

HOUSE BILL 965

C6

(6lr2038)

ENROLLED BILL

— Ways and Means/Finance —

Introduced by ~~Delegate Walker~~ Delegates Walker, Hornberger, and Metzgar

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 **The Maryland International and Preakness Stakes Incentive Act of 2016**

3 FOR the purpose of establishing the Maryland International thoroughbred race; providing
4 that the Maryland International is a Grade 1 stakes race run on a certain track;
5 providing for the funding of a certain purse for the Maryland International race
6 *beginning on a certain date*; providing for the application of certain takeout
7 provisions and the payment of certain taxes and fees; requiring the State Racing
8 Commission to approve a certain race; providing for the use of certain special funds
9 for a certain race; providing that certain money from ~~the State Lottery Fund a~~
10 ~~certain unclaimed prize fund~~ *the State Lottery Fund* be distributed to pay certain
11 Maryland-bred or -sired horses ~~who win~~ *running in* the Preakness Stakes ~~or are~~
12 ~~eligible for certain purses from the Preakness Stakes~~ *in a certain fiscal year* under
13 certain conditions; *providing that certain money from the State Lottery Fund be*
14 *distributed to pay for certain sporting events by the Maryland Office of Sports*
15 *Marketing in the Maryland Stadium Authority and Maryland History Day and other*

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.



1 programming by the Maryland Humanities Council beginning on a certain date;
 2 ~~requiring prohibiting~~ that certain funds revert to the ~~State Lottery Fund~~ General
 3 Fund under certain circumstances; requiring the Comptroller to distribute certain
 4 funds to a certain special fund; ~~requiring the State Lottery and Gaming Control~~
 5 ~~Agency to account for certain funds by reducing certain funds for a certain purpose~~
 6 ~~by a certain amount~~ requiring authorizing the licensee to make the Maryland
 7 Lottery and Gaming Control Agency a sponsor of the Maryland International
 8 thoroughbred race; ~~providing for the termination of certain provisions of this Act;~~
 9 and generally relating to the Maryland International thoroughbred race, the
 10 Preakness Stakes, and Maryland-bred or -sired horses.

11 BY repealing and reenacting, with amendments,
 12 Article – Business Regulation
 13 Section 11–402 and 11–403
 14 Annotated Code of Maryland
 15 (2015 Replacement Volume and 2015 Supplement)

16 BY adding to
 17 Article – Business Regulation
 18 Section 11–522.1
 19 Annotated Code of Maryland
 20 (2015 Replacement Volume and 2015 Supplement)

21 ~~BY repealing and reenacting, with amendments,~~
 22 ~~Article – State Government~~
 23 ~~Section 9–120(a)~~
 24 ~~Annotated Code of Maryland~~
 25 ~~(2014 Replacement Volume and 2015 Supplement)~~

26 BY repealing and reenacting, with amendments,
 27 Article – State Government
 28 Section 9–120(b)(1)
 29 Annotated Code of Maryland
 30 (2014 Replacement Volume and 2015 Supplement)

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

33 **Article – Business Regulation**

34 11–402.

35 The Special Fund consists of:

36 (1) the State share of daily licensee fees;

37 (2) pari-mutuel taxes;

1 (3) the impact aid under § 11–812 of this title;

2 (4) money from uncashed pari–mutuel tickets that are from bets made into
3 the betting pools of licensees; [and]

4 (5) any permit fees under §§ 11–820 and 11–832 of this title; AND

5 (6) **SUBJECT TO § 11–403(A)(9) AND (B) OF THIS SUBTITLE, MONEY**
6 **FROM ~~THE STATE LOTTERY FUND DISTRIBUTED UNDER § 9–120(A)(2) AN~~**
7 **~~UNCLAIMED PRIZE FUND ESTABLISHED UNDER § 9–122(F) THE STATE LOTTERY~~**
8 **FUND DISTRIBUTED UNDER § 9–120(B) OF THE STATE GOVERNMENT ARTICLE.**

9 11–403.

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

11 (1) \$825,000 to the Maryland Agricultural Fair Board to promote State and
12 county agricultural fairs and exhibits;

13 (2) \$100,000 to Prince George’s County to replace money formerly received
14 from the admissions and amusement tax;

15 (3) \$40,000 to the Great Frederick Fair to support exhibition harness
16 racing with money for construction and maintenance of new stalls, track maintenance, and
17 purses;

18 (4) \$50 to the City of Bowie for each day that the training facilities are open
19 at the Bowie Race Course Training Center;

20 (5) \$75,000 to the Maryland Agricultural Education Foundation, Inc., to
21 promote and enhance statewide agricultural education;

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

25 (7) \$500,000 to the Maryland Million, Ltd. to support and promote the
26 running of Maryland Million races; [and]

27 (8) \$350,000 to the Maryland Standardbred Race Fund for the Sire Stakes
28 Program; AND

29 (9) **BEGINNING JULY 1, 2017, \$500,000** FROM THE MONEY
30 **DISTRIBUTED UNDER ~~§ 9–120(A)(2) § 9–120(B)~~ OF THE STATE GOVERNMENT**
31 **ARTICLE;**

1 (I) \$500,000 TO A PURSE FOR THE MARYLAND
 2 INTERNATIONAL THOROUGHBRED RACE UNDER § 11-522.1 OF THIS TITLE;

3 (II) \$350,000 TO THE MARYLAND OFFICE OF SPORTS
 4 MARKETING IN THE MARYLAND STADIUM AUTHORITY FOR INCENTIVE GRANTS FOR
 5 YOUTH AND AMATEUR SPORTING EVENTS; AND

6 (III) \$150,000 TO THE MARYLAND HUMANITIES COUNCIL FOR
 7 MARYLAND HISTORY DAY AND OTHER PROGRAMMING.

