

# HOUSE BILL 1176

C6

(5lr2942)

## ENROLLED BILL

— Ways and Means/Budget and Taxation —

Introduced by **Delegates Knotts and Luedtke**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~**Harness Racing – Purses – Deductions Paid to an Organization**~~

3 **Video Lottery Terminal Revenues – Standardbred Owners and Trainers – Benefit**  
4 **Programs**

5 FOR the purpose of ~~requiring that authorizing a certain organization representing certain~~  
6 ~~standardbred owners and trainers to set deduct a certain amount to be deducted~~  
7 ~~from certain purses and paid to a certain organization to be used for its operations~~  
8 ~~under certain circumstances; requiring a certain organization to obtain State Racing~~  
9 ~~Commission approval prior to making certain expenditures; providing that certain~~  
10 ~~expenditures may not be considered eligible expenditures; requiring a certain~~  
11 ~~organization to submit certain financial statements to the State Racing Commission;~~  
12 ~~defining a certain term; and generally relating to standardbred racing purses~~  
13 ~~authorizing the organization that represents a majority of the standardbred owners~~  
14 ~~and trainers in the State to apply to the Secretary of Labor, Licensing, and Regulation~~

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#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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

*Italics indicate opposite chamber/conference committee amendments.*



*for the reimbursement of certain expenditures not to exceed a certain amount of certain purses; providing that the reimbursement amount be deducted from the Purse Dedication Account funded by video lottery terminal revenues; specifying certain programs for which reimbursement is allowable; prohibiting the reimbursement calculation from including certain items; requiring the organization to provide certain information to the Secretary; defining a certain term; and generally relating to video lottery terminal revenues and standardbred owners and trainers.*

~~BY adding to~~

~~Article – Business Regulation~~

~~Section 11-607~~

~~Annotated Code of Maryland~~

~~(2010 Replacement Volume and 2014 Supplement)~~

*BY adding to*

*Article – State Government*

*Section 9-1A-28.1*

*Annotated Code of Maryland*

*(2014 Replacement Volume)*

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

~~Article – Business Regulation~~

~~11-607.~~

~~(A) IN THIS SECTION, “OPEN PURSE” MEANS ANY PURSE, EXCEPT FOR ONE OFFERED IN A RACE FUNDED BY THE MARYLAND STANDARDBRED RACE FUND.~~

~~(B) (1) THE SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE ORGANIZATION THAT REPRESENTS A MAJORITY OF THE STANDARDBRED OWNERS AND TRAINERS IN THE STATE SHALL SET AN AMOUNT NOT LESS THAN 1% BUT NOT MORE THAN 2% THAT SHALL BE DEDUCTED FROM ALL OPEN PURSES AND PAID TO THE ORGANIZATION MAY DEDUCT AN AMOUNT FROM ALL OPEN PURSES TO BE USED FOR ITS OPERATIONS, IN ADDITION TO ANY AMOUNT TO BE DEDUCTED UNDER A CONTRACTUAL ARRANGEMENT WITH TRACK LICENSEES.~~

~~(2) THE TOTAL COMBINED AMOUNT THAT MAY BE DEDUCTED FROM ALL OPEN PURSES UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT EXCEED 2% OF ALL OPEN PURSES.~~

~~(C) (1) THE ORGANIZATION THAT REPRESENTS THE MAJORITY OF THE STANDARDBRED OWNERS AND TRAINERS IN THE STATE SHALL OBTAIN APPROVAL~~

~~FROM THE COMMISSION PRIOR TO THE EXPENDITURE OF ANY FUNDS RECEIVED UNDER SUBSECTION (B) OF THIS SECTION.~~

~~(2) ELIGIBLE EXPENDITURES UNDER SUBSECTION (B) OF THIS SECTION MAY NOT INCLUDE:~~

~~(I) EXTRAORDINARY INCOME AND EXPENSE RELATED ITEMS, INCLUDING EXTRAORDINARY LITIGATION EXPENSES; OR~~

~~(II) LOBBYING FEES.~~

~~(D) ON OR BEFORE THE 90TH DAY FOLLOWING THE END OF THE ORGANIZATION'S FISCAL YEAR, THE ORGANIZATION SHALL SUBMIT TO THE COMMISSION IN THE FORM THAT THE COMMISSION REQUIRES:~~

~~(1) AN ITEMIZED STATEMENT UNDER OATH FOR THE PRECEDING FISCAL YEAR OF RECEIPTS FROM ALL SOURCES AND OF ALL DISBURSEMENTS, INCLUDING SALARIES OF ALL OFFICERS, ATTORNEY FEES, AND LOBBYING EXPENSES; AND~~

