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

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Committee Report: Favorable with amendments

House action: Adopted

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CHAPTER \_\_\_\_\_

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 horse racing~~ purses and bred funds be increased according to a certain  
6 formula; requiring that all funds for purses and bred funds under this Act be in  
7 addition to and not supplant certain other funds; establishing certain conditions  
8 on the distribution of certain funds; providing for the termination of this Act;  
9 and generally relating to purse and bred fund supplements for horse racing in  
10 the State.

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

13 (a) Notwithstanding § 9-120 of the State Government Article, after  
14 cumulative distributions for fiscal year 2006 to the General Fund under §  
15 9-120(b)(1)(ii) of the State Government Article total ~~\$471,300,000~~ \$471,338,000,  
16 ~~\$10,000,000~~ \$15,000,000 of the remaining revenue that would otherwise be paid to the  
17 General Fund under § 9-120(b)(1)(ii) of the State Government Article shall be  
18 distributed to a special fund to be used only to increase purses at harness racing  
19 tracks, mile thoroughbred tracks, and Timonium Race Course and to supplement  
20 existing bred funds in accordance with this Act.

21 (b) If lottery revenues do not provide the ~~\$10,000,000~~ \$15,000,000 for the  
22 purposes specified in subsection (a) of this section, the Governor may request a  
23 deficiency appropriation during the 2007 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  
6 this section shall be used as follows:

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

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

9 (ii) 20% 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) 80% to purses at the mile thoroughbred racing tracks and  
13 Timonium; and

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

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

18 (1) Representatives of racetrack licensees, owners, breeders, trainers,  
19 and horsemen in both the thoroughbred and harness industries collectively submit to  
20 the Legislative Policy Committee on or before June 15, 2006, in accordance with §  
21 2-1246 of the State Government Article, a detailed revenue sharing agreement to be  
22 in effect for at least 10 years; and

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

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

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

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

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

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