

HB1039/269634/1

BY: Budget and Taxation Committee

AMENDMENTS TO HOUSE BILL 1039
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, after “licensees;” insert “altering the conditions under which a certain licensee is required to take certain actions in connection with the Bowie Training Center; providing the State with the right of first refusal when a certain training center is no longer required to operate as a certain training center; providing the City of Bowie with the right of second refusal when a certain training center is no longer required to operate as a certain training center; providing that a certain grantee is not required to operate a certain training center as a training facility; requiring certain persons to reach a certain agreement on or before a certain date as a condition of eligibility for certain funding; providing for eligibility for certain funds under certain circumstances; requiring the Secretary of Labor, Licensing, and Regulation to conduct a certain mediation process; requiring certain parties to consent to a certain arbitration process under certain circumstances; prohibiting certain mediation or arbitration processes under certain circumstances;”; strike beginning with “authorizing” in line 8 down through “licensee;” in line 11; and strike beginning with “and” in line 16 down through “Corporation” in line 17.

On page 2, in line 2, strike “an Oversight Commission on Racing” and substitute “a Thoroughbred Racing Sustainability Task Force”; strike beginning with “Oversight” in line 3 down through “recommendations” in line 5 and substitute “Task Force; requiring the Task Force to submit a certain plan”; in line 5, strike “General Assembly” and substitute “Legislative Policy Committee”; strike beginning with “requiring” in line 6 down through “date” in line 8 and substitute “authorizing the Legislative Policy Committee to provide comments to the Governor on a certain plan; prohibiting the Comptroller from distributing certain funds until the Governor approves a certain plan; providing for the effective date of certain provisions of this Act; providing for the termination of certain provisions of this Act; defining certain”

(Over)

terms”; in line 18, after “9-1A-01(x)” insert “and 9-1A-09A”; and strike in their entirety lines 26 through 31, inclusive.

AMENDMENT NO. 2

On page 6, in line 27, strike “If a video lottery operation license is issued to” and substitute “(I) A RACING LICENSEE OF”; in line 28, strike “, the video lottery operation licensee”; in line 29, strike “(i)” and substitute “1.”; strike beginning with “(ii)” in line 30 down through the comma in line 31 and substitute “2.”; in line 32, strike “to the State”; in the same line, strike “under Program Open Space”; after line 32 insert:

“(II) 1. WHEN THE BOWIE TRAINING CENTER IS NO LONGER REQUIRED BY THE STATE TO BE OPERATED AS A THOROUGHBRED TRAINING FACILITY, THE STATE SHALL HAVE THE RIGHT OF FIRST REFUSAL AS GRANTEE FOR ANY CONVEYANCE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

2. THE CITY OF BOWIE SHALL HAVE THE SECOND RIGHT OF REFUSAL AS GRANTEE FOR ANY CONVEYANCE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

3. A GRANTEE UNDER SUBSUBPARAGRAPH 1 OR 2 OF THIS SUBPARAGRAPH MAY NOT BE REQUIRED TO OPERATE THE BOWIE TRAINING CENTER AS A TRAINING FACILITY.

9-1A-09A.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "INTERTRACK BETTING" HAS THE MEANING STATED IN § 11-101 OF THE BUSINESS REGULATION ARTICLE.

(3) "PARI-MUTUEL BETTING" HAS THE MEANING STATED IN § 11-101 OF THE BUSINESS REGULATION ARTICLE.

(4) "PARTY" MEANS A:

(I) TRACK;

(II) GROUP THAT REPRESENTS A MAJORITY OF THE OWNERS AND TRAINERS WHO RACE HORSES AT EACH TRACK; AND

(III) GROUP THAT REPRESENTS A MAJORITY OF THE APPLICABLE BREEDERS IN THIS STATE.

(5) "SECRETARY" MEANS THE SECRETARY OF LABOR, LICENSING, AND REGULATION.

(6) "TRACK" HAS THE MEANING STATED IN § 11-101 OF THE BUSINESS REGULATION ARTICLE.

(B) THIS SECTION DOES NOT APPLY TO THE RACECOURSE AT TIMONIUM.

