
By: **Delegates Rudolph and Patterson**

Introduced and read first time: February 6, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **State Lottery Proceeds - Maryland Standardbred Race Fund and**
3 **Maryland-Bred Race Fund**

4 FOR the purpose of establishing a special fund for the distribution of certain State
5 lottery proceeds to the Maryland Standardbred Race Fund and the
6 Maryland-Bred Race Fund; requiring the State Lottery Agency to conduct a
7 number of special instant ticket games sufficient to generate at least a certain
8 amount of money for the Maryland Standardbred Race Fund and the
9 Maryland-Bred Race Fund; requiring that in advertising and on tickets, the
10 State Lottery Agency identify certain instant ticket games as being conducted
11 for the benefit of the Maryland Standardbred Race Fund and the
12 Maryland-Bred Race Fund; requiring that proceeds paid into the Maryland
13 Standardbred Race Fund and the Maryland-Bred Race Fund provide additional
14 revenue and do not substitute for any other distribution to those funds;
15 requiring that funds to the Maryland Standardbred Race Fund and the
16 Maryland-Bred Race Fund be allocated in a certain way; requiring that in
17 certain fiscal years, a certain amount of money be allocated in a certain way to
18 the Maryland Standardbred Race Fund and the Maryland-Bred Race Fund;
19 authorizing the Governor to request a certain deficiency appropriation under
20 certain conditions; prohibiting the amount of funds distributed to the Maryland
21 Standardbred Race Fund and the Maryland-Bred Race Fund to exceed a certain
22 amount in any one fiscal year; requiring the Maryland Racing Commission to
23 work with certain entities to develop a certain standardbred racing event and
24 make a certain report by a certain date; and generally relating to the Maryland
25 Standardbred Race Fund and the Maryland-Bred Race Fund.

26 BY repealing and reenacting, with amendments,
27 Article - State Government
28 Section 9-120 and 9-120.1
29 Annotated Code of Maryland
30 (2004 Replacement Volume and 2005 Supplement)

31 BY adding to
32 Article - State Government

1 Section 9-120.2
2 Annotated Code of Maryland
3 (2004 Replacement Volume and 2005 Supplement)

4 Preamble

5 WHEREAS, The Maryland General Assembly recognizes that conserving
6 Maryland's standardbred and thoroughbred horse breeding farms is of paramount
7 concern because of: (1) the estimated 18,000 acres of farmland being lost annually
8 because of development-related pressures attendant to an expanding population
9 projected to reach 6,300,000 by 2025; (2) the 1,100,000-acre farmland preservation
10 goal established by the 2002 General Assembly by the adoption of Senate Joint
11 Resolution 10/House Joint Resolution 22; (3) the water quality goals, tied to
12 preserving 20% of the Chesapeake Bay watershed by 2010, set forth in the
13 Chesapeake 2000 Agreement; and (4) the competitive disadvantage Maryland faces
14 because of the economic lures being offered by other states to owners of Maryland's
15 remaining standardbred and thoroughbred horse breeding farms to relocate; and

16 WHEREAS, The Maryland General Assembly realizes that Maryland's horse
17 farms mean: (1) employment opportunities -- approximately 20,000 jobs are directly
18 linked to the horse industry; (2) revenues to local governments -- the horse industry
19 has an annual economic impact of \$1,500,000,000; and (3) a landscape unmarred by
20 bricks and mortar; and

21 WHEREAS, The Maryland General Assembly believes that it is time to move
22 boldly to help conserve Maryland's coveted standardbred and thoroughbred horse
23 breeding farms by providing competitively driven economic incentives; now, therefore,

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

26 **Article - State Government**

27 9-120.

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

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

32 (2) then, except as provided in § 10-113.1 of the Family Law Article and
33 § 11-618 of the Criminal Procedure Article, the holder of each winning ticket or share.

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

35 (i) into the Maryland Stadium Facilities Fund the money that
36 remains in the State Lottery Fund from the proceeds of the sports lotteries conducted

1 for the benefit of the Maryland Stadium Authority[,], after the distribution under
2 subsection (a) of this section; [and]

3 (II) INTO A SPECIAL FUND CREATED FOR THE MARYLAND
4 STANDARD BRED RACE FUND AND THE MARYLAND-BRED RACE FUND MONEY THAT
5 REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF THE SPECIAL
6 INSTANT TICKET GAMES UNDER § 9-120.1(A)(2) OF THIS SUBTITLE AFTER THE
7 DISTRIBUTION UNDER SUBSECTION (A) OF THIS SECTION; AND

8 [(ii)] (III) into the General Fund of the State the money that
9 remains in the State Lottery Fund from the proceeds of all [other] lotteries OTHER
10 THAN THE LOTTERIES DESCRIBED IN ITEMS (I) AND (II) OF THIS PARAGRAPH after the
11 distribution under subsection (a) of this section.

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

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

17 9-120.1.

18 (a) During each fiscal year the Agency shall conduct:

19 (1) lotteries for the benefit of the Maryland Stadium Authority; AND

20 (2) A NUMBER OF SPECIAL INSTANT TICKET GAMES SUFFICIENT TO
21 GENERATE AT LEAST \$5,000,000 ANNUALLY, TO BE SHARED BY THE MARYLAND
22 STANDARD BRED RACE FUND AND THE MARYLAND-BRED RACE FUND AS PROVIDED
23 IN SUBSECTION (D) OF THIS SECTION.

