

# HOUSE BILL 1342

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By: **Delegates N. King, Bromwell, DeBoy, Dumais, Elliott, Frank, Jennings, Kach, Kramer, Lawton, Malone, Olszewski, and Rice**

Introduced and read first time: March 1, 2007

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Horse Racing Heritage Act**

3 FOR the purpose of establishing a special fund for the distribution of certain State  
4 lottery revenues to horse racing purses and bred funds; requiring that horse  
5 racing purses and bred funds be increased according to a certain formula;  
6 authorizing the Governor to request a certain deficiency appropriation under  
7 certain conditions; requiring that all funds for purses and bred funds under this  
8 Act be in addition to and not supplant certain other funds; establishing certain  
9 conditions on the distribution of certain funds; and generally relating to lottery  
10 proceeds and purse and bred fund supplements for horse racing in the State.

11 BY repealing and reenacting, with amendments,  
12 Article – State Government  
13 Section 9–120  
14 Annotated Code of Maryland  
15 (2004 Replacement Volume and 2006 Supplement)

16 BY repealing and reenacting, without amendments,  
17 Article – State Government  
18 Section 9–120.1  
19 Annotated Code of Maryland  
20 (2004 Replacement Volume and 2006 Supplement)

21 BY adding to  
22 Article – State Government

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.



1 Section 9–120.2  
2 Annotated Code of Maryland  
3 (2004 Replacement Volume and 2006 Supplement)

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

6 **Article – State Government**

7 9–120.

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

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

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

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

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

21 **(II) INTO A SPECIAL FUND CREATED FOR PURSE AND BRED**  
22 **FUND SUPPLEMENTS UP TO \$2,000,000 OF THE MONEY THAT REMAINS IN THE**  
23 **STATE LOTTERY FUND FROM THE PROCEEDS OF THE RACETRAX GAME**  
24 **CONDUCTED BY THE STATE LOTTERY AGENCY, AFTER THE DISTRIBUTION**  
25 **UNDER SUBSECTION (A) OF THIS SECTION; AND**

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

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

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

3 9-120.1.

4 (a) During each fiscal year the Agency shall conduct lotteries for the benefit  
5 of the Maryland Stadium Authority.

6 (b) In all advertising and on tickets, the Agency shall identify any lottery  
7 under this section as being conducted for the benefit of the Maryland Stadium  
8 Authority.

9 **9-120.2.**

10 (A) **NOTWITHSTANDING § 9-120 OF THIS SUBTITLE, AFTER**  
11 **CUMULATIVE DISTRIBUTIONS FOR FISCAL YEAR 2007 TO THE GENERAL FUND**  
12 **UNDER § 9-120(B)(1)(III) OF THIS SUBTITLE TOTAL \$453,400,000, \$6,000,000**  
13 **OF THE REMAINING REVENUE THAT WOULD OTHERWISE BE PAID TO THE**  
14 **GENERAL FUND UNDER § 9-120(B)(1)(III) OF THIS SUBTITLE SHALL BE**  
15 **DISTRIBUTED TO THE SPECIAL FUND UNDER § 9-120(B)(1)(II) OF THIS**  
16 **SUBTITLE TO BE USED ONLY TO INCREASE PURSES AT HARNESS RACING**  
17 **TRACKS, MILE THOROUGHBRED TRACKS, AND TIMONIUM RACE COURSE AND TO**  
18 **SUPPLEMENT EXISTING BRED FUNDS.**

19 (B) **IF LOTTERY REVENUES DO NOT PROVIDE THE \$6,000,000 FOR THE**  
20 **PURPOSES SPECIFIED IN SUBSECTION (A) OF THIS SECTION, THE GOVERNOR**  
21 **MAY REQUEST A DEFICIENCY APPROPRIATION DURING THE 2008 LEGISLATIVE**  
22 **SESSION TO MAKE UP THE DIFFERENCE.**

