

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1598
Appropriations

(Delegates McCaskill and Toles)

Budget and Taxation

Horse Racing - Racetrack Facility Renewal Account Grants - Alterations

This bill allows standardbred racing licensees to receive a grant for a capital construction plan from the Racetrack Facility Renewal Account (RFRA) without providing and expending a matching fund, as otherwise required under current law. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: None. The bill allows a standardbred racing licensee to access RFRA funds without providing matching funds but does not alter the overall funding for RFRA.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill requires a racing licensee that receives a grant without providing and expending a matching fund to complete the capital construction plan and conduct live racing in the State for at least 10 years after completion of the capital construction plan. The Maryland Racing Commission (MRC) must recapture grant funds if either of the above requirements is not satisfied. The bill also requires MRC, on written request from the grantee and in consultation with the Department of General Services, to certify in writing that the grantee completed the approved capital construction plan.

The bill reduces the amount of any unencumbered RFRA fund balance (to 75%) that must be made available to Ocean Downs Race Course if Rosecroft Raceway is closed and no

longer used for live racing. The bill establishes a similar provision of law directing 75% of any unencumbered RFRA fund balance to Rosecroft Raceway if Ocean Downs Race Course is closed and no longer used for live racing.

Current Law:

Racetrack Facility Renewal Account

Except for the video lottery facility in Allegany County, 1% of video lottery terminal (VLT) proceeds from each video lottery facility is distributed to RFRA, which is under the authority of MRC, for the first 16 years of operations at each video lottery facility. Grants from RFRA are provided to racing licensees for racetrack facility capital construction and improvements. MRC must allocate 80% of RFRA funds to the thoroughbred tracks (Pimlico Race Course, Laurel Park, and the racecourse in Timonium) and 20% to the standardbred tracks (Rosecroft Raceway and Ocean Downs Race Course). The amount of VLT proceeds distributed to RFRA for the standardbred tracks is estimated at \$2.4 million in both fiscal 2027 and 2028. The current RFRA balance is \$17.1 million.

Capital Construction Plans

Generally, in order to obtain a grant, a holder of a license to hold a race meeting in the State must submit a capital construction plan to MRC and provide matching funds. After a grant has been provided, MRC must, in consultation with the Department of General Services, monitor the implementation of the approved capital construction plan and make provisions for the recapture of funds under specified circumstances.

Unencumbered Fund Balances

If Rosecroft Raceway is closed and no longer used for live racing, the unencumbered fund balance, including accrued interest, of the amount available to Rosecroft Raceway from RFRA must be made available to Ocean Downs Race Course.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 762 (Senator Guzzone, *et al.*) - Budget and Taxation.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - March 10, 2026
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