24 (b) In all advertising and on tickets, the Agency shall identify:

25 (1) any lottery under SUBSECTION (A)(1) OF this section as being
26 conducted for the benefit of the Maryland Stadium Authority; AND

27 (2) ANY SPECIAL INSTANT TICKET GAME UNDER SUBSECTION (A)(2) OF
28 THIS SECTION AS BEING CONDUCTED FOR THE BENEFIT OF THE MARYLAND
29 STANDARD BRED RACE FUND AND THE MARYLAND-BRED RACE FUND.

30 (C) PROCEEDS PAID INTO THE MARYLAND STANDARD BRED RACE FUND AND
31 THE MARYLAND-BRED RACE FUND SHALL PROVIDE ADDITIONAL REVENUE AND MAY
32 NOT SUBSTITUTE FOR ANY OTHER DISTRIBUTION TO THOSE FUNDS.

33 (D) FUNDS DISTRIBUTED TO THE MARYLAND STANDARD BRED RACE FUND
34 AND THE MARYLAND-BRED RACE FUND UNDER THIS SECTION SHALL BE ALLOCATED
35 PROPORTIONATELY, BASED ON THE 3-YEAR AVERAGE OF THE NUMBER OF:

1 (1) STANDARD BRED FOALS BORN AND REGISTERED IN THE STATE, AS
2 CERTIFIED TO THE MARYLAND RACING COMMISSION BY THE UNITED STATES
3 TROTTING ASSOCIATION; AND

4 (2) THOROUGHBRED FOALS BORN AND REGISTERED IN THE STATE, AS
5 CERTIFIED TO THE MARYLAND RACING COMMISSION BY THE MARYLAND JOCKEY
6 CLUB.

7 9-120.2.

8 (A) NOTWITHSTANDING § 9-120 OF THIS SUBTITLE, FOR EACH FISCAL YEAR
9 BEGINNING WITH FISCAL YEAR 2007 THROUGH FISCAL YEAR 2011, AFTER THE
10 CUMULATIVE DISTRIBUTIONS TO THE GENERAL FUND UNDER § 9-120(B)(1)(II) OF
11 THIS SUBTITLE EQUAL THE AMOUNT PROJECTED FOR THAT FISCAL YEAR BY THE
12 BOARD OF REVENUE ESTIMATES, \$10,000,000 OF THE REMAINING REVENUE THAT
13 WOULD OTHERWISE BE PAID INTO THE GENERAL FUND UNDER § 9-120(B)(1)(III) OF
14 THIS SUBTITLE SHALL BE:

15 (1) DISTRIBUTED TO THE SPECIAL FUND ESTABLISHED UNDER §
16 9-120(B)(1)(II) OF THIS SUBTITLE; AND

17 (2) ALLOCATED IN ACCORDANCE WITH SUBSECTION (B) OF THIS
18 SECTION.

19 (B) THE ALLOCATION OF THE \$10,000,000 OF THE REMAINING REVENUE SHALL
20 BE MADE PROPORTIONATELY TO THE MARYLAND STANDARD BRED RACE FUND AND
21 THE MARYLAND-BRED RACE FUND, BASED ON THE 3-YEAR AVERAGE OF THE
22 NUMBER OF:

23 (1) STANDARD BRED FOALS BORN AND REGISTERED IN THE STATE, AS
24 CERTIFIED TO THE MARYLAND RACING COMMISSION BY THE UNITED STATES
25 TROTTING ASSOCIATION; AND

26 (2) THOROUGHBRED FOALS BORN AND REGISTERED IN THE STATE, AS
27 CERTIFIED TO THE MARYLAND RACING COMMISSION BY THE MARYLAND JOCKEY
28 CLUB.

29 (C) IF LOTTERY REVENUES DO NOT PROVIDE \$10,000,000 FOR THE PURPOSES
30 SPECIFIED UNDER SUBSECTION (A) OF THIS SECTION, THE GOVERNOR MAY REQUEST
31 A DEFICIENCY APPROPRIATION DURING THE ENSUING SESSION OF THE GENERAL
32 ASSEMBLY TO MAKE UP THE DIFFERENCE.

33 (D) FOR ANY FISCAL YEAR, THE TOTAL AMOUNT OF REVENUE DISTRIBUTED
34 TO THE MARYLAND STANDARD BRED RACE FUND AND THE MARYLAND-BRED RACE
35 FUND FROM THE SPECIAL INSTANT TICKET GAMES AUTHORIZED UNDER §
36 9-120.1(A)(2) OF THIS SUBTITLE AND THE OVERAGE OF PROJECTED STATE LOTTERY
37 PROCEEDS DURING THE FISCAL YEAR 2007 THROUGH FISCAL YEAR 2011 UNDER THIS
38 SECTION MAY NOT EXCEED \$15,000,000 IN ANY ONE FISCAL YEAR.

1 (E) NOTWITHSTANDING ANY OTHER LAW, THE DISTRIBUTIONS TO THE
2 SPECIAL FUND ESTABLISHED UNDER § 9-120(B)(1)(II) OF THIS SUBTITLE ARE NOT
3 REQUIRED FOR ANY FISCAL YEAR IF AT LEAST \$15,000,000 HAS BEEN APPROPRIATED
4 IN THE STATE BUDGET FOR THAT FISCAL YEAR.

5 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Racing
6 Commission shall work with the Maryland Standardbred Breeder's Association and
7 any other related entity considered appropriate by the Commission to develop an
8 annual marquee event for Maryland's standardbred horse racing industry comparable
9 to the Preakness. The Maryland Racing Commission shall report the results of this
10 undertaking to the Legislative Policy Committee on or before December 1, 2007, in
11 accordance with § 2-1246 of the State Government Article.

12 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 June 1, 2006.