

HOUSE BILL 1039

C6

11r0158
CF 11r0157

By: **The Speaker (By Request – Administration)**

Introduced and read first time: February 11, 2011

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Horse Racing – Distribution of Video Lottery Revenues**

3 FOR the purpose of altering certain distributions from the Purse Dedication Account
4 for certain racing licensees; authorizing the use of certain revenues from the
5 Purse Dedication Account for certain operating expenses at certain racetracks;
6 permitting certain racing licensees to apply to the Secretary of Labor, Licensing,
7 and Regulation for certain grants from the Purse Dedication Account for certain
8 purposes; authorizing a certain racing licensee to apply to the Secretary for a
9 certain advance from the Maryland Economic Development Corporation;
10 providing for the repayment of a certain advance from the Maryland Economic
11 Development Corporation to a certain racing licensee; requiring certain racing
12 licensees to provide certain information to the Secretary under certain
13 circumstances; authorizing the Secretary to approve certain grants and a
14 certain advance from the Purse Dedication Account to certain racing licensees
15 for certain expenses; placing certain conditions on the receipt of certain grants
16 from the Purse Dedication Account and a certain advance from the Maryland
17 Economic Development Corporation; permitting the use of certain revenues
18 from the Racetrack Facility Renewal Account for certain operating expenses at
19 certain racetracks; altering the distribution of certain funds from the Racetrack
20 Facility Renewal Account for certain fiscal years; authorizing certain racing
21 licensees to apply to the Secretary for certain grants from the Racetrack Facility
22 Renewal Account for certain purposes; authorizing the Secretary to approve
23 certain grants from the Racetrack Facility Renewal Account to certain racing
24 licensees for certain expenses; requiring certain racing licensees to provide
25 certain information to the Secretary under certain circumstances; placing
26 certain conditions on the receipt of certain grants from the Racetrack Facility
27 Renewal Account; and generally relating to horse racing, the distribution of
28 video lottery revenues, the Purse Dedication Account, and the Racetrack
29 Facility Renewal Account.

30 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Government
 2 Section 9–1A–01(a) and (w)
 3 Annotated Code of Maryland
 4 (2009 Replacement Volume and 2010 Supplement)

5 BY adding to
 6 Article – State Government
 7 Section 9–1A–01(x)
 8 Annotated Code of Maryland
 9 (2009 Replacement Volume and 2010 Supplement)

10 BY repealing and reenacting, with amendments,
 11 Article – State Government
 12 Section 9–1A–01(x) through (dd), 9–1A–09, 9–1A–28, and 9–1A–29
 13 Annotated Code of Maryland
 14 (2009 Replacement Volume and 2010 Supplement)

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

17 **Article – State Government**

18 9–1A–01.

19 (a) In this subtitle the following words have the meanings indicated.

20 (w) “Progressive jackpot system” means a system capable of linking one or
 21 more video lottery terminals in one or more licensed facilities and offering one or more
 22 common progressive jackpots.

23 **(X) “RACING LICENSEE” MEANS THE HOLDER OF A LICENSE ISSUED BY**
 24 **THE STATE RACING COMMISSION TO HOLD A RACE MEETING IN THE STATE**
 25 **UNDER TITLE 11 OF THE BUSINESS REGULATION ARTICLE.**

26 **[(x)] (Y)** “Video lottery” means gaming or betting conducted using a video
 27 lottery terminal.

28 **[(y)] (Z)** “Video lottery destination location” means a location that is eligible
 29 for or has been awarded in the manner provided by law a video lottery operation
 30 license.

31 **[(z)] (AA)** “Video lottery employee” means an employee of a person who holds
 32 a license.

33 **[(aa)] (BB)** “Video lottery facility” means a facility at which players play video
 34 lottery terminals under this subtitle.

1 **[(bb)] (CC)** “Video lottery operation license” means a license awarded by the
2 Video Lottery Facility Location Commission and issued by the State Lottery
3 Commission to a person that allows players to operate video lottery terminals.

4 **[(cc)] (DD)** “Video lottery operator” means a person licensed to operate a video
5 lottery facility under this subtitle.

