OF THIS SECTION IF THE LICENSEE DOES NOT  
33 ELECT TO PARTICIPATE IN THE MARYLAND RACING FACILITY REDEVELOPMENT  
34 PROGRAM UNDER SUBTITLE 12 OF THIS TITLE.

35    (D)     IF A LICENSEE RECEIVES ASSISTANCE FROM THE MARYLAND RACING  
36 FACILITY REDEVELOPMENT PROGRAM UNDER SUBTITLE 12 OF THIS TITLE, THE



1 LICENSEE SHALL MAKE THE ALLOCATION TO THE RACING FACILITY  
2 REDEVELOPMENT BOND FUND REQUIRED UNDER SUBSECTION (A) OF THIS SECTION  
3 AS LONG AS THE BONDS ISSUED BY THE CORPORATION ARE OUTSTANDING.

4 **Chapter 750 of the Acts of 1997, as amended by Chapter 477 of the Acts of**  
5 **1998 and Chapter 291 of the Acts of 1999**

6 ~~SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect~~  
7 ~~June 1, 1997. It shall remain effective for a period of [3 years] 5 YEARS and 1 month~~  
8 ~~and, at the end of [June 30, 2000] JUNE 30, 2002, with no further action required by~~  
9 ~~the General Assembly, this Act shall be abrogated and of no further force and effect.~~

10 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
11 read as follows:

12 **Article - Business Regulation**

13 11-402.

14 The special fund consists of:

- 15 (1) the State share of daily license fees;  
16 (2) pari-mutuel taxes;  
17 (3) the impact aid under § 11-812 of this title; AND  
18 (4) [money from uncashed pari-mutuel tickets that are from bets made  
19 into the betting pools of licensees; and  
20 (5) ] any permit fees under §§ 11-820 and 11-832 of this title.

21 11-803.

22 (a) If a winning ticket is not redeemed within 1 year, the licensee into whose  
23 betting pool the bet was placed shall pay the amount needed to redeem the ticket to[

24 (1) the Maryland Standardbred Race Fund under § 11-630 of this title  
25 for bets made into the betting pools of a harness licensee; or

26 (2) ] the Commission, to be credited to the [Special Fund under Subtitle  
27 4 of this title, for bets made into the betting pools of a nonharness licensee] RACING  
28 FACILITY DEVELOPMENT BOND FUND UNDER SUBTITLE 12 OF THIS TITLE.

29 (b) Every year for the preceding calendar year, each licensee shall:

30 (1) report to the Commission the amount payable to[ the Maryland  
31 Standardbred Race Fund or] the Commission under this section; and

32 (2) pay that amount to [the Maryland Standardbred Race Fund or] the  
33 Commission, whichever is applicable.

1       (c)       (1)       The license of a licensee shall be revoked if the licensee:  
2                               (i)       fails to report when money under this section is due; or  
3                               (ii)       knowingly or willfully submits a report that understates the  
4 amount due.

5               (2)       A licensee whose license is revoked under this subsection may not  
6 hold a license for at least 1 year.

7       SECTION 4. AND BE IT FURTHER ENACTED, That, in developing a racing  
8 facility master plan under 11-1203 of the Business Regulation Article, each licensee  
9 shall:

10               (1)       consult with representatives from affected neighborhood community  
11 groups; and

12               (2)       ensure that any improvements to facilities proposed in the plan are  
13 compatible with existing local ordinances.

14       ~~SECTION 3. 5.~~ AND BE IT FURTHER ENACTED, That ~~Section 2~~ Sections 2  
15 and 3 of this Act shall remain effective for a period of 2 years and 1 month and, at the  
16 end of June 30, 2002, until the bonds issued by the Maryland Economic Development  
17 Corporation for the purposes of this Act, and the obligations thereunder, have been  
18 fully satisfied and are expired, and with no further action required by the General  
19 Assembly, ~~Section 2~~ Sections 2 and 3 of this Act shall be abrogated and of no further  
20 force and effect.