(C) EXCEPT AS PROVIDED IN SUBSECTIONS (D) AND (E) OF THIS SECTION, AS A CONDITION OF ELIGIBILITY FOR FUNDING UNDER §§ 9-1A-28 AND 9-1A-29 OF THIS SUBTITLE, AN AGREEMENT SHALL BE REACHED ON OR BEFORE JULY 1, 2011, BETWEEN THE PARTIES THROUGH AT LEAST DECEMBER 31, 2013,

AS APPLICABLE, REGARDING THE SHARING OF REVENUES DERIVED FROM WAGERING ON SIMULCAST RACES AS SUCH ISSUES RELATE TO:

(1) THE INTERSTATE HORSERACING ACT OF 1978, 15 U.S.C. §§ 3001 THROUGH 3007;

(2) PARI-MUTUEL BETTING ON OUT-OF-STATE RACES UNDER § 11-804 OF THE BUSINESS REGULATION ARTICLE; AND

(3) INTERTRACK BETTING UNDER §§ 11-808 THROUGH 11-812 OF THE BUSINESS REGULATION ARTICLE.

(D) (1) IF AN AGREEMENT DESCRIBED IN SUBSECTION (C) IS NOT REACHED BY JULY 1, 2011, A POTENTIAL PARTY TO AN AGREEMENT SHALL BE ELIGIBLE FOR FUNDING UNDER §§ 9-1A-28 AND 9-1A-29 OF THIS SUBTITLE IF THE PARTY INDICATES TO THE SECRETARY, IN WRITING, ITS CONSENT TO PARTICIPATE IN THE PROCESS DESCRIBED IN THIS SUBSECTION.

(2) THE SECRETARY SHALL CONDUCT A MEDIATION BETWEEN THE PARTIES TO REACH A FAIR AND EQUITABLE SIMULCASTING AGREEMENT.

(3) IF, BY OCTOBER 1, 2011, THE PARTIES HAVE NOT REACHED AN AGREEMENT AFTER THE MEDIATION PROCESS CONDUCTED BY THE SECRETARY, THE PARTIES MUST CONSENT TO DE NOVO BINDING ARBITRATION BEFORE:

(i) THE AMERICAN ARBITRATION ASSOCIATION; OR

(II) AN INDEPENDENT ARBITRATOR, SELECTED BY THE SECRETARY WITH THE CONSENT OF THE PARTIES, CONDUCTED IN A MANNER CONSISTENT WITH THE AMERICAN ARBITRATION ASSOCIATION’S COMMERCIAL DISPUTE RESOLUTION RULES AND PROCEDURES.

(E) IF AN ENTITY OWNS 100% OF A TRACK THAT WOULD BE A PARTY TO AN AGREEMENT, AND AT LEAST 49% BUT NOT MORE THAN 51% OF ANOTHER TRACK THAT WOULD BE A PARTY TO AN AGREEMENT, A MEDIATION OR AN ARBITRATION DESCRIBED IN SUBSECTION (D) OF THIS SECTION MAY NOT BE REQUIRED UNTIL:

(1) THAT ENTITY FULLY RECUSES ITSELF, TO THE SATISFACTION OF THE SECRETARY OR ARBITRATOR, AS APPROPRIATE, FROM PARTICIPATION IN THE NEGOTIATION OF AN AGREEMENT ON BEHALF OF THE TRACK IN WHICH IT HOLDS AN OWNERSHIP INTEREST OF AT LEAST 49% BUT NOT MORE THAN 51%; OR

(2) THE ENTITY NO LONGER OWNS AT LEAST 49% BUT NOT MORE THAN 51% OF THAT TRACK.”.

AMENDMENT NO. 3

On page 8, in lines 7 and 11, in each instance, strike “ANNUALLY”; in lines 8 and 14, in each instance, after “DAYS” insert “FOR CALENDAR YEAR 2012 ONLY”; in lines 8 and 14, in each instance, strike “ANNUAL”; in lines 12 and 13, strike “: (I)”; and in line 16, strike “CONTROL; AND” and substitute “CONTROL.”.

On pages 8 and 9, strike in their entirety the lines beginning with line 17 on page 8 through line 4 on page 9, inclusive.