6 **[(dd)] (EE)** (1) “Video lottery terminal” means any machine or other device
7 that, on insertion of a bill, coin, token, voucher, ticket, coupon, or similar item, or on
8 payment of any consideration:

9 (i) is available to play or simulate the play of any game of
10 chance in which the results, including the options available to the player, are
11 randomly determined by the machine or other device; and

12 (ii) by the element of chance, may deliver or entitle the player
13 who operates the machine or device to receive cash, premiums, merchandise, tokens,
14 or anything of value, whether the payout is made automatically from the device or in
15 any other manner.

16 (2) “Video lottery terminal” includes a machine or device:

17 (i) that does not directly dispense money, tokens, or anything of
18 value to winning players; and

19 (ii) described under paragraph (1) of this subsection that uses
20 an electronic credit system making the deposit of bills, coins, or tokens unnecessary.

21 (3) “Video lottery terminal” does not include an authorized slot
22 machine operated by an eligible organization under Title 12, Subtitle 3 of the Criminal
23 Law Article.

24 9–1A–09.

25 (a) [In this section, “racing licensee” means the holder of a license issued by
26 the State Racing Commission to hold a race meeting in the State under Title 11 of the
27 Business Regulation Article.

28 (b)] As a condition of eligibility for funding under § 9–1A–29 of this subtitle, a
29 racing licensee shall:

30 (1) (i) for Laurel Park and Pimlico Race Course, conduct a
31 minimum of 220 annual live racing days combined between Laurel Park or Pimlico
32 Race Course unless otherwise agreed to by the racing licensee and the organization
33 that represents the majority of licensed thoroughbred owners and trainers in the State
34 or unless the racing licensee is prevented by weather, acts of God, or other
35 circumstances beyond the racing licensee’s control;

1 (ii) for Rosecroft Raceway, conduct a minimum of 90 annual live
2 racing days unless otherwise agreed to by the racing licensee and the organization
3 that represents the majority of licensed standardbred owners and trainers in the State
4 or unless the racing licensee is prevented by weather, acts of God, or other
5 circumstances beyond the racing licensee's control; and

6 (iii) for Ocean Downs Racetrack, conduct a minimum of 40
7 annual live racing days unless otherwise agreed to by the racing licensee and the
8 organization that represents the majority of licensed standardbred owners and
9 trainers in the State or unless the racing licensee is prevented by weather, acts of God,
10 or other circumstances beyond the racing licensee's control;

11 (2) if the racing licensee holds the racing license for Pimlico Race
12 Course, retain in the State of Maryland the name, common law and statutory
13 copyrights, service marks, trademarks, trade names, and horse racing events that are
14 associated with the Preakness Stakes and the Woodlawn Vase;

15 (3) if the racing licensee holds the racing license for the Pimlico Race
16 Course, promote and conduct the Preakness Stakes each year at:

17 (i) the Pimlico Race Course; or

18 (ii) if the Pimlico Race Course no longer exists, the Preakness
19 Stakes Race is prevented from being conducted at the Pimlico Race Course, or the
20 State Racing Commission, under § 11-513 of the Business Regulation Article, deems
21 an emergency exists, another track located in the State that is approved by the State
22 Racing Commission;

23 (4) if the racing licensee holds the racing license for Laurel Park,
24 permit the event known as the Maryland Million to be run annually at Laurel Park
25 unless:

26 (i) the racing licensee is prevented from doing so by weather,
27 acts of God, or other circumstances beyond the control of the racing licensee; or

28 (ii) the racing licensee and the Maryland Million LLC agree to
29 another location that is approved by the State Racing Commission;

30 (5) develop and submit to the State Racing Commission a multiyear
31 plan to improve the quality and marketing of horse racing at racetrack locations
32 owned or operated by the racing licensee in Maryland, which shall include:

33 (i) goals, indicators, and timelines for specific actions that will
34 be taken by the racing licensee to improve the quality and marketing of the horse
35 racing industry in Maryland; and

1 (ii) IF THE RACING LICENSEE REQUESTS A CAPITAL GRANT,
2 a master plan for capital improvements that reflects, at a minimum:

