

SENATE BILL 658

C7
HB 1342/07 – W&M

8lr1955

By: **Senator King**

Introduced and read first time: February 1, 2008

Assigned to: Education, Health, and Environmental Affairs

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 2007 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 2007 Supplement)

21 BY adding to
22 Article – State Government
23 Section 9–120.2
24 Annotated Code of Maryland
25 (2004 Replacement Volume and 2007 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – State Government**

2 9–120.

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

4 (1) on a pro rata basis for the daily and nondaily State lottery games,
5 the expenses of administering and operating the State lottery, as authorized under
6 this subtitle and the State budget; and7 (2) then, except as provided in § 10–113.1 of the Family Law Article
8 and § 11–618 of the Criminal Procedure Article, the holder of each winning ticket or
9 share.10 (b) (1) Promptly after the 1st day of each month, the Comptroller shall
11 pay:12 (i) into the Maryland Stadium Facilities Fund the money that
13 remains in the State Lottery Fund from the proceeds of the sports lotteries conducted
14 for the benefit of the Maryland Stadium Authority, after the distribution under
15 subsection (a) of this section; [and]16 **(II) INTO A SPECIAL FUND CREATED FOR PURSE AND BRED**
17 **FUND SUPPLEMENTS UP TO \$2,000,000 OF THE MONEY THAT REMAINS IN THE**
18 **STATE LOTTERY FUND FROM THE PROCEEDS OF THE RACETRAX GAME**
19 **CONDUCTED BY THE STATE LOTTERY AGENCY, AFTER THE DISTRIBUTION**
20 **UNDER SUBSECTION (A) OF THIS SECTION; AND**21 [(ii)] **(III)** into the General Fund of the State the money that
22 remains in the State Lottery Fund from the proceeds of all [other] lotteries **OTHER**
23 **THAN THE LOTTERIES DESCRIBED IN ITEMS (I) AND (II) OF THIS PARAGRAPH,**
24 after the distribution under subsection (a) of this section.25 (2) The money paid into the General Fund under this subsection is
26 available in the fiscal year in which the money accumulates in the State Lottery Fund.27 (c) The regulations of the Agency shall apportion the money in the State
28 Lottery Fund.

29 9–120.1.

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

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

4 **9-120.2.**

5 (A) NOTWITHSTANDING § 9-120 OF THIS SUBTITLE, AFTER
6 CUMULATIVE DISTRIBUTIONS FOR FISCAL YEAR 2008 TO THE GENERAL FUND
7 UNDER § 9-120(B)(1)(III) OF THIS SUBTITLE TOTAL \$497,111,000, \$6,000,000
8 OF THE REMAINING REVENUE THAT WOULD OTHERWISE BE PAID TO THE
9 GENERAL FUND UNDER § 9-120(B)(1)(III) OF THIS SUBTITLE SHALL BE
10 DISTRIBUTED TO THE SPECIAL FUND UNDER § 9-120(B)(1)(II) OF THIS
11 SUBTITLE TO BE USED ONLY TO INCREASE PURSES AT HARNESS RACING
12 TRACKS, MILE THOROUGHBRED TRACKS, AND TIMONIUM RACE COURSE AND TO
13 SUPPLEMENT EXISTING BRED FUNDS.

14 (B) IF LOTTERY REVENUES DO NOT PROVIDE THE \$6,000,000 FOR THE
15 PURPOSES SPECIFIED IN SUBSECTION (A) OF THIS SECTION, THE GOVERNOR
16 MAY REQUEST A DEFICIENCY APPROPRIATION DURING THE 2009 LEGISLATIVE
17 SESSION TO MAKE UP THE DIFFERENCE.

18 (C) IN ACCORDANCE WITH § 7-209 OF THE STATE FINANCE AND
19 PROCUREMENT ARTICLE, THE GOVERNOR BY BUDGETARY AMENDMENT SHALL
20 ALLOCATE MONEY FROM THE SPECIAL FUND UNDER § 9-120(B)(1)(II) OF THIS
21 SUBTITLE IN THE MANNER SPECIFIED UNDER SUBSECTION (D) OF THIS
22 SECTION.

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

26 (1) 11% TO INCREASE THE BRED FUNDS TO BE ALLOCATED AS
27 FOLLOWS:

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

29 (II) 20% TO THE MARYLAND STANDARD BRED RACE FUND;

30 AND

31 (2) 89% TO INCREASE PURSES AT HARNESS RACING TRACKS AND
32 THOROUGHBRED RACING TRACKS TO BE ALLOCATED AS FOLLOWS:

33 (I) 80% TO PURSES AT THE MILE THOROUGHBRED RACING
34 TRACKS AND TIMONIUM RACE COURSE; AND

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

4 **(E) FOR EACH RACETRACK LICENSEE, FUNDS PROVIDED FOR PURSES**
5 **AND BRED FUNDS MAY ONLY BE ALLOCATED IF THE MARYLAND RACING**
6 **COMMISSION HAS AWARDED AT LEAST THE SAME NUMBER OF LIVE RACING**
7 **DAYS FOR EACH RACETRACK FOR CALENDAR YEAR 2008 AS WERE RUN IN**
8 **CALENDAR YEAR 2007.**

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

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

16 **(2) AMOUNTS OTHERWISE PROVIDED IN STATUTE FOR PURSES**
17 **AND BRED FUNDS AT MILE THOROUGHBRED RACING TRACKS AND TIMONIUM**
18 **RACE COURSE.**

19 **(G) THE PURSES SHALL BE DISTRIBUTED AT MILE THOROUGHBRED**
20 **RACETRACKS AND TIMONIUM RACE COURSE ACCORDING TO A FORMULA**
21 **DETERMINED BY THE STATE RACING COMMISSION IN CONSULTATION WITH THE**
22 **RACETRACK LICENSEES AND THE ORGANIZATION THAT REPRESENTS A**
23 **MAJORITY OF OWNERS AND TRAINERS OF THOROUGHBRED HORSES IN THE**
24 **STATE.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 June 1, 2008.