

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**

Senate Bill 697

(Senators Klausmeier and Kasemeyer)

Budget and Taxation

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**Horse Racing - Pimlico Race Course - Transfer of Preakness Stakes Name and Trademarks**

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This bill provides for the unconditional and unencumbered transfer of the name of the Preakness Stakes; copyrights, trademarks, service marks, and trade names associated with the Preakness Stakes; and the trophy known as the Woodlawn Vase to the State of Maryland if any form of gaming, other than pari-mutuel betting, is authorized for Pimlico Race Course.

The bill takes effect July 1, 2003.

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**Fiscal Summary**

**State Effect:** None. The bill would not materially affect State finances. The bill does not provide for any licensing fees.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The bill provides that except for pari-mutuel betting, video lottery terminals and other forms of gambling may not be conducted at Pimlico Race Course in Baltimore City unless the owner of the name, copyrights, service marks, trademarks, and trade names associated with the Preakness Stakes has transferred them unconditionally and unencumbered to the State. The owner must make the transfer before the

implementation of any law that authorizes the operation of video lottery terminals or any other form of gambling at the Pimlico Race Course. Likewise, the owner of the trophy known as the Woodlawn Vase must transfer to the State all rights to the vase prior to the implementation of any such law.

After the transfers have taken effect, the State is required to license the person that undertook the transfers the sole and exclusive right to the Preakness Stakes name, copyrights, etc., and the Woodlawn Vase if the licensee promotes and conducts the Preakness Stakes at the Pimlico Race Course each year.

The rights under the license may not be assigned or transferred by the licensee to any person without the prior written approval of the State. Assignment or transfer includes a change in ownership of the licensee by more than 50% of all the voting interests in the licensee during any 12 consecutive month period.

If the licensee violates any of the conditions in the bill, the license granted to the licensee will terminate and any license for video lottery terminals or any other form of gaming may not be transferred to any other person.

Except as otherwise provided, the State may not sell, lease, convey, transfer, assign, license, or exchange its rights, title, and interests in the Preakness Stakes, the Woodlawn Vase, and the Preakness Stakes name, copyrights, service marks, trade names, and trademarks unless authorized by an act of the General Assembly.

**Current Law:** The Maryland Jockey Club and Magna Entertainment Corporation hold the rights to the Preakness Stakes.

**Background:** Regulated gaming in Maryland dates back to 1743 with the regulation of horse racing. Pari-mutuel betting was introduced in 1912 and the State Racing Commission was established in 1920.

The Pimlico Race Course opened October 25, 1870. It is the nation's second oldest race course, after Saratoga. The first race ever run at the Pimlico Race Course was called the Dinner Party Stakes. This race is now known as the Dixie Handicap, and is the eighth oldest stakes race in the United States. This race was also the precursor of the Preakness Stakes. The first Preakness Stakes was run May 27, 1873 at the Pimlico Race Course.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1014 (Delegate Doory) – Rules and Executive Nominations.

**Information Source(s):** Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2003  
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