~~(2) A CERTIFIED AUDIT BY A CERTIFIED PUBLIC ACCOUNTANT OF THE FINANCIAL RECORDS OF THE ORGANIZATION FOR THE PRECEDING FISCAL YEAR.~~

### *Article – State Government*

#### *9-1A-28.1.*

*(A) IN THIS SECTION, “OPEN PURSE” MEANS ANY PURSE, EXCEPT FOR ONE OFFERED IN A RACE FUNDED BY THE MARYLAND STANDARD BRED RACE FUND.*

*(B) (1) THE ORGANIZATION THAT REPRESENTS A MAJORITY OF THE STANDARD BRED OWNERS AND TRAINERS IN THE STATE MAY APPLY TO THE SECRETARY OF LABOR, LICENSING, AND REGULATION FOR THE REIMBURSEMENT OF EXPENDITURES LISTED IN SUBSECTION (C) OF THIS SECTION.*

*(2) FROM THE AMOUNT ALLOCATED TO THE PURSE DEDICATION ACCOUNT UNDER § 9-1A-28(E)(1) OF THIS SUBTITLE, THE SECRETARY MAY ALLOCATE TO THE ORGANIZATION THAT REPRESENTS A MAJORITY OF THE STANDARD BRED OWNERS AND TRAINERS IN THE STATE AN AMOUNT FOR THE REIMBURSEMENT OF EXPENDITURES REQUESTED UNDER THIS SUBSECTION.*

*(3) THE AMOUNT ALLOCATED BY THE SECRETARY UNDER PARAGRAPH (2) OF THIS SUBSECTION, IN ADDITION TO ANY AMOUNT AGREED ON*

1 UNDER A CONTRACTUAL ARRANGEMENT WITH TRACK LICENSEES, MAY NOT EXCEED  
2 2% OF ALL OPEN PURSES.

3 (C) EXPENDITURES ELIGIBLE FOR REIMBURSEMENT UNDER SUBSECTION  
4 (B) OF THIS SECTION INCLUDE THE ORDINARY AND REASONABLE COSTS OF  
5 ESTABLISHING AND MAINTAINING THE FOLLOWING PROGRAMS FOR STANDARD BRED  
6 OWNERS AND TRAINERS:

7 (1) COUNSELING PROGRAMS TO ADDRESS ISSUES SUCH AS DRUG  
8 ADDICTION, DEPRESSION, MARITAL PROBLEMS, AND FINANCIAL PROBLEMS;

9 (2) PREVENTIVE CARE PROGRAMS SUCH AS HEALTH FAIRS,  
10 MAMMOGRAM SCREENINGS, AND FLU VACCINATION CLINICS;

11 (3) GROUP HEALTH, LIFE, AND ON-TRACK DRIVERS' INSURANCE  
12 PLANS; AND

13 (4) RETIREMENT PROGRAMS.

14 (D) THE REIMBURSEMENT CALCULATION UNDER SUBSECTION (C) OF THIS  
15 SECTION MAY NOT INCLUDE:

16 (1) EXTRAORDINARY INCOME AND EXPENSE-RELATED ITEMS,  
17 INCLUDING EXTRAORDINARY LITIGATION EXPENSES;

18 (2) LOBBYING FEES;

19 (3) CAPITAL INVESTMENTS, INCLUDING PREDEVELOPMENT COSTS;  
20 OR

21 (4) PRIOR YEAR ADJUSTMENTS AND CLAIMS.

22 (E) IN SUPPORT OF AN APPLICATION AND A REQUEST FOR REIMBURSEMENT  
23 SUBMITTED UNDER SUBSECTION (B) OF THIS SECTION, THE ORGANIZATION SHALL  
24 PROVIDE TO THE SECRETARY OF LABOR, LICENSING, AND REGULATION IN A FORM  
25 SATISFACTORY TO THE SECRETARY:

26 (1) AN ITEMIZED STATEMENT UNDER OATH FOR THE PRECEDING  
27 FISCAL YEAR OF RECEIPTS FROM ALL SOURCES AND OF ALL DISBURSEMENTS,  
28 INCLUDING SALARIES OF ALL OFFICERS, ATTORNEY FEES, AND LOBBYING EXPENSES;  
29 AND

30 (2) A CERTIFIED AUDIT BY A CERTIFIED PUBLIC ACCOUNTANT OF THE  
31 FINANCIAL RECORDS OF THE ORGANIZATION FOR THE PRECEDING FISCAL YEAR.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
2 1, 2015.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.