3 1. commitments that have been made to the State
4 Racing Commission; and

5 2. an ongoing investment in capital maintenance and
6 improvements in the horse racing facilities of at least \$1,500,000 annually, which may
7 include amounts provided as a matching fund as required under § [9-1A-29(e)(2)]
8 **9-1A-29(F)(2)** of this subtitle; and

9 (6) develop with other racing industry representatives a multiyear
10 plan to improve the quality and marketing of the horse racing industry in Maryland,
11 which shall include goals, indicators, and timelines for specific actions that will be
12 taken by the thoroughbred and harness racing industries to improve the quality and
13 marketing of the horse racing industry in Maryland, including joint marketing efforts.

14 [(c)] (B) As part of the capital maintenance and improvement items in the
15 plan submitted under subsection [(b)(5)] (A)(5) of this section, a racing licensee shall
16 include any improvements necessary to ensure that the condition of any part of the
17 racetrack facility where individuals reside is satisfactory for human habitation and
18 meets minimum housing and sanitation standards in the county where the facility is
19 located.

20 [(d)] (C) The plans required under subsection [(b)] (A) of this section shall
21 also be provided to the Department of General Services and to the Legislative Policy
22 Committee of the General Assembly.

23 [(e)] (D) (1) If a video lottery operation license has been issued for a
24 racetrack location at Laurel Park, the video lottery operation license for the location
25 shall be revoked if the name, common law and statutory copyrights, service marks,
26 trademarks, trade names, or horse racing events that are associated with the
27 Preakness Stakes Race or the Woodlawn Vase are transferred to a location outside the
28 State.

29 (2) As an additional condition of a video lottery operation license, if a
30 racetrack licensee holds a video lottery operation license for Laurel Park, the licensee
31 shall be required to:

32 (i) promote and conduct the Preakness Stakes Race at the
33 Pimlico Race Course each year; or

34 (ii) if the Pimlico Race Course no longer exists, the Preakness
35 Stakes Race is prevented from being conducted at the Pimlico Race Course, or the
36 State Racing Commission, under § 11-513 of the Business Regulation Article, deems
37 an emergency exists, promote and conduct the Preakness Stakes Race each year at
38 another track located in the State that is approved by the State Racing Commission.

1 (3) If a racetrack licensee has been issued a video lottery operation
2 license for a racetrack location at Laurel Park, the licensee shall permit the event
3 known as the Maryland Million to be run annually at Laurel Park unless:

4 (i) the licensee is prevented from doing so by weather, acts of
5 God, or other circumstances beyond the control of the licensee; or

6 (ii) the licensee and the Maryland Million LLC agree to another
7 location that is approved by the State Racing Commission.

8 (4) If a video lottery operation license is issued to a racetrack location
9 at Laurel Park, the video lottery operation licensee shall:

10 (i) maintain the operation of the Bowie Training Center; or

11 (ii) if State law no longer requires the Bowie Training Center to
12 operate as a training facility, convey the property associated with the Bowie Training
13 Center to the State as preserved land under Program Open Space.

14 9–1A–28.

15 (a) There is a Purse Dedication Account under the authority of the State
16 Racing Commission.

17 (b) (1) The Account shall receive money as required under § 9–1A–27 of
18 this subtitle.

19 (2) Money in the Account shall be invested and reinvested by the
20 Treasurer and interest and earnings shall accrue to the Account.

21 (3) The Comptroller shall:

22 (i) account for the Account; and

23 (ii) on a properly approved transmittal prepared by the State
24 Racing Commission, issue a warrant to pay out money from the Account in the
25 manner provided under this section.

26 (4) The Account is a special, nonlapsing fund that is not subject to §
27 7–302 of the State Finance and Procurement Article.

28 (5) Expenditures from the Account shall only be made on a properly
29 approved transmittal prepared by the State Racing Commission as provided under
30 subsection (c) of this section.

31 (c) Subject to subsections (d) and (e) of this section, the State Racing
32 Commission shall allocate funds in the Account as follows:

1 (1) 80% to the thoroughbred industry; and

2 (2) 20% to the standardbred industry.

