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By: **Delegates Goodwin, Boschert, C. Davis, Gilleland, Glassman, Haynes,  
Kirk, Marriott, Oaks, Paige, and Pugh**

Introduced and read first time: March 2, 2006

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Horse Racing - Purse and Bred Fund Supplements**

3 FOR the purpose of requiring that certain lottery revenues for a certain fiscal year be  
4 distributed to a special fund to be used only for certain purposes; requiring that  
5 the purses and bred funds be increased according to a certain formula; requiring  
6 that all funds for purses and bred funds under this Act be in addition to and not  
7 supplant certain other funds; establishing certain conditions on the distribution  
8 of certain funds; providing for the termination of this Act; and generally relating  
9 to purse and bred fund supplements for horse racing in the State.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
11 MARYLAND, That:

12 (a) Notwithstanding § 9-120 of the State Government Article, after  
13 cumulative distributions for fiscal year 2006 to the General Fund under §  
14 9-120(b)(1)(ii) of the State Government Article total \$471,300,000, \$10,000,000 of the  
15 remaining revenue that would otherwise be paid to the General Fund under §  
16 9-120(b)(1)(ii) of the State Government Article shall be distributed to a special fund to  
17 be used only to increase purses at harness racing tracks, mile thoroughbred tracks,  
18 and Timonium Race Course and to supplement existing bred funds in accordance with  
19 this Act.

20 (b) If lottery revenues do not provide the \$10,000,000 for the purposes  
21 specified in subsection (a) of this section, the Governor may request a deficiency  
22 appropriation during the 2007 Session to make up the difference.

23 (c) In accordance with § 7-209 of the State Finance and Procurement Article,  
24 the Governor by budgetary amendment shall allocate money from the special fund  
25 created under subsection (a) of this section in the manner specified under subsection  
26 (d) of this section.

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

29 (1) 11% to increase the bred funds to be allocated as follows:

1 (i) 80% to the Maryland-Bred Race Fund; and

2 (ii) 20% to the Standard Bred Race Fund; and

3 (2) 89% to increase purses at harness racing tracks and thoroughbred  
4 racing tracks to be allocated as follows:

5 (i) 80% to purses at the mile thoroughbred racing tracks and  
6 Timonium; and

7 (ii) 20% to purses at the harness racing tracks, which shall be  
8 allocated 85% for Rosecroft Raceway and 15% for Ocean Downs Racetrack.

9 (e) For each racetrack licensee, funds provided for purses and bred funds  
10 under this section may not be allocated until:

11 (1) Representatives of racetrack licensees, owners, breeders, trainers,  
12 and horsemen in both the thoroughbred and harness industries collectively submit to  
13 the Legislative Policy Committee on or before June 15, 2006, in accordance with §  
14 2-1246 of the State Government Article, a detailed revenue sharing agreement to be  
15 in effect for at least 10 years; and

16 (2) The Legislative Policy Committee has up to 90 days to review and  
17 comment on the revenue sharing agreement.

18 (f) All funds provided for purses and bred funds at harness racing tracks, mile  
19 thoroughbred racing tracks, and Timonium Race Course by this Act shall be in  
20 addition to and may not supplant:

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

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

26 (g) The purses shall be distributed at mile thoroughbred racetracks and  
27 Timonium Race Course according to a formula determined by the State Racing  
28 Commission in consultation with the racetrack licensees and the organization that  
29 represents a majority of owners and trainers of thoroughbred horses in the State.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 June 1, 2006. It shall remain effect for a period of 1 year and 1 month and, at the end  
32 of June 30, 2007, with no further action required by the General Assembly, this Act  
33 shall be abrogated and of no further force and effect.