21       SECTION 6. AND BE IT FURTHER ENACTED, That:

22       (a)       Notwithstanding § 9-120 of the State Government Article, after  
23 cumulative distributions of revenues from the State Lottery for fiscal year 2000 to the  
24 General Fund under § 9-120(b)(1)(ii) of the State Government Article total  
25 \$366,813,000, \$10,000,000 of the remaining revenue that would otherwise be paid to  
26 the General Fund under § 9-120(b)(1)(ii) of the State Government Article shall be  
27 distributed to a special fund that shall be created to be used in accordance with this  
28 Act only to increase purses at harness racing tracks, mile thoroughbred tracks, and  
29 Timonium Race Course and, to supplement existing bred funds in accordance with  
30 this Act, and to improve health and welfare benefits for active, disabled, and retired  
31 thoroughbred jockeys who are or have been regularly riding in the State, and their  
32 dependents.

33       (b)       If lottery revenues do not provide the \$10,000,000 for the purposes  
34 specified in subsection (a) of this section, the Governor may request a deficiency  
35 appropriation during the 2000 2001 Session to make up the difference.

36       (c)       In accordance with § 7-209 of the State Finance and Procurement Article,  
37 the Governor by budgetary amendment shall allocate money from the special fund  
38 created under subsection (a) of this section in the manner specified under subsection  
39 (d) of this section.

1       (d)       The amount credited to the special fund created under subsection (a) of  
2 this section shall be used as follows:

3               (1)       11% to increase the bred funds to be allocated as follows:

4                       (i)       70% to the Maryland-Bred Race Fund; and

5                       (ii)       30% to the Maryland Standardbred Race Fund; and

6               (2)       89% to increase purses at harness racing tracks and thoroughbred  
7 racing tracks and to contribute to the Health and Welfare Trust of the Jockeys' Guild,  
8 Inc. to be allocated as follows:

9                       (i)       70% to purses at the mile thoroughbred racing tracks and  
10 Timonium, provided that \$250,000 shall be paid to the Health and Welfare Trust  
11 maintained by Jockeys' Guild, Inc. for the purpose of providing health, disability, and  
12 retirement benefits to active, disabled, or retired thoroughbred jockeys who are or  
13 have been regularly riding in the State, and their dependents, in accordance with  
14 eligibility criteria established by Jockeys' Guild, Inc.; and

15                      (ii)       30% to purses at the harness racing tracks which shall be  
16 allocated 85% for Rosecroft Raceway and 15% for Ocean Downs.

17       (e)       All funds provided for purses and bred funds at harness racing racks, mile  
18 thoroughbred racing tracks, and Timonium Race Course by this Act shall be in  
19 addition to and may not supplant:

20               (1)       Amounts allocated for purses and bred funds under current  
21 agreements between the harness racing tracks and the organization that represents a  
22 majority of owners and trainers of standardbred horses in the State; and

23               (2)       Amounts otherwise provided in statute for purses and bred funds at  
24 mile thoroughbred racing tracks and Timonium Race Course.

25       (f)       The purses shall be distributed at mile thoroughbred racetracks and  
26 Timonium Race Course according to a formula determined by the State Racing  
27 Commission in consultation with the racetrack licensees and the organization that  
28 represents a majority of owners and trainers of thoroughbred horses in the State.

29       SECTION 7. AND BE IT FURTHER ENACTED, That the racing facility master  
30 plan developed by a mile thoroughbred licensee under § 11-1203 of the Business  
31 Regulation Article and submitted to the Commission for approval shall include a  
32 description of any proposed improvements at the Bowie Race Course Training  
33 Facility. The licensee shall comply with the provisions of Section 4 of this Act in  
34 developing this portion of the master plan.

35       SECTION 7. 8. AND BE IT FURTHER ENACTED, That Section 6 shall remain  
36 effective for a period of 1 year and, at the end of June 30, 2001, with no further action  
37 required by the General Assembly, Section 6 shall be abrogated and of no further force  
38 and effect.

1     ~~SECTION 8:~~ 9. AND BE IT FURTHER ENACTED, That Section 3 of this Act  
2 shall take effect July 1, 2001.

3     ~~SECTION 4:~~ 9. 10. AND BE IT FURTHER ENACTED, That this Act, except  
4 as provided in Section 8 of this Act, shall take effect ~~June 1, 2000, contingent of the~~  
5 ~~taking effect of Chapter \_\_\_\_\_ (S.B. \_\_\_\_\_) (0lr2538) of the Acts of the General Assembly~~  
6 ~~of 2000, and if Chapter \_\_\_\_\_ does not become effective, this Act shall be null and void~~  
7 ~~without the necessity of further action by the General Assembly July 1, 2000.~~