3 (d) The amount of funds allocated to thoroughbred purses and the
4 Maryland-bred Race Fund shall be allocated as follows:

5 (1) 89% to thoroughbred purses at the Pimlico Race Course, Laurel
6 Park, the racecourse in Allegany County, and the racecourse at Timonium; and

7 (2) 11% to the Maryland-bred Race Fund.

8 (e) The amount of funds allocated to standardbred purses and the
9 Standardbred Race Fund shall be allocated as follows:

10 (1) 89% to standardbred purses at Rosecroft Raceway, Ocean Downs
11 Race Course, and the racecourse in Allegany County, allocated based on the number of
12 live racing days at each track location; and

13 (2) 11% to the Standardbred Race Fund.

14 (f) From the amount provided to thoroughbred purses, the State Racing
15 Commission shall pay an annual grant of \$100,000 to Fair Hill, as defined under §
16 11-811 of the Business Regulation Article.

17 **(G) OF THE AMOUNT PROVIDED FROM THE PURSE DEDICATION**
18 **ACCOUNT UNDER SUBSECTION (E)(1) OF THIS SECTION:**

19 **(1) FOR OCEAN DOWNS RACE COURSE, UP TO \$1,200,000**
20 **ANNUALLY MAY BE USED TO PROVIDE OPERATING ASSISTANCE TO SUPPORT A**
21 **MINIMUM OF 40 ANNUAL LIVE RACING DAYS UNLESS THE RACING LICENSEE IS**
22 **PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND**
23 **THE RACING LICENSEE'S CONTROL; AND**

24 **(2) FOR ROSECROFT RACEWAY, UP TO \$1,200,000 ANNUALLY**
25 **MAY BE USED TO:**

26 **(I) PROVIDE OPERATING ASSISTANCE TO SUPPORT A**
27 **MINIMUM OF 40 ANNUAL LIVE RACING DAYS UNLESS THE RACING LICENSEE IS**
28 **PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND**
29 **THE RACING LICENSEE'S CONTROL; AND**

30 **(II) FOR THE PURPOSE OF PROVIDING FUNDING TO**
31 **SUPPORT THE RESUMPTION OF LIVE RACING AT ROSECROFT RACEWAY, REPAY:**

1 1. A LOAN, NOT TO EXCEED \$4,000,000, OBTAINED
2 BY THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION (MEDCO), TO
3 MAKE AN ADVANCE TO THE OWNERS OF ROSECROFT RACEWAY, PLUS
4 REASONABLE INTEREST, FEES, AND ADMINISTRATIVE COSTS OF MEDCO
5 RELATED TO THE LOAN; OR

6 2. AN ADVANCE FROM MEDCO, NOT TO EXCEED
7 \$4,000,000 OF MEDCO'S OWN FUNDS, TO THE OWNERS OF ROSECROFT
8 RACEWAY, PLUS REASONABLE INTEREST, FEES, AND ADMINISTRATIVE COSTS
9 OF MEDCO RELATED TO THE ADVANCE.

10 (H) (1) THE COMPTROLLER SHALL ON A PROPERLY APPROVED
11 TRANSMITTAL PREPARED BY THE SECRETARY OF LABOR, LICENSING AND
12 REGULATION ISSUE A WARRANT TO PAY OUT MONEY FROM THE ACCOUNT
13 DIRECTLY TO MEDCO PURSUANT TO SUBSECTION (G)(2)(II) OF THIS SECTION
14 ON A SCHEDULE AGREED TO BY MEDCO AND THE SECRETARY.

15 (2) PAYMENTS TO MEDCO UNDER THIS SUBSECTION SHALL BE
16 PAID:

17 (I) PRIOR TO ANY PAYMENTS TO ROSECROFT RACEWAY
18 UNDER SUBSECTION (G)(2)(I) OF THIS SECTION; AND

19 (II) WITHOUT REGARD TO THE NUMBER OF LIVE RACING
20 DAYS CONDUCTED BY ROSECROFT RACEWAY.

