

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 837

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “Funds” insert “- Purse Enhancement, Studies, and Marketing”; strike beginning with “to” in line 4 down through “studies” in line 5 and substitute “for certain purposes; requiring that certain lottery revenues for a certain fiscal year be distributed to a special fund to be used only for certain purposes; requiring the Secretary of Health and Mental Hygiene to establish certain criteria and solicit proposals prior to awarding certain contracts for programs for compulsive gamblers”; and after line 10, insert:

“BY repealing and reenacting, with amendments,

Article - Health - General

Section 19-804

Annotated Code of Maryland

(1996 Replacement Volume and 1997 Supplement)”.

AMENDMENT NO. 2

On page 1, in line 13, after “(a)” insert “Notwithstanding § 9-120 of the State Government Article, after cumulative distributions for Fiscal Year 1998 to the General Fund under § 9-120(b)(1)(ii) of the State Government Article total \$352,701,000, \$6,000,000 of the remaining revenue that would otherwise be paid to the General Fund under § 9-120(b)(1)(ii) of the State Government Article shall be distributed to a special fund to be used only to increase purses at harness racing tracks, mile thoroughbred tracks, and Timonium Race Course and to supplement existing bred funds in accordance with this Act.

(b) In accordance with § 7-209 of the State Finance and Procurement Article, the Governor by budgetary amendment shall allocate money from the special fund created under subsection (a) of this section in the manner specified under Section 2(b)(8) of this Act.

(Over)

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a)"; and in line 15, strike "\$10 million" and substitute "\$4,000,000".

AMENDMENT NO. 3

On page 1, in line 16, strike "racing and" and substitute "racing tracks,"; and in the same line, strike "in the State" and substitute ", and Timonium Race Course".

On page 2, in line 10, strike "tracks and" and substitute "tracks,"; in the same line, strike the second "tracks" and substitute "tracks, and Timonium Race Course"; and in line 16, strike "in the State" and substitute "and Timonium Race Course".

AMENDMENT NO. 4

On page 1, in line 17, after "funds," insert "supplement funds for certain horse racing events, provide marketing funds, provide funds for compulsive gambling treatment,"; in the same line, strike "be used"; in the same line, strike "a study" and substitute "studies"; in line 19, strike "\$250,000" and substitute "\$200,000"; strike beginning with "on" in line 23 down through "1997" in line 25 and substitute "of the 1997 legislation regarding horse racing, including the \$500,000 provided for the Maryland Million in Chapter 748 of the Acts of the General Assembly of 1997, the \$5,000,000 purse enhancement in Fiscal Year 1998 and the approximately \$1,000,000 of enhancements available from the reduction in the wagering tax provided in Chapter 750 of the Acts of the General Assembly of 1997, and the approximately \$1,800,000 shift in annualized personnel costs from the racetracks to the State provided in Chapter 751 of the Acts of the General Assembly of 1997"; and strike beginning with "which" in line 26 down through "and" in line 28 and substitute "taking into consideration the findings of the National Thoroughbred Racing Association's research related to Laurel Park and horse racing throughout the nation and any strategies that the association might develop and the findings of the Rosecroft Raceway Marketing Association Report as well as any marketing plans prepared for Ocean Downs Raceway";.

On page 2, after line 8, insert:

"(c) A written report of the results of the studies required under subsection (b)(1) and (2) of this section shall be submitted by December 31, 1998 to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly."

AMENDMENT NO. 5

On page 1, strike line 29 in its entirety and substitute:

“(2) \$150,000 shall be used by the Department of Labor, Licensing, and Regulation, in consultation with the Department of Agriculture, the Department of Business and Economic Development, and the Maryland Stadium Authority, to contract with a private investment banking firm for a financial investment study of the horse racing industry in the State, specifically in regard to:

(i) The economic value of the racetracks in the State;

(ii) Whether private sources of equity funding are available for investment in the tracks and in the off-track betting facilities;

(iii) The feasibility of constructing a new racing facility to centralize thoroughbred and harness racing in the State;

(iv) The advantages and disadvantages of merging Pimlico Race Course and Laurel Park into one corporation;

(v) The capital improvement needs at the existing racetracks; and

(vi) Whether the financial arrangements of the off-track betting system and the Intertrack wagering system in the State are conducive to the financial health of the horse racing industry as a whole;

(3) \$1,500,000 shall be used by the Department of Labor, Licensing, and Regulation to implement the recommendations from the marketing studies in paragraph (1) of this subsection, and shall be expended only upon the receipt of matching funds from the racing industry equal to the amount of the State appropriation;

(4) \$200,000 shall be used for Preakness purses;

(5) \$20,000 shall be used to market the “Mane Attraction” at the Rosecroft Raceway;

(Over)

(6) \$20,000 shall be used to market the 50th Anniversary Celebration at Ocean Downs;

(7) \$250,000 shall be used for compulsive gambling treatment programs as provided under §19-804 of the Health - General Article; and

(8) \$1,660,000 and the amount in the special fund created under Section 1(a) of this Act shall be used as follows:”.

AMENDMENT NO. 6

On page 2, in line 1, strike “15%” and substitute “11%”; in line 4, strike “85%” and substitute “89%”; in the same line, strike “mile”; in line 8, after “tracks” insert “which shall be allocated 85% for Rosecroft Raceway and 15% for Ocean Downs”; in line 9, strike “2.” and substitute “3.”; in line 17, strike “3.” and substitute “4.”; and in the same line, after “ENACTED,” insert “That the purses shall be increased at mile thoroughbred racetracks and Timonium Race Course according to a formula determined by the State Racing Commission, the racetrack licensees, and the organization that represents a majority of owners and trainers of thoroughbred horses in the State.”

SECTION 5. AND BE IT FURTHER ENACTED, That it is the intent of the Maryland General Assembly that the actions taken under this Act, which are similar to those enacted through legislation in 1997, are to further promote and preserve live horse racing in the State, and that any future legislation will be weighed in light of the effects of the financial assistance provided as well as the efforts made by the racing industry towards the same goal.

SECTION 6. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Health - General

19-804.

(a) (1) The Secretary may make grants from or agreements for the use of State and federal funds to help public agencies or nonprofit organizations operate the center for compulsive gamblers

and establish and operate local programs to provide the following for compulsive gamblers:

- (i) Inpatient services.
- (ii) Outpatient services.
- (iii) Partial care services.
- (iv) Aftercare services.
- (v) Consultative services.
- (vi) Educational services.
- (vii) Other preventive or rehabilitative services or treatment.

(2) Research and training that are designed to improve or extend these services are proper items of expense.

(b) (1) Services under this subtitle shall be provided by public agencies or, SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, under contract, by nonprofit organizations.

(2) PRIOR TO AWARDING A CONTRACT TO A NONPROFIT ORGANIZATION UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE SECRETARY SHALL ESTABLISH CRITERIA FOR THE AWARDING OF A GRANT AND SOLICIT PROPOSALS FROM ELIGIBLE ORGANIZATIONS, AND SHALL AWARD ANY CONTRACT BASED ON AN EVALUATION OF THE PROPOSALS RECEIVED.

SECTION 7. AND BE IT FURTHER ENACTED, That the Department of Health and Mental Hygiene shall report to the Governor and General Assembly in accordance with § 2-1246 of the State Government Article by November 1, 1999 on the uses of the funds provided through this Act for compulsive gambling treatment programs.

(Over)

SECTION 8. AND BE IT FURTHER ENACTED,”.