

SENATE BILL 298

Unofficial Copy
C6

1999 Regular Session
(9r1181)

ENROLLED BILL
-- Finance/Ways and Means --

Introduced by **Senator Miller**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **~~Racing—Uncashed Tickets—Maryland Million, Ltd.~~**
3 **Horse Racing**

4 FOR the purpose of altering the termination provision relating to the period during
5 which money from uncashed pari-mutuel tickets that are from bets made into
6 mutuel pools of mile thoroughbred licensees must be paid to the Maryland
7 Million, Ltd., as a grant to support and promote the running of Maryland
8 Million races; altering the termination provision relating to the requirement
9 that certain money be paid to a special fund to be used only for certain activities
10 directly related to the running of the Maryland Million races; altering the
11 termination provision relating to the requirement that the Governor by
12 budgetary amendment allocate money from the special fund as a grant to the
13 Maryland Million, Ltd., for certain activities related to the running of the
14 Maryland Million races; ~~and generally relating to uncashed pari-mutuel tickets~~
15 authorizing the State Racing Commission to issue a license to hold thoroughbred
16 horse racing at a mile track to a certain racing association in Allegany County;
17 altering a certain prohibition against issuing a license or awarding racing days

1 for racing at mile tracks; limiting the award of licenses and racing days to
 2 certain mile tracks; authorizing the Commission to award racing days up to the
 3 number requested by an applicant; repealing certain limitations on the number of
 4 racing days that may be awarded by the Commission; repealing the authority of
 5 the Commission to award certain additional racing days under certain
 6 circumstances; limiting the conduct of certain pari-mutuel betting by certain
 7 licensees under certain circumstances; establishing requirements on a certain
 8 sending track for intertrack betting purposes; requiring that certain lottery
 9 revenues for a certain fiscal year be distributed to a special fund to be used only
 10 for certain purposes; requiring that the purses and bred funds be increased
 11 according to a certain formula; requiring that all funds for purses and bred
 12 funds under this Act be in addition to and not supplant certain other funds;
 13 establishing certain conditions on the distribution of certain funds; providing for
 14 the termination of certain provisions of this Act; and generally relating to
 15 uncashed pari-mutuel tickets, funds, and licenses for horse racing in the State.

16 BY repealing and reenacting, without amendments,
 17 Article - Business Regulation
 18 Section 11-402, 11-521, ~~and 11-803~~ 11-803, and 11-811(c)
 19 Annotated Code of Maryland
 20 (1998 Replacement Volume)

21 BY repealing and reenacting, with amendments,
 22 Chapter 748 of the Acts of the General Assembly of 1997, as amended by
 23 Chapter 366 of the Acts of the General Assembly of 1998
 24 Section 3

25 BY repealing and reenacting, with amendments,
 26 Article - Business Regulation
 27 Section 11-510, 11-511, and 11-811(e)
 28 Annotated Code of Maryland
 29 (1998 Replacement Volume)

30 BY adding to
 31 Article - Business Regulation
 32 Section 11-804.2
 33 Annotated Code of Maryland
 34 (1998 Replacement Volume)

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

1 **Article - Business Regulation**

2 11-402.

3 The Special Fund consists of:

- 4 (1) the State share of daily licensee fees;
- 5 (2) pari-mutuel taxes;
- 6 (3) the impact aid under § 11-812 of this title;
- 7 (4) except as provided in § 11-521 of this title, money from uncashed
8 pari-mutuel tickets that are from bets made into the betting pools of nonharness
9 licensees; and
- 10 (5) any permit fees under §§ 11-820 and 11-832 of this title.

11 11-521.

12 (a) \$500,000 in money from uncashed pari-mutuel tickets that are from bets
13 made into the mutuel pools of mile thoroughbred licensees shall be paid to the
14 Maryland Million, Ltd., as a grant to support and promote the running of Maryland
15 Million races.

16 (b) There is a special fund to be used only for marketing, purses, and
17 promotion activities directly related to the running of Maryland Million races.

18 (c) In accordance with § 7-209 of the State Finance and Procurement Article,
19 the Governor by budgetary amendment shall allocate money from the special fund
20 under subsection (b) of this section as a grant to the Maryland Million, Ltd., for
21 marketing, purses, and promotion activities directly related to the running of
22 Maryland Million races.

23 11-803.