21 (I) (1) TO OBTAIN OPERATING ASSISTANCE OR TO OBTAIN AN
22 ADVANCE FROM MEDCO UNDER THIS SECTION, A HOLDER OF A RACING
23 LICENSE TO RACE AT OCEAN DOWNS RACE COURSE OR ROSECROFT RACEWAY
24 MAY APPLY TO THE SECRETARY OF LABOR, LICENSING, AND REGULATION FOR
25 THE REIMBURSEMENT OF EXPENDITURES MADE BY THE RACING LICENSEE TO
26 CONDUCT THE ANNUAL LIVE RACING SCHEDULE.

27 (2) SUBJECT TO PARAGRAPH (6) OF THIS SUBSECTION, THE
28 RACING LICENSEE'S APPLICATION SHALL:

29 (I) INCLUDE A 12-MONTH BUSINESS PLAN THAT SETS
30 FORTH THE INCOME- AND EXPENSE-RELATED ITEMS THAT ARE NECESSARY TO
31 CONDUCT A LIVE RACING SCHEDULE OF AT LEAST THE NUMBER OF LIVE RACING
32 DAYS THAT WAS STATED IN THE APPLICATION; AND

33 (II) BE SUBJECT TO REVIEW BY A CERTIFIED PUBLIC
34 ACCOUNTANT.

1 **(3) ON THE COMPLETION OF THE REVIEW OF THE APPLICATION**
2 **BY A CERTIFIED PUBLIC ACCOUNTANT, THE SECRETARY MAY AUTHORIZE THE**
3 **REIMBURSEMENT OF EXPENDITURES BY THE RACING LICENSEE THAT ARE**
4 **NECESSARY TO CONDUCT THE ANNUAL LIVE RACING SCHEDULE.**

5 **(4) ALL COSTS ASSOCIATED WITH THE RACING LICENSEE'S**
6 **APPLICATION SHALL BE PAID BY THE RACING LICENSEE.**

7 **(5) TO QUALIFY FOR AN ADVANCE FROM MEDCO UNDER THIS**
8 **SECTION, ROSECROFT RACEWAY:**

9 **(I) SHALL AGREE TO HIRE BACK WORKERS EMPLOYED AT**
10 **THE FACILITY PRIOR TO THE END OF LIVE RACING ON JUNE 27, 2008;**

11 **(II) SHALL RECOGNIZE COLLECTIVE BARGAINING**
12 **AGREEMENTS THAT WERE IN PLACE AS OF JUNE 1, 2008;**

13 **(III) SHALL REINVEST ALL FORMS OF REVENUE EARNED BY**
14 **THE TRACK INTO OPERATING AND CAPITAL EXPENDITURES FOR THE BENEFIT**
15 **OF ROSECROFT RACEWAY; AND**

16 **(IV) MAY NOT PAY ANY DIVIDENDS OR SIMILAR TYPES OF**
17 **PAYMENTS TO THE OWNERS OF ROSECROFT RACEWAY WHILE ANY AMOUNTS**
18 **DUE TO MEDCO UNDER THIS SECTION REMAIN UNPAID.**

19 **(6) IN SUPPORT OF THE RACING LICENSEE'S APPLICATION AND**
20 **REQUEST FOR REIMBURSEMENT SUBMITTED UNDER PARAGRAPH (1) OF THIS**
21 **SUBSECTION, THE RACING LICENSEE SHALL PROVIDE TO THE SECRETARY:**

22 **(I) MONTHLY FINANCIAL INFORMATION REQUESTED BY**
23 **THE SECRETARY, IN A FORM SATISFACTORY TO THE SECRETARY; AND**

24 **(II) AN ANNUAL AUDITED FINANCIAL STATEMENT.**

25 **(7) A RACING LICENSEE MAY NOT RECEIVE ASSISTANCE OR AN**
26 **ADVANCE FROM MEDCO UNDER THIS SECTION WHILE THE RACING LICENSEE**
27 **IS A PARTY TO A PROCEEDING CHALLENGING THE ISSUANCE OR DENIAL OF A**
28 **VIDEO LOTTERY OPERATION LICENSE.**

29 **[(g)] (J) The provisions of this section may not be construed to apply to the**
30 **racecourse in Allegany County until horse racing begins at that racecourse.**

31 **[(h)] (K) On or before December 1, 2014, the State Racing Commission**
32 **shall:**

1 (1) conduct a study to determine the impact of the Purse Dedication
2 Account on the racing industry in the State; and

3 (2) make recommendations to the General Assembly regarding the
4 continuation of the Purse Dedication Account and the amount of money distributed to
5 the Purse Dedication Account.

