

SB1072/733528/1

BY: Delegate Norman

AMENDMENTS TO SENATE BILL 1072
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike “State Purchase or Condemnation” and substitute “Purchase by Business Entities – Income Tax Credit Incentive”.

On pages 1 and 2, strike in their entirety the lines beginning with line 4 on page 1 through line 2 on page 2, inclusive, and substitute:

“FOR the purpose of providing that a business entity that purchases Pimlico Race Course, the racetrack known as Laurel Park, the Preakness Stakes, or certain other property may claim, for a certain period of time, a credit against the State income tax for a certain percentage of the total cost of the acquisition of the property; providing that a business that purchase the Pimlico Race Course, the racetrack known as Laurel Park, or the Preakness Stakes shall comply with certain conditions; providing for the recapture of the tax credit by the State under certain circumstances; providing for the applicability of this Act; stating legislative intent; making this Act an emergency measure; and generally relating to the purchase of Pimlico Race Course, the racetrack known as Laurel Park, the Preakness Stakes, and certain other property by business entities.”

On page 2, strike in their entirety lines 3 through 7, inclusive; and strike in their entirety lines 13 through 17, inclusive.

AMENDMENT NO. 2

On page 2, in line 29, strike “valid public purposes” and substitute “important objectives”; and after line 35, insert:

“WHEREAS, The General Assembly further finds and declares that, given the reports in the media that there are several potential purchasers for the Pimlico and

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Laurel Park racetracks and the rights to the Preakness Stakes, it is important to provide incentives that will be advantageous to those purchasers, as well as additional purchasers to encourage them to come forward with bids or proposals to help meet the stated objectives of the General Assembly; and

WHEREAS, The General Assembly further finds and declares that, while it is committed to retaining the annual running of the Preakness Stakes at the Pimlico Race Course and maintaining the viability of the Pimlico and Laurel Park tracks, it is desirable to use the precepts of our free market system to meet those commitments in lieu of resorting to the State's powers to take private property through eminent domain procedures; now, therefore,."

On page 3, strike in their entirety lines 3 through 20, inclusive.

AMENDMENT NO. 3

On pages 3 through 6, strike in their entirety the lines beginning with line 24 on page 3 through line 25 on page 6, inclusive, and substitute:

"11-521.

(A) (1) IN THIS SECTION, "QUALIFIED ACQUISITION" MEANS THE ACQUISITION OF PIMLICO RACE COURSE, THE LAUREL PARK RACETRACK, THE PREAKNESS STAKES, THE WOODLAWN VASE, THE BOWIE RACE COURSE TRAINING CENTER, THE PROPERTY OF THE MARYLAND JOCKEY CLUB, THE PROPERTY OF THE LAUREL RACING ASSOC., OR THE PROPERTY OF THE LAUREL RACING ASSOCIATION LIMITED PARTNERSHIP.

(2) SUBJECT TO SUBSECTIONS (B), (C), AND (D) OF THIS SECTION, A BUSINESS ENTITY THAT MAKES A QUALIFIED ACQUISITION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR 15% OF THE TOTAL COST OF THE QUALIFIED ACQUISITION.

(3) THE CREDIT THAT MAY BE CLAIMED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE TAKEN OVER A 20-YEAR PERIOD, WITH ONE-TWENTIETH OF THE CREDIT AMOUNT ALLOWED EACH TAXABLE YEAR BEGINNING WITH THE FIRST YEAR OF THE 20-YEAR PERIOD.

(4) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE TOTAL INCOME TAX OTHERWISE PAYABLE BY THE BUSINESS ENTITY THAT MADE A QUALIFIED ACQUISITION FOR THAT TAXABLE YEAR, THE BUSINESS ENTITY MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

(B) (1) ANY BUSINESS ENTITY THAT MAKES A QUALIFIED ACQUISITION INVOLVING THE PIMLICO RACE COURSE SHALL:

(I) CONTINUE TO OPERATE THE RACETRACK WITH THE NUMBER OF RACING DAYS AWARDED FOR ANY CALENDAR YEAR BY THE COMMISSION; AND

(II) CONDUCT THE ANNUAL PREAKNESS STAKES AT THAT TRACK.

(2) ANY BUSINESS ENTITY THAT MAKES A QUALIFIED ACQUISITION INVOLVING THE RACETRACK KNOWN AS LAUREL PARK SHALL CONTINUE TO OPERATE THE RACETRACK WITH THE NUMBER OF RACING DAYS AWARDED FOR ANY CALENDAR YEAR BY THE COMMISSION.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF AT ANY TIME DURING THE TAXABLE YEAR IN WHICH THE BUSINESS ENTITY MADE THE QUALIFIED ACQUISITION OR AT ANY TIME DURING THE 20-YEAR PERIOD IN

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WHICH THE TAX CREDIT AUTHORIZED BY THIS SECTION MAY BE CLAIMED, THE BUSINESS ENTITY NO LONGER MEETS THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION, 100% OF THE TAX CREDIT AUTHORIZED BY THIS SECTION SHALL BE RECAPTURED BY THE STATE.

(2) THE BUSINESS ENTITY THAT CLAIMED THE TAX CREDIT UNDER THIS SECTION SHALL PAY THE AMOUNT TO BE RECAPTURED AS TAXES PAYABLE TO THE STATE FOR THE FIRST TAXABLE YEAR IN WHICH THE BUSINESS ENTITY NO LONGER MEETS THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION.

(D) THIS SECTION APPLIES TO ANY BUSINESS ENTITY THAT MAKES A QUALIFIED ACQUISITION ON OR BEFORE DECEMBER 31, 2009.”.

On page 6, in line 26, strike “4.” and substitute “2.”.