24 (a) If a winning ticket is not redeemed within 1 year, the licensee into whose
25 betting pool the bet was placed shall pay the amount needed to redeem the ticket to:

26 (1) the Maryland Standardbred Race Fund under § 11-630 of this title
27 for bets made into the betting pools of a harness licensee;

28 (2) the Commission, for bets made into the betting pools of a mile
29 thoroughbred licensee, to be credited as follows:

30 (i) \$500,000 to the special fund under § 11-521 of this title; and

31 (ii) the remainder to the special fund under Subtitle 4 of this title;

32 or

1 (3) the Commission, for all other bets, to be credited to the special fund
2 under Subtitle 4 of this title.

3 (b) Every year for the preceding calendar year, each licensee shall:

4 (1) report to the Commission the amount payable to the Maryland
5 Standardbred Race Fund or the Commission under this section; and

6 (2) pay that amount to the Maryland Standardbred Race Fund or the
7 Commission, whichever is applicable.

8 (c) (1) The license of a licensee shall be revoked if the licensee:

9 (i) fails to report when money under this section is due; or

10 (ii) knowingly or willfully submits a report that understates the
11 amount due.

12 (2) A licensee whose license is revoked under this subsection may not
13 hold a license for at least 1 year.

14 **Chapter 748 of the Acts of 1997, as amended by Chapter 366 of the Acts of**
15 **1998**

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 June 1, 1997. It shall remain effective for a period of [2] ~~3~~ 4 years and one month and,
18 at the end of [June 30, 1999] JUNE 30, ~~2000~~ 2001, with no further action required by
19 the General Assembly, except for Section 2 of this Act, this Act shall be abrogated and
20 of no further force and effect.

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

23 Article - Business Regulation

24 11-510.

25 (a) [Subject to] EXCEPT AS PROVIDED IN subsection (b) of this section, the
26 Commission may not issue a license, or award racing days, for racing at a [new or
27 additional] MILE track [, unless a race was held at the track at least once each year
28 for the 3 years immediately before May 6, 1943].

29 (b) [For racing at a new track location that is authorized by statute, the] THE
30 Commission may issue a license and award racing days ONLY to:

31 (1) the Maryland Jockey Club of Baltimore City, Inc.[, if it abandons the
32 Pimlico Race Course for racing]; [or]

33 (2) the Laurel Racing Assoc., Inc.[, if it abandons the Laurel Race Course
34 for racing]; AND

1 (3) ONE OTHER RACING ASSOCIATION FOR RACING AT A TRACK
2 LOCATED IN ALLEGANY COUNTY THAT IS OWNED AND OPERATED BY THE RACING
3 ASSOCIATION.

4 11-511.

5 (a) (1) On or before December 1, the Commission shall award all racing days
6 for the next calendar year.

7 (2) However, the Commission may meet after December 1 to award racing
8 days that are requested in applications.

9 (b) [Except as provided in subsection (c) of this section, the] THE Commission
10 may [not] award for any calendar year[:

11 (1) more than 266 regular racing days; or

12 (2) more than 158 regular racing days to 1 person] UP TO THE NUMBER
13 OF RACING DAYS REQUESTED BY AN APPLICANT.

14 (c) (1) The Commission may award not more than 80 additional racing days
15 on conditions that the Commission may set:

16 (i) requiring substantial changes or major repairs to or on the
17 property that a licensee owns or leases to hold a race meeting; or

18 (ii) making requirements for the availability, capacity,
19 improvement, or location of parking facilities that may be based on a master plan that
20 the licensee develops after consultation with community organizations.

21 (2) If a licensee fails to meet a condition set under this subsection, the
22 Commission may revoke and reallocate any additional racing days awarded to the
23 licensee.

24 (d)] The decision of the Commission on the award of a racing day is final.

25 11-804.2.

26 NOTWITHSTANDING § 11-804(C) OF THIS SUBTITLE, A LICENSEE THAT HAS NOT
27 CONDUCTED RACING BEFORE JANUARY 1, 1999, MAY ONLY CONDUCT PARI-MUTUEL
28 BETTING UNDER § 11-804 OF THIS SUBTITLE:

29 (1) AT THE TRACK OF THE LICENSEE; OR

30 (2) AT A SATELLITE SIMULCAST FACILITY, OR ITS PREDECESSOR, AT
31 WHICH SATELLITE SIMULCAST WAGERING WAS NOT CONDUCTED PRIOR TO
32 JANUARY 1, 1999.

33 11-811.

34 (c) The Commission may authorize intertrack betting involving tracks of:

1 (1) mile thoroughbred racing licensees;

2 (2) harness racing licensees;

3 (3) Fair Hill; or

4 (4) the State Fair Society.