6 9–1A–29.

7 (a) There is a Racetrack Facility Renewal Account under the authority of the
8 State Racing Commission.

9 (b) (1) The Account shall receive money as required under § 9–1A–27 of
10 this subtitle.

11 (2) Money in the Account shall be invested and reinvested by the
12 Treasurer and interest and earnings shall accrue to the Account.

13 (3) The Comptroller shall:

14 (i) account for the Account; and

15 (ii) on a properly approved transmittal prepared by the State
16 Racing Commission, issue a warrant to pay out money from the Account in the
17 manner provided under this section.

18 (4) The Account is a special, nonlapsing fund that is not subject to §
19 7–302 of the State Finance and Procurement Article.

20 (5) Expenditures from the Account shall only be made on a properly
21 approved transmittal prepared by the State Racing Commission as provided under
22 subsection (c) of this section.

23 (c) Funds from the Account shall be used to provide a grant to the holder of a
24 license to hold a race meeting in the State for:

25 (1) racetrack facility capital construction and improvements; AND

26 (2) **FOR LAUREL PARK AND PIMLICO RACE COURSE, OPERATING**
27 **ASSISTANCE TO SUPPORT A MINIMUM OF 146 ANNUAL LIVE RACING DAYS IN**
28 **CALENDAR YEARS 2012, 2013, AND 2014, UNLESS THE RACING LICENSEE IS**
29 **PREVENTED BY WEATHER, ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND**
30 **THE RACING LICENSEE’S CONTROL.**

1 (d) [The] **EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION,**
 2 **THE** amount of funds made available from the Racetrack Facility Renewal Account
 3 shall be allocated as follows:

4 (1) 80% to the Pimlico Race Course, Laurel Park, and the racecourse
 5 at Timonium; and

6 (2) 20% to Rosecroft Raceway and Ocean Downs Race Course.

7 **(E) FOR FISCAL YEAR 2012, THE AMOUNT OF FUNDS MADE AVAILABLE**
 8 **FROM THE RACETRACK FACILITY RENEWAL ACCOUNT SHALL BE ALLOCATED**
 9 **AS FOLLOWS:**

10 **(1) 80% TO THE PIMLICO RACE COURSE, LAUREL PARK, AND**
 11 **THE RACECOURSE AT TIMONIUM:**

12 **(I) MINUS 20% OF THE AMOUNT CREDITED TO THE**
 13 **ACCOUNT IN FISCAL YEAR 2011; AND**

14 **(II) MINUS THE AMOUNT NECESSARY TO REPAY FUNDS TO**
 15 **THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION IN ACCORDANCE**
 16 **WITH SECTION 16 OF CHAPTER __ (S.B. 87/H.B. 72) OF THE ACTS OF THE**
 17 **GENERAL ASSEMBLY OF THE SESSION OF 2011 (THE BUDGET RECONCILIATION**
 18 **AND FINANCING ACT OF 2011); AND**

19 **(2) 20% TO ROSECROFT RACEWAY AND OCEAN DOWNS RACE**
 20 **COURSE, PLUS 20% OF THE AMOUNT CREDITED TO THE ACCOUNT IN FISCAL**
 21 **YEAR 2011.**

22 **[(e)] (F)** In order to obtain a **CAPITAL** grant, a holder of a license to hold a
 23 race meeting in the State shall:

24 (1) submit a capital construction plan to be implemented within a
 25 specified time frame to the State Racing Commission for approval; and

26 (2) except as provided in subsection **[(f)] (G)** of this section, provide
 27 and expend a matching fund.

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

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

- 1 **(II) FOR FISCAL YEAR 2013, \$1,250,000;**
2 **(III) FOR FISCAL YEAR 2014, \$1,125,000;**
3 **(IV) FOR FISCAL YEAR 2015, \$1,000,000; AND**
4 **(V) FOR FISCAL YEAR 2016, \$1,000,000.**

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

7 **[(g)] (H)** Of the amount provided from the Racetrack Facility Renewal
8 Account under subsection (d)(1) of this section, the State Racing Commission may
9 provide direct grant funding for the establishment of a horse racing museum as part of
10 the Pimlico Race Course.