On page 9, in line 5, strike “(I)” and substitute “(H)”; strike beginning with “OR” in line 5 down through “MEDCO” in line 6; in the same line, strike the comma and substitute “:

(I)”;

in line 10, after “SCHEDULE” insert “; AND

(II) A HOLDER OF A RACING LICENSE TO RACE AT ROSECROFT RACEWAY SHALL:

1. AGREE TO REHIRE WORKERS EMPLOYED AT THE FACILITY PRIOR TO THE END OF LIVE RACING ON JUNE 27, 2008; AND

2. RECOGNIZE COLLECTIVE BARGAINING AGREEMENTS THAT WERE IN PLACE AS OF JUNE 1, 2008”;

strike in their entirety lines 11 through 21, inclusive; and in line 22, strike “(3)” and substitute “(2)”.

On page 10, in line 8, strike “(4)” and substitute “(3)”; strike in their entirety lines 10 through 21, inclusive; in lines 22 and 28, strike “(6)” and “(7)”, respectively, and substitute “(4)” and “(5)”, respectively; and strike beginning with “OR” in line 28 down through “MEDCO” in line 29.

On page 11, in lines 1 and 3, strike “(J)” and “(K)”, respectively, and substitute “(I)” and “(J)”, respectively.

AMENDMENT NO. 4

On pages 15 through 17, strike in their entirety the lines beginning with line 22 on page 15 through line 16 on page 17, inclusive.

On page 17, after line 16, insert:

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

Article – State Government

9-1A-29.

(f) (1) Of the amount provided from the Racetrack Facility Renewal Account under subsection (d)(1) of this section, [\$1,000,000 shall be provided annually for 5 years to the racecourse at Timonium] **THE RACECOURSE AT TIMONIUM SHALL BE PROVIDED THE FOLLOWING AMOUNTS** for racetrack facility capital construction and improvements:

(I) **FOR FISCAL YEAR 2012, \$1,125,000;**

(II) **FOR FISCAL YEAR 2013, \$1,250,000;**

(III) **FOR FISCAL YEAR 2014, \$1,125,000;**

(IV) **FOR FISCAL YEAR 2015, \$1,000,000; AND**

(V) **FOR FISCAL YEAR 2016, \$1,000,000.**

(2) A matching fund is not required for the amount provided for the racecourse at Timonium under paragraph (1) of this subsection.

(Over)

(3) (I) FROM THE AMOUNTS PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION, THE HOLDER OF A RACING LICENSE TO RACE AT THE RACECOURSE AT TIMONIUM MAY USE UP TO \$350,000 PER YEAR TO SUPPORT A MINIMUM OF 7 LIVE RACING DAYS.

(II) USE OF FUNDS AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MUST BE APPROVED BY THE SECRETARY OF LABOR, LICENSING, AND REGULATION UNDER TERMS AND A PROCESS CONSISTENT WITH THE PROVISIONS OF SUBSECTION (J) OF THIS SECTION.

SECTION 3. AND BE IT FURTHER ENACTED, That:

- (a) There is a Thoroughbred Racing Sustainability Task Force.
- (b) The Task Force consists of the following three members appointed by the Governor:
 - (1) one representative of the Maryland Jockey Club;
 - (2) one member that represents the horsemen who race horses at a thoroughbred track in Maryland; and
 - (3) one member that represents the applicable breeders in Maryland.
- (c) The Governor shall appoint a member of the Administration, who as a nonvoting member, shall chair the Task Force and facilitate the activities of the Task Force.
- (d) The Task Force shall develop a plan by December 1, 2011, that includes:

(1) a plan for the long-term viability of thoroughbred racing in Maryland that does not include locating video lottery terminals at a thoroughbred race track;

(2) a minimum of 146 live racing days in a calendar year; and

(3) a strategy for implementing the plan that includes specific benchmarks and timelines.

(e) The Task Force shall submit the plan to the Governor and, in accordance with § 2-1246 of the State Government Article, the Legislative Policy Committee, for its review.

(f) The Legislative Policy Committee may provide comments on the plan to the Governor.

(g) The Comptroller may not pay out the assistance provided under § 9-1A-29(c)(2) of the State Government Article for the 2013 racing season until the Governor approves the plan.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect on the taking effect of the termination provision specified in Section 5 of this Act.”;

in line 17, strike “2.” and substitute “5.”; and in line 18, after “2011.” insert “Sections 1 and 3 of this Act shall remain effective for a period of 2 years and 6 months and, at the end of December 31, 2013, with no further action required by the General Assembly, Sections 1 and 3 of this Act shall be abrogated and of no further force and effect.”.