

# SENATE BILL 1072

C6, P1

EMERGENCY BILL

9lr3499  
CF HB 1578

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By: **The President (By Request – Administration) and Senators Brinkley, Colburn, Conway, Currie, DeGrange, Garagiola, Gladden, Harrington, Jones, Kasemeyer, Klausmeier, Madaleno, McFadden, Middleton, Miller, Munson, Peters, Pipkin, Pugh, Robey, and Rosapepe**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: April 4, 2009

Rules suspended

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: April 6, 2009

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Pimlico and Laurel Park Racetracks, Bowie Race Course Training Center,**  
3 **and Preakness Stakes – State Purchase or Condemnation**

4 FOR the purpose of authorizing the State to acquire by purchase or condemnation for  
5 public use with just compensation private property relating to the Pimlico Race  
6 Course, the track known as Laurel Park, the Bowie Race Course Training  
7 Center, the name, copyrights, service marks, trademarks, trade names, contract  
8 rights, business entities, stock, and horse racing events that are associated with  
9 the Preakness Stakes and its trophy, the Woodlawn Vase, and certain other  
10 private property; requiring that all proceedings for condemnation for public use  
11 of private property as authorized under this Act are to be in accordance with  
12 certain provisions of law and certain rules of procedure; authorizing the taking  
13 of certain private property immediately on payment for the property;  
14 authorizing the Maryland Economic Development Corporation to borrow money  
15 and issue bonds for certain purposes related to the condemnation authorized by  
16 this Act; requiring the Maryland Economic Development Corporation to submit  
17 certain reports to certain committees of the General Assembly; making this Act  
18 an emergency measure; stating legislative intent; requiring the Corporation to  
19 consult with certain persons regarding the disposition of certain property under  
20 certain circumstances; and relating generally to the authority of the State to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 purchase or condemn certain private property relating to certain tracks, the  
2 Bowie Race Course Training Center, and the Preakness Stakes.

3 BY repealing and reenacting, ~~with amendments~~ without amendments,  
4 Article – Business Regulation  
5 Section 11–520  
6 Annotated Code of Maryland  
7 (2004 Replacement Volume and 2008 Supplement)

8 BY adding to  
9 Article – Business Regulation  
10 Section 11–521  
11 Annotated Code of Maryland  
12 (2004 Replacement Volume and 2008 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Economic Development  
15 Section 10–117  
16 Annotated Code of Maryland  
17 (2008 Volume)

18 Preamble

19 WHEREAS, The General Assembly finds and declares that the Preakness  
20 Stakes is a sporting event of historical and cultural importance to the State of  
21 Maryland that, although run only once a year, has a significant, positive economic  
22 development impact on Baltimore City and the State; and

23 WHEREAS, The General Assembly also finds