11 **[(h)] (I)** After a CAPITAL grant has been provided under this section, the
12 State Racing Commission shall:

13 (1) in consultation with the Department of General Services, monitor
14 the implementation of the approved capital construction plan; and

15 (2) make provisions for recapture of grant moneys if the capital
16 construction plan is not implemented within the time frame approved by the State
17 Racing Commission.

18 **(J) (1) TO OBTAIN OPERATING ASSISTANCE UNDER SUBSECTION**
19 **(C)(2) OF THIS SECTION, A HOLDER OF A RACING LICENSE TO RACE AT PIMLICO**
20 **RACE COURSE OR LAUREL PARK MAY APPLY TO THE SECRETARY OF LABOR,**
21 **LICENSING, AND REGULATION FOR THE REIMBURSEMENT OF EXPENDITURES**
22 **MADE BY THE RACING LICENSEE TO CONDUCT THE ANNUAL LIVE RACING**
23 **SCHEDULE.**

24 **(2) SUBJECT TO PARAGRAPH (5) OF THIS SUBSECTION, THE**
25 **RACING LICENSEE'S APPLICATION SHALL:**

26 **(I) INCLUDE A 12-MONTH BUSINESS PLAN THAT SETS**
27 **FORTH THE INCOME- AND EXPENSE-RELATED ITEMS THAT ARE NECESSARY TO**
28 **CONDUCT A LIVE RACING SCHEDULE OF AT LEAST THE NUMBER OF LIVE RACING**
29 **DAYS THAT WAS STATED IN THE APPLICATION; AND**

30 **(II) BE SUBJECT TO REVIEW BY A CERTIFIED PUBLIC**
31 **ACCOUNTANT.**

1 **(3) ON THE COMPLETION OF THE REVIEW OF THE APPLICATION**
2 **BY A CERTIFIED PUBLIC ACCOUNTANT, THE SECRETARY MAY AUTHORIZE THE**
3 **REIMBURSEMENT OF EXPENDITURES BY THE RACING LICENSEE THAT ARE**
4 **NECESSARY TO CONDUCT THE ANNUAL LIVE RACING SCHEDULE.**

5 **(4) ALL COSTS ASSOCIATED WITH THE RACING LICENSEE'S**
6 **APPLICATION SHALL BE PAID BY THE RACING LICENSEE.**

7 **(5) IN SUPPORT OF THE RACING LICENSEE'S APPLICATION AND**
8 **REQUEST FOR REIMBURSEMENT SUBMITTED UNDER PARAGRAPH (1) OF THIS**
9 **SUBSECTION, THE RACING LICENSEE SHALL PROVIDE TO THE SECRETARY:**

10 **(I) MONTHLY FINANCIAL INFORMATION REQUESTED BY**
11 **THE SECRETARY, IN A FORM SATISFACTORY TO THE SECRETARY; AND**

12 **(II) AN ANNUAL AUDITED FINANCIAL STATEMENT.**

13 **(6) A RACING LICENSEE MAY NOT RECEIVE ASSISTANCE UNDER**
14 **THIS SECTION WHILE THE RACING LICENSEE IS A PARTY TO A PROCEEDING**
15 **CHALLENGING THE ISSUANCE OR DENIAL OF A VIDEO LOTTERY OPERATION**
16 **LICENSE.**

17 **[(i)] (K)** Any unencumbered funds remaining in the Racetrack Facility
18 Renewal Account on July 1, 2018, shall be paid to the Education Trust Fund
19 established under § 9-1A-30 of this subtitle.

20 **[(j)] (L)** The State Racing Commission shall adopt regulations to
21 implement the provisions of this subsection, including regulations to address
22 minimum criteria for the types of improvements to be made by the holder of a license.

23 **[(k)] (M)** The provisions of this section may not be construed to apply to the
24 racecourse in Allegany County.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2011.