

HOUSE BILL 715

P1
HB 759/06 – W&M

71r1915

By: **Delegate Rudolph**

Introduced and read first time: February 8, 2007

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.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – State Government
3 Section 9–120 and 9–120.1
4 Annotated Code of Maryland
5 (2004 Replacement Volume and 2006 Supplement)

6 BY adding to
7 Article – State Government
8 Section 9–120.2
9 Annotated Code of Maryland
10 (2004 Replacement Volume and 2006 Supplement)

11 Preamble

12 WHEREAS, The Maryland General Assembly recognizes that conserving
13 Maryland’s standardbred and thoroughbred horse breeding farms is of paramount
14 concern because of: (1) the estimated 18,000 acres of farmland being lost annually
15 because of development–related pressures attendant to an expanding population
16 projected to reach 6,300,000 by 2025; (2) the 1,100,000–acre farmland preservation
17 goal established by the 2002 General Assembly by the adoption of Senate Joint
18 Resolution 10/House Joint Resolution 22; (3) the water quality goals, tied to preserving
19 20% of the Chesapeake Bay watershed by 2010, set forth in the Chesapeake 2000
20 Agreement; and (4) the competitive disadvantage Maryland faces because of the
21 economic lures being offered by other states to owners of Maryland’s remaining
22 standardbred and thoroughbred horse breeding farms to relocate; and

23 WHEREAS, The Maryland General Assembly realizes that Maryland’s horse
24 farms mean: (1) employment opportunities – approximately 20,000 jobs are directly
25 linked to the horse industry; (2) revenues to local governments – the horse industry
26 has an annual economic impact of \$1,500,000,000; and (3) a landscape unmarred by
27 bricks and mortar; and

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

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

33 **Article – State Government**

34 9–120.

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

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

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

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

10 (i) into the Maryland Stadium Facilities Fund the money that
11 remains in the State Lottery Fund from the proceeds of the sports lotteries conducted
12 for the benefit of the Maryland Stadium Authority[,] after the distribution under
13 subsection (a) of this section; [and]

14 **(II) INTO A SPECIAL FUND CREATED FOR THE MARYLAND**
15 **STANDARD BRED RACE FUND AND THE MARYLAND–BRED RACE FUND MONEY**
16 **THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF THE**
17 **SPECIAL INSTANT TICKET GAMES UNDER § 9–120.1(A)(2) OF THIS SUBTITLE**
18 **AFTER THE DISTRIBUTION UNDER SUBSECTION (A) OF THIS SECTION; AND**

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

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

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

27 9–120.1.

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

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

1 **(2) A NUMBER OF SPECIAL INSTANT TICKET GAMES SUFFICIENT**
2 **TO GENERATE AT LEAST \$5,000,000 ANNUALLY, TO BE SHARED BY THE**
3 **MARYLAND STANDARDBRED RACE FUND AND THE MARYLAND-BRED RACE**
4 **FUND AS PROVIDED IN SUBSECTION (D) OF THIS SECTION.**

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

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

8 **(2) ANY SPECIAL INSTANT TICKET GAME UNDER SUBSECTION**
9 **(A)(2) OF THIS SECTION AS BEING CONDUCTED FOR THE BENEFIT OF THE**
10 **MARYLAND STANDARDBRED RACE FUND AND THE MARYLAND-BRED RACE**
11 **FUND.**

12 **(C) PROCEEDS PAID INTO THE MARYLAND STANDARDBRED RACE**
13 **FUND AND THE MARYLAND-BRED RACE FUND SHALL PROVIDE ADDITIONAL**
14 **REVENUE AND MAY NOT SUBSTITUTE FOR ANY OTHER DISTRIBUTION TO THOSE**
15 **FUNDS.**

16 **(D) FUNDS DISTRIBUTED TO THE MARYLAND STANDARDBRED RACE**
17 **FUND AND THE MARYLAND-BRED RACE FUND UNDER THIS SECTION SHALL BE**
18 **ALLOCATED IN THE FOLLOWING MANNER:**

19 **(1) 80% TO THE MARYLAND-BRED RACE FUND; AND**

20 **(2) 20% TO THE STANDARDBRED RACE FUND.**

21 **9-120.2.**

22 **(A) NOTWITHSTANDING § 9-120 OF THIS SUBTITLE, FOR EACH FISCAL**
23 **YEAR BEGINNING WITH FISCAL YEAR 2008 THROUGH FISCAL YEAR 2012, AFTER**
24 **THE CUMULATIVE DISTRIBUTIONS TO THE GENERAL FUND UNDER §**
25 **9-120(B)(1)(II) OF THIS SUBTITLE EQUAL THE AMOUNT PROJECTED FOR THAT**
26 **FISCAL YEAR BY THE BOARD OF REVENUE ESTIMATES, \$10,000,000 OF THE**
27 **REMAINING REVENUE THAT WOULD OTHERWISE BE PAID INTO THE GENERAL**
28 **FUND UNDER § 9-120(B)(1)(III) OF THIS SUBTITLE SHALL BE:**

1 (1) DISTRIBUTED TO THE SPECIAL FUND ESTABLISHED UNDER §
2 **9-120(B)(1)(II) OF THIS SUBTITLE; AND**

3 (2) ALLOCATED IN ACCORDANCE WITH SUBSECTION (B) OF THIS
4 SECTION.

5 **(B) THE ALLOCATION OF THE \$10,000,000 OF THE REMAINING**
6 **REVENUE SHALL BE MADE PROPORTIONATELY TO THE MARYLAND**
7 **STANDARD BRED RACE FUND AND THE MARYLAND-BRED RACE FUND, BASED**
8 **ON THE 3-YEAR AVERAGE OF THE NUMBER OF:**

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

12 (2) THOROUGHBRED FOALS BORN AND REGISTERED IN THE
13 STATE, AS CERTIFIED TO THE MARYLAND RACING COMMISSION BY THE
14 MARYLAND JOCKEY CLUB.

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

19 (D) FOR ANY FISCAL YEAR, THE TOTAL AMOUNT OF REVENUE
20 DISTRIBUTED TO THE MARYLAND STANDARD BRED RACE FUND AND THE
21 MARYLAND-BRED RACE FUND FROM THE SPECIAL INSTANT TICKET GAMES
22 AUTHORIZED UNDER § 9-120.1(A)(2) OF THIS SUBTITLE AND THE OVERAGE OF
23 PROJECTED STATE LOTTERY PROCEEDS DURING THE FISCAL YEAR 2008
24 THROUGH FISCAL YEAR 2012 UNDER THIS SECTION MAY NOT EXCEED
25 \$15,000,000 IN ANY 1 FISCAL YEAR.

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

30 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Racing
31 Commission shall work with the Maryland Standardbred Breeder's Association and
32 any other related entity considered appropriate by the Commission to develop an

1 annual marquee event for Maryland's standardbred horse racing industry comparable
2 to the Preakness. The Maryland Racing Commission shall report the results of this
3 undertaking to the Legislative Policy Committee on or before December 1, 2008, in
4 accordance with § 2-1246 of the State Government Article.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 June 1, 2007.