
By: Senators Baker, Stoltzfus, Craig, Amoss, Kelley, Colburn, Middleton, Hoffman, Blount, and Boozer

Introduced and read first time: January 27, 1997

Assigned to: Finance and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Distribution of Lottery Proceeds - Horse Racing - Purses**

3 FOR the purpose of requiring the State Lottery Agency to pay a certain amount of lottery
4 proceeds into the Special Fund administered by the State Racing Commission;
5 requiring that the State Racing Commission use the money that is paid only to
6 enhance purses offered at certain horse races; requiring that certain persons and
7 organizations agree to a formula for allocating the money to individual races;
8 requiring that the formula contain a certain purse structure for harness racing and
9 thoroughbred racing; and generally relating to the payment of lottery proceeds to
10 the State Racing Commission.

11 BY repealing and reenacting, with amendments,

12 Article - State Government
13 Section 9-120
14 Annotated Code of Maryland
15 (1995 Replacement Volume and 1996 Supplement)

16 BY repealing and reenacting, with amendments,

17 Article - Business Regulation
18 Section 11-402 and 11-403
19 Annotated Code of Maryland
20 (1992 Volume and 1996 Supplement)

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

23 **Article - State Government**

24 9-120.

25 (a) The Comptroller shall distribute the State Lottery Fund to pay:

26 (1) on a pro rata basis for the daily and nondaily State lottery games, the
27 expenses of administering and operating the State lottery, as authorized under this
28 subtitle and the State budget; and

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1 (2) then, except as provided in § 10-113.1 of the Family Law Article and
2 Article 27, § 811 of the Code, the holder of each winning ticket or share.

3 (b) (1) Promptly after the 1st day of each month, the Comptroller shall pay:

4 (i) into the Maryland Stadium Facilities Fund the money that remains
5 in the State Lottery Fund from the proceeds of the sports lotteries conducted for the
6 benefit of the Maryland Stadium Authority, after the distribution under subsection (a) of
7 this section; [and]

8 (II) INTO THE SPECIAL FUND ESTABLISHED UNDER § 11-401 OF THE
9 BUSINESS REGULATION ARTICLE AN AGGREGATE AMOUNT OF UP TO \$15,000,000 OF
10 THE MONEY THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF
11 ALL OTHER LOTTERIES AFTER THE DISTRIBUTION UNDER SUBSECTION (A) OF THIS
12 SECTION; AND

13 [(ii)] (III) into the General Fund of the State the money that remains in
14 the State Lottery Fund from the proceeds of all other lotteries after the [distribution
15 under subsection (a)] DISTRIBUTIONS UNDER SUBSECTIONS (A) AND (B)(1)(II) of this
16 section.

17 (2) The money paid into the General Fund under this subsection is available
18 in the fiscal year in which the money accumulates in the State Lottery Fund.

19 (c) The regulations of the Agency shall apportion the money in the State Lottery
20 Fund.

21 **Article - Business Regulation**

22 11-402.

23 The Special Fund consists of:

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

25 (2) pari-mutuel taxes;

26 (3) the impact aid under § 11-812 of this title;

27 (4) money from uncashed pari-mutuel tickets that are from bets made into
28 the betting pools of nonharness licensees; [and]

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

30 (6) MONEY FROM THE STATE LOTTERY FUND PAID UNDER §
31 9-120(B)(1)(II) OF THE STATE GOVERNMENT ARTICLE.

32 11-403.

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

34 (1) \$600,000 to the Maryland Agricultural Fair Board to promote State and
35 county agricultural fairs and exhibits;

3

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 racing
4 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; and

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

10 (b) (1) ALL MONEY PAID INTO THE SPECIAL FUND BY THE STATE LOTTERY
11 FUND, AS REQUIRED BY § 9-120 OF THE STATE GOVERNMENT ARTICLE, SHALL BE
12 DISTRIBUTED ANNUALLY TO THE COMMISSION AND BE USED TO INCREASE PURSES
13 OFFERED IN HARNESS RACING AND THOROUGHBRED RACING.

14 (2) (I) SUBJECT TO THE APPROVAL OF THE COMMISSION, THE
15 LICENSEES, THE ORGANIZATION THAT REPRESENTS A MAJORITY OF OWNERS AND
16 TRAINERS OF STANDARD BRED HORSES IN THE STATE, AND THE ORGANIZATION
17 THAT REPRESENTS A MAJORITY OF OWNERS AND TRAINERS OF THOROUGHBRED
18 HORSES IN THE STATE SHALL AGREE ON A FORMULA FOR ALLOCATING THE MONEY
19 TO INDIVIDUAL RACES.

20 (II) THE APPROVAL OF THE COMMISSION UNDER SUBPARAGRAPH
21 (I) OF THIS PARAGRAPH SHALL BE CONTINGENT ON WHETHER THE FORMULA FOR
22 ALLOCATING MONEY TO INDIVIDUAL RACES PROVIDES A HARNESS RACING AND
23 THOROUGHBRED RACING PURSE STRUCTURE THAT IS COMPETITIVE WITH THOSE
24 OF SURROUNDING STATES.

25 (C) If the Maryland State Fair remains at the Timonium Fair Grounds, the
26 Comptroller shall pay from the Special Fund an annual grant of:

27 (1) \$500,000 to the Maryland State Fair and Agricultural Society, Inc., to:

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

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

32 (2) \$50,000 to Baltimore County to replace the money formerly received by
33 the County under this subtitle.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, 1997.