

HOUSE BILL 965

C6

6lr2038

By: ~~Delegate Walker~~ **Delegates Walker, Hornberger, and Metzgar**

Introduced and read first time: February 10, 2016

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 14, 2016

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 providing for the application of certain takeout provisions and the payment of certain
7 taxes and fees; requiring the State Racing Commission to approve a certain race;
8 providing for the use of certain special funds for a certain race; providing that certain
9 money from ~~the State Lottery Fund~~ a certain unclaimed prize fund be distributed to
10 pay certain Maryland-bred or -sired horses who win the Preakness Stakes or are
11 eligible for certain purses from the Preakness Stakes under certain conditions;
12 requiring that certain funds revert to the State Lottery Fund under certain
13 circumstances; requiring the Comptroller to distribute certain funds to a certain
14 special fund; ~~requiring the State Lottery and Gaming Control Agency to account for~~
15 ~~certain funds by reducing certain funds for a certain purpose by a certain amount~~
16 requiring the licensee to make the Maryland Lottery and Gaming Control Agency a
17 sponsor of the Maryland International thoroughbred race; providing for the
18 termination of certain provisions of this Act; and generally relating to the Maryland
19 International thoroughbred race, the Preakness Stakes, and Maryland-bred
20 or -sired horses.

21 BY repealing and reenacting, with amendments,

22 Article – Business Regulation

23 Section 11-402 and 11-403

24 Annotated Code of Maryland

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.



1 (2015 Replacement Volume and 2015 Supplement)

2 BY adding to

3 Article – Business Regulation

4 Section 11–522.1

5 Annotated Code of Maryland

6 (2015 Replacement Volume and 2015 Supplement)

7 ~~BY repealing and reenacting, with amendments,~~

8 ~~Article – State Government~~

9 ~~Section 9–120(a)~~

10 ~~Annotated Code of Maryland~~

11 ~~(2014 Replacement Volume and 2015 Supplement)~~

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

14 **Article – Business Regulation**

15 11–402.

16 The Special Fund consists of:

- 17 (1) the State share of daily licensee fees;
- 18 (2) pari–mutuel taxes;
- 19 (3) the impact aid under § 11–812 of this title;
- 20 (4) money from uncashed pari–mutuel tickets that are from bets made into
21 the betting pools of licensees; [and]

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

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

27 11–403.

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

- 29 (1) \$825,000 to the Maryland Agricultural Fair Board to promote State and
30 county agricultural fairs and exhibits;

1 (2) \$100,000 to Prince George's County to replace money formerly received
2 from the admissions and amusement tax;

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

6 (4) \$50 to the City of Bowie for each day that the training facilities are open
7 at the Bowie Race Course Training Center;

8 (5) \$75,000 to the Maryland Agricultural Education Foundation, Inc., to
9 promote and enhance statewide agricultural education;

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

13 (7) \$500,000 to the Maryland Million, Ltd. to support and promote the
14 running of Maryland Million races; [and]

15 (8) \$350,000 to the Maryland Standardbred Race Fund for the Sire Stakes
16 Program; AND

17 (9) **\$500,000 FROM THE MONEY DISTRIBUTED UNDER § 9-120(A)(2)**
18 **OF THE STATE GOVERNMENT ARTICLE TO A PURSE FOR THE MARYLAND**
19 **INTERNATIONAL THOROUGHBRED RACE UNDER § 11-522.1 OF THIS TITLE.**

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

23 (I) **\$500,000 TO THE WINNING HORSE OF THE PREAKNESS**
24 **STAKES IN A CALENDAR YEAR IF THE WINNING HORSE IS A MARYLAND-BRED**
25 **OR -SIRED HORSE; AND**

26 (II) **\$100,000 TO A MARYLAND-BRED OR -SIRED HORSE THAT**
27 **IS:**

28 1. **ELIGIBLE FOR PREAKNESS STAKES PURSE MONEY**
29 **BASED ON THE CONDITIONS OF THE RACE THAT DETERMINE THE DISTRIBUTION OF**
30 **PURSES IN A CALENDAR YEAR; AND**

31 2. **NOT THE WINNING HORSE OF THE PREAKNESS**
32 **STAKES.**

1 **(2) IF A MARYLAND-BRED OR -SIRE** HORSE DOES NOT WIN THE
2 **PREAKNESS STAKES IN A CALENDAR YEAR OR IS NOT ELIGIBLE FOR PURSE MONEY**
3 **BASED ON THE CONDITIONS OF THE RACE THAT DETERMINE THE DISTRIBUTION OF**
4 **PURSES FOR THE PREAKNESS STAKES IN A CALENDAR YEAR, ANY UNUSED FUNDS**
5 **DISTRIBUTED BY THE COMPTROLLER TO THE SPECIAL FUND SHALL REVERT TO THE**
6 **STATE LOTTERY FUND.**

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

9 (1) \$500,000 to the Maryland State Fair and Agricultural Society, Inc., to:

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

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

14 (2) \$50,000 to Baltimore County to replace the money formerly received by
15 the county under this subtitle.

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

18 **11-522.1.**

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

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

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

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

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

30 **(E) THE MARYLAND INTERNATIONAL SHALL BE CONDUCTED ONLY WITH**
31 **THE APPROVAL OF THE COMMISSION.**

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

4 ~~Article State Government~~

5 ~~9-120.~~

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

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

11 ~~[(2)] (II) then, except as provided in § 10-113.1 of the Family Law Article,~~
12 ~~§ 11-618 of the Criminal Procedure Article, and § 3-307 of the State Finance and~~
13 ~~Procurement Article, the holder of each winning ticket or share.~~

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

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

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

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