8 ~~(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE~~
 9 ~~COMPTROLLER SHALL PAY FROM THE MONEY DISTRIBUTED TO THE SPECIAL FUND~~
 10 ~~UNDER § 9-120(A)(2) OF THE STATE GOVERNMENT ARTICLE AN ANNUAL GRANT OF:~~

11 ~~(I) \$500,000 TO THE WINNING HORSE OF THE PREAKNESS~~
 12 ~~STAKES IN A CALENDAR YEAR IF THE WINNING HORSE IS A MARYLAND-BRED~~
 13 ~~OR SIREN HORSE; AND~~

14 ~~(II) \$100,000 TO A MARYLAND-BRED OR SIREN HORSE THAT~~
 15 ~~IS:~~

16 ~~1. ELIGIBLE FOR PREAKNESS STAKES PURSE MONEY~~
 17 ~~BASED ON THE CONDITIONS OF THE RACE THAT DETERMINE THE DISTRIBUTION OF~~
 18 ~~PURSES IN A CALENDAR YEAR; AND~~

19 ~~2. NOT THE WINNING HORSE OF THE PREAKNESS~~
 20 ~~STAKES.~~

21 ~~(2) IF A MARYLAND-BRED OR SIREN HORSE DOES NOT WIN THE~~
 22 ~~PREAKNESS STAKES IN A CALENDAR YEAR OR IS NOT ELIGIBLE FOR PURSE MONEY~~
 23 ~~BASED ON THE CONDITIONS OF THE RACE THAT DETERMINE THE DISTRIBUTION OF~~
 24 ~~PURSES FOR THE PREAKNESS STAKES IN A CALENDAR YEAR, ANY UNUSED FUNDS~~
 25 ~~DISTRIBUTED BY THE COMPTROLLER TO THE SPECIAL FUND SHALL REVERT TO THE~~
 26 ~~STATE LOTTERY FUND.~~

27 (B) (1) IN FISCAL YEAR 2017, THE COMPTROLLER SHALL PAY, FROM THE
 28 MONEY DISTRIBUTED TO THE SPECIAL FUND, \$500,000 TO THE MARYLAND RACING
 29 COMMISSION TO BE USED, IN A MANNER DETERMINED BY THE MARYLAND RACING
 30 COMMISSION, FOR A BONUS AWARD PROGRAM FOR MARYLAND-BRED OR
 31 MARYLAND-SIREN HORSES RUNNING IN THE PREAKNESS STAKES.

1 **(2) THE MARYLAND RACING COMMISSION SHALL CONSULT WITH**
 2 **REPRESENTATIVES OF THE THOROUGHBRED RACING INDUSTRY PRIOR TO**
 3 **ESTABLISHING THE RULES AND CRITERIA FOR THE BONUS AWARD PROGRAM.**

4 **(3) IF, UNDER THE RULES OF THE BONUS AWARD PROGRAM, FUNDS**
 5 **REMAIN IN THE PROGRAM AFTER THE PREAKNESS STAKES IS CONDUCTED ON ONE**
 6 **OR MORE OCCASIONS, REMAINING FUNDS SHALL CARRY OVER TO THE NEXT FISCAL**
 7 **YEAR AND MAY NOT REVERT TO THE GENERAL FUND.**

8 **[(b)] (C)** If the Maryland State Fair remains at the Timonium Fair Grounds, the
 9 Comptroller shall pay from the Special Fund an annual grant of:

10 (1) \$500,000 to the Maryland State Fair and Agricultural Society, Inc., to:

11 (i) promote and enhance the Maryland State Fair; and

12 (ii) maintain and develop youth programs, with premium money
 13 provided to organizations, such as 4-H Clubs and the Future Farmers of America, for
 14 recognition and awards; and

15 (2) \$50,000 to Baltimore County to replace the money formerly received by
 16 the county under this subtitle.

