

HOUSE BILL 104

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C6

1999 Regular Session
9lr0710

By: **Delegate C. Davis**

Introduced and read first time: January 22, 1999

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Horse Racing - Allocation of Money - Purse Enhancement and Marketing**

3 FOR the purpose of requiring that certain budgeted money be allocated to be used
4 only for certain purposes; establishing a Special Purse and Bred Fund; requiring
5 that certain State lottery revenues for a certain fiscal year be distributed to the
6 Special Purse and Bred Fund to be used only for certain purposes; requiring that
7 the purses and bred money be increased according to a certain formula;
8 requiring that all money for purses and bred funds under this Act be in addition
9 to and not supplant certain other money; requiring the Department of Labor,
10 Licensing, and Regulation to maintain certain partnerships; establishing
11 certain conditions on the distribution and use of certain money for marketing
12 plans; requiring the Department of Labor, Licensing, and Regulation to submit a
13 certain report; providing for the termination of this Act; and generally relating
14 to funds for horse racing in the State budget.

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
16 MARYLAND, That:

17 (a) (1) There is a Special Purse and Bred Fund.

18 (2) The Special Purse and Bred Fund is a special nonlapsing fund and
19 not subject to § 7-302 of the State Finance and Procurement Article.

20 (3) The State Treasurer shall hold the Special Purse and Bred Fund
21 separately.

22 (4) A total of \$5,000,000 that would otherwise be paid to the General
23 Fund under § 9-120(b)(1)(ii) of the State Government Article shall be distributed to
24 the Special Purse and Bred Fund to be used only to supplement existing bred funds
25 and to increase purses at harness racing tracks, mile thoroughbred tracks, and the
26 Timonium Race Course in accordance with this Act.

27 (b) If State lottery revenues do not provide the \$5,000,000 for the purposes
28 specified in subsection (a) of this section, the Governor may request a deficiency
29 appropriation during the 2000 Session to make up the difference.

1 (c) In accordance with § 7-209 of the State Finance and Procurement Article,
2 the Governor by budgetary amendment shall allocate money from the Special Purse
3 and Bred Fund created under subsection (a) of this section in the manner specified
4 under Section 2(c) of this Act.

5 SECTION 2. AND BE IT FURTHER ENACTED, That:

6 (a) Contingent upon an appropriation of general funds in the State budget for
7 fiscal year 2000 for the Department of Labor, Licensing, and Regulation to be used for
8 the horse racing industry, up to \$5,000,000 shall be used to increase purses at harness
9 racing tracks, mile thoroughbred racing tracks, and Timonium Race Course,
10 supplement existing bred funds, supplement money for specified horse races, and
11 provide money for marketing.

12 (b) The Department of Labor, Licensing, and Regulation shall maintain the
13 partnership of track operators, horse breeders, trainers, and others, as appropriate,
14 who are representative of thoroughbred and standardbred sectors of the industry, to
15 assist in developing industry marketing surveys and strategies.

16 (c) The funds provided in subsection (a) of this section shall be divided as
17 follows:

18 (1) (i) Subject to subparagraph (ii) of this paragraph, \$1,500,000 of the
19 money provided under subsection (a) of this section shall be used by the Department
20 of Labor, Licensing, and Regulation for grants to implement marketing plans that are
21 approved by the Department.

22 (ii) Before any money under this subsection is paid, the grantee
23 shall:

24 1. Provide and expend a matching fund that is at least equal
25 to the amount of the grant; and

26 2. Provide evidence of that expenditure.

27 (2) \$200,000 shall be used for the Preakness purses;

28 (3) \$3,300,000 and the amount in the Special Purse and Bred Fund
29 created under Section 1(a) of this Act shall be used as follows:

30 (i) 11% to increase the bred funds to be allocated as follows:

31 1. 70% to the Maryland-Bred Race Fund; and

32 2. 30% to the Maryland Standardbred Race Fund; and

33 (ii) 89% to increase purses at harness racing tracks and
34 thoroughbred racing tracks to be allocated as follows:

35 1. 70% to purses at the mile thoroughbred racing tracks and
36 the Timonium Race Course; and

1 2. 30% to purses at the harness racing tracks that shall be
2 allocated 85% for Rosecroft Raceway and 15% for Ocean Downs.

3 SECTION 3. AND BE IT FURTHER ENACTED, That all funds provided for
4 purses and bred funds at harness racing tracks, mile thoroughbred racing tracks, and
5 Timonium Race Course by this Act shall be in addition to and may not supplant:

6 (a) Amounts allocated for purses and bred funds under current agreements
7 between the harness racing tracks and the organization that represents a majority of
8 owners and trainers of standardbred horses in the State; and

9 (b) Amounts otherwise provided in statute for purses and bred funds at mile
10 thoroughbred racing tracks and Timonium Race Course.

11 SECTION 4. AND BE IT FURTHER ENACTED, That the purses shall be
12 increased at mile thoroughbred racetracks and Timonium Race Course according to a
13 formula determined by the State Racing Commission, the racetrack licensees, and the
14 organization that represents a majority of owners and trainers of thoroughbred
15 horses in the State.

16 SECTION 5. AND BE IT FURTHER ENACTED, That it is the intent of the
17 Maryland General Assembly that the actions taken under this Act, which are similar
18 to those enacted through legislation in 1998, are to further promote and preserve live
19 horse racing in the State, and that any future legislation to promote and preserve live
20 horse racing will be weighed in light of the effects of the financial assistance provided
21 by this Act and the efforts made by the racing industry towards the same goal.

22 SECTION 6. AND BE IT FURTHER ENACTED, That the Department of Labor,
23 Licensing, and Regulation shall report to the Senate Finance and Budget and
24 Taxation committees and the House Ways and Means and Appropriations committees
25 on the distribution and use of the money for marketing under Section 2 of this Act by
26 June 30, 2000.

27 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 1999. It shall remain effective for a period of 1 year and, at the end of June 30,
29 2000, with no further action required by the General Assembly, this Act shall be
30 abrogated and of no further force and effect.