5 (e) (1) Laurel Race Course, a track where racing is conducted by the State
6 Fair Society or Rosecroft Raceway may be a receiving track only if live racing was held
7 there in the previous calendar year on at least 75% of the racing days available to it.

8 (2) Ocean Downs may be a receiving track only if at least 40 days of live
9 racing were held there in the previous calendar year.

10 (3) Pimlico Race Course may be a receiving track only if at least 90 days
11 of live racing were held there in the previous calendar year.

12 (4) A track where racing is conducted by Fair Hill may be a sending track
13 only on days when Fair Hill is licensed to conduct and actually conducts live racing.

14 (5) A TRACK IN ALLEGANY COUNTY MAY BE A SENDING TRACK ONLY:

15 (I) ON DAYS WHEN THE TRACK IS LICENSED TO CONDUCT AND
16 ACTUALLY CONDUCTS LIVE RACING; AND

17 (II) FOR LIVE RACES CONDUCTED AT THE TRACK.

18 [(5)] (6) The Commission may waive a requirement of this subsection if
19 the receiving track could not meet the requirement because of:

20 (i) an act of God; or

21 (ii) what the Commission finds to be an emergency.

22 SECTION 3. AND BE IT FURTHER ENACTED, That:

23 (a) Notwithstanding § 9-120 of the State Government Article, after cumulative
24 distributions for fiscal year 1999 to the General Fund under § 9-120(b)(1)(ii) of the
25 State Government Article total \$363,715,730 \$352,175,000, \$10,000,000 of the
26 remaining revenue that would otherwise be paid to the General Fund under §
27 9-120(b)(1)(ii) of the State Government Article shall be distributed to a special fund to
28 be used only to increase purses at harness racing tracks, mile thoroughbred tracks, and
29 Timonium Race Course and to supplement existing bred funds in accordance with this
30 Act.

31 (b) If lottery revenues do not provide the \$10,000,000 for the purposes specified
32 in subsection (a) of this section, the Governor may request a deficiency appropriation
33 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 fund
3 created under subsection (a) of this section in the manner specified under subsection
4 (d) of this section.

5 (d) The amount credited to the special fund created under subsection (a) of this
6 section shall be used as follows:

7 (1) 11% to increase the bred funds to be allocated as follows:

8 (i) 70% to the Maryland-Bred Race Fund; and

9 (ii) 30% to the Standard Bred Race Fund; and

10 (2) 89% to increase purses at harness racing tracks and thoroughbred
11 racing tracks to be allocated as follows:

12 (i) 70% to purses at the mile thoroughbred racing tracks and
13 Timonium; and

14 (ii) 30% to purses at the harness racing tracks which shall be
15 allocated 85% for Rosecroft Raceway and 15% for Ocean Downs.

16 (e) For each racetrack licensee, funds provided for purses and bred funds
17 under this section shall not be allocated until:

18 (1) The racetrack licensee submits to the Governor and General Assembly
19 no later than June 15, 1999 a detailed plan for substantial improvements in track
20 facilities, management and marketing;

21 (2) The Legislative Policy Committee has up to 30 days to review and
22 comment on the plan; and

23 (3) The Governor approves the plan.

24 (f) In developing the plan required under subsection (e) of this section, each
25 racetrack licensee shall:

26 (1) Consult with representatives from affected neighborhood or
27 community groups; and

28 (2) Ensure that any improvements to facilities proposed in the plan are
29 compatible with existing local ordinances.

30 (g) The provisions of subsections (e) and (f) of this section do not apply to a
31 racetrack licensee that conducts fewer than 15 days of live racing a year.

32 (h) All funds provided for purses and bred funds at harness racing tracks, mile
33 thoroughbred racing tracks, and Timonium Race Course by this Act shall be in
34 addition to and may not supplant:

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

4 (2) Amounts otherwise provided in statute for purses and bred funds at
5 mile thoroughbred racing tracks and Timonium Race Course.

6 (i) The purses shall be distributed at mile thoroughbred racetracks and
7 Timonium Race Course according to a formula determined by the State Racing
8 Commission in consultation with the racetrack licensees and the organization that
9 represents a majority of owners and trainers of thoroughbred horses in the State.

10 SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
11 remain effective for a period of 1 year and 1 month and, at the end of June 30, 2000,
12 with no further action required by the General Assembly, Section 3 of this Act shall be
13 abrogated and of no further force and effect.

14 ~~SECTION 5.~~ SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take
15 effect June 1, 1999.