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

19 **11-522.1.**

20 **(A) (1) THERE IS A MARYLAND INTERNATIONAL THOROUGHBRED RACE**
 21 **CONDUCTED BY A LICENSEE AT LAUREL PARK.**

22 **(2) THE MARYLAND INTERNATIONAL IS A GRADE 1 STAKES RACE**
 23 **RUN ON A TURF TRACK.**

24 **(B) THE PURSE FOR THE MARYLAND INTERNATIONAL SHALL BE FUNDED**
 25 **BY THE SPECIAL FUND ESTABLISHED UNDER § 11-402 OF THIS TITLE.**

26 **(C) THE TAKEOUT PROVISIONS OF ~~§§ 11-514 AND 11-515~~ OF THIS SUBTITLE**
 27 **SHALL APPLY TO THE MARYLAND INTERNATIONAL.**

28 **(D) THE LICENSEE SHALL PAY ALL TAXES AND FEES ASSOCIATED WITH THE**
 29 **MARYLAND INTERNATIONAL THAT WOULD OTHERWISE BE IMPOSED FOR A**
 30 **THOROUGHBRED RACE.**

1 (E) THE MARYLAND INTERNATIONAL SHALL BE CONDUCTED ONLY WITH
2 THE APPROVAL OF THE COMMISSION.

3 (F) THE LICENSEE SHALL MAY MAKE THE MARYLAND LOTTERY AND
4 GAMING CONTROL AGENCY A SPONSOR OF THE MARYLAND INTERNATIONAL
5 UNDER TERMS AGREED ON BY THE LICENSEE AND THE AGENCY.

6 ~~Article – State Government~~

7 ~~9-120.~~

8 (a) ~~(1) The Comptroller shall distribute, or cause to be distributed, the State~~
9 ~~Lottery Fund to pay:~~

10 ~~[(1)] (I) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, on a pro~~
11 ~~rata basis for the daily and nondaily State lottery games, the expenses of administering~~
12 ~~and operating the State lottery, as authorized under this subtitle and the State budget; and~~

13 ~~[(2)] (II) then, except as provided in § 10-113.1 of the Family Law Article,~~
14 ~~§ 11-618 of the Criminal Procedure Article, and § 3-307 of the State Finance and~~
15 ~~Procurement Article, the holder of each winning ticket or share.~~

16 ~~(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,~~
17 ~~FROM THE AMOUNT THAT THE COMPTROLLER DISTRIBUTES FOR ADMINISTERING~~
18 ~~AND OPERATING THE STATE LOTTERY, THE COMPTROLLER SHALL ANNUALLY~~
19 ~~DISTRIBUTE \$1,100,000 TO THE RACING SPECIAL FUND ESTABLISHED UNDER §~~
20 ~~11-401 OF THE BUSINESS REGULATION ARTICLE.~~

21 ~~(II) THE AGENCY SHALL ACCOUNT FOR THE FUNDS~~
22 ~~DISTRIBUTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BY REDUCING THE~~
23 ~~AMOUNT TO BE SPENT BY THE AGENCY FOR MARKETING BY \$1,100,000.~~

24 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect~~
25 ~~October 1, 2016.~~

26 Article – State Government

27 9-120.

28 (b) (1) By the end of the month following collection, the Comptroller shall
29 deposit or cause to be deposited:

30 (i) into the Maryland Stadium Facilities Fund established under §
31 7-312 of the State Finance and Procurement Article from the money that remains in the

1 State Lottery Fund, after the distribution under subsection (a) of this section, an amount not
 2 to exceed \$20,000,000 in any fiscal year;

3 (ii) after June 30, 2014, into the Maryland Veterans Trust Fund 10%
 4 of the money that remains in the State Lottery Fund from the proceeds of sales of tickets from
 5 instant ticket lottery machines by veterans' organizations under § 9-112(d) of this subtitle,
 6 after the distribution under subsection (a) of this section;

7 (iii) after June 30, 2014, into the Baltimore City Public School
 8 Construction Financing Fund established under § 10-656 of the Economic Development
 9 Article the money that remains in the State Lottery Fund from the proceeds of all lotteries
 10 after the distributions under subsection (a) of this section and items (i) and (ii) of this
 11 paragraph, an amount equal to \$20,000,000 in each fiscal year that bonds are outstanding
 12 and unpaid, to be paid in two installments with at least \$10,000,000 paid no later than
 13 December 1 of each fiscal year; [and]

14 (IV) AFTER JUNE 30, 2016, INTO THE RACING SPECIAL FUND
 15 ESTABLISHED UNDER § 11-401 OF THE BUSINESS REGULATION ARTICLE FROM
 16 MONEY THAT REMAINS IN THE STATE LOTTERY FUND AFTER THE DISTRIBUTIONS
 17 UNDER SUBSECTION (A) OF THIS SECTION AND ITEMS (I), (II), AND (III) OF THIS
 18 PARAGRAPH, AN AMOUNT EQUAL TO ~~\$500,000~~ \$1,000,000 IN EACH FISCAL YEAR; AND

19 [(iv)] (V) into the General Fund of the State the money that remains
 20 in the State Lottery Fund from the proceeds of all lotteries after the distributions under
 21 subsection (a) of this section and items (i), (ii), [and] (iii), AND (IV) of this paragraph.

22 SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 23 ~~October~~ July 1, 2016. Section 2 of this Act It shall remain effective for a period of ~~5~~ 3 years
 24 and, at the end of ~~September 30, 2021~~ June 30, 2019, with no further action required by
 25 the General Assembly, Section 2 of this Act shall be abrogated and of no further force and
 26 effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.