23 (C) **IN ACCORDANCE WITH § 7-209 OF THE STATE FINANCE AND**  
24 **PROCUREMENT ARTICLE, THE GOVERNOR BY BUDGETARY AMENDMENT SHALL**  
25 **ALLOCATE MONEY FROM THE SPECIAL FUND UNDER § 9-120(B)(1)(II) OF THIS**  
26 **SUBTITLE IN THE MANNER SPECIFIED UNDER SUBSECTION (D) OF THIS**  
27 **SECTION.**

28 (D) **ANY AMOUNTS CREDITED TO THE SPECIAL FUND UNDER**  
29 **SUBSECTION (A) OF THIS SECTION OR UNDER § 9-120(B)(1)(II) OF THIS**  
30 **SUBTITLE SHALL BE USED AS FOLLOWS:**

1           **(1) 11% TO INCREASE THE BRED FUNDS TO BE ALLOCATED AS**  
2 **FOLLOWS:**

3                   **(I) 80% TO THE MARYLAND-BRED RACE FUND; AND**

4                   **(II) 20% TO THE STANDARD BRED RACE FUND; AND**

5           **(2) 89% TO INCREASE PURSES AT HARNESS RACING TRACKS AND**  
6 **THOROUGHBRED RACING TRACKS TO BE ALLOCATED AS FOLLOWS:**

7                   **(I) 80% TO PURSES AT THE MILE THOROUGHBRED RACING**  
8 **TRACKS AND TIMONIUM; AND**

9                   **(II) 20% TO PURSES AT THE HARNESS RACING TRACKS,**  
10 **WHICH SHALL BE ALLOCATED 85% FOR ROSECROFT RACEWAY AND 15% FOR**  
11 **OCEAN DOWNS RACETRACK.**

12           **(E) FOR EACH RACETRACK LICENSEE, FUNDS PROVIDED FOR PURSES**  
13 **AND BRED FUNDS MAY ONLY BE ALLOCATED IF THE MARYLAND RACING**  
14 **COMMISSION HAS AWARDED AT LEAST THE SAME NUMBER OF LIVE RACING**  
15 **DAYS FOR EACH RACETRACK FOR CALENDAR YEAR 2007 AS WERE RUN IN**  
16 **CALENDAR YEAR 2006.**

17           **(F) ALL FUNDS PROVIDED FOR PURSES AND BRED FUNDS AT HARNESS**  
18 **RACING TRACKS, MILE THOROUGHBRED RACING TRACKS, AND TIMONIUM RACE**  
19 **COURSE BY THIS SECTION SHALL BE IN ADDITION TO AND MAY NOT SUPPLANT:**

20                   **(1) AMOUNTS ALLOCATED FOR PURSES AND BRED FUNDS UNDER**  
21 **CURRENT AGREEMENTS BETWEEN THE HARNESS RACING TRACKS AND THE**  
22 **ORGANIZATION THAT REPRESENTS A MAJORITY OF OWNERS AND TRAINERS OF**  
23 **STANDARD BRED HORSES IN THE STATE; AND**

24                   **(2) AMOUNTS OTHERWISE PROVIDED IN STATUTE FOR PURSES**  
25 **AND BRED FUNDS AT MILE THOROUGHBRED RACING TRACKS AND TIMONIUM**  
26 **RACE COURSE.**

27           **(G) THE PURSES SHALL BE DISTRIBUTED AT MILE THOROUGHBRED**  
28 **RACETRACKS AND TIMONIUM RACE COURSE ACCORDING TO A FORMULA**  
29 **DETERMINED BY THE STATE RACING COMMISSION IN CONSULTATION WITH THE**

1 **RACETRACK LICENSEES AND THE ORGANIZATION THAT REPRESENTS A**  
2 **MAJORITY OF OWNERS AND TRAINERS OF THOROUGHBRED HORSES IN THE**  
3 **STATE.**

4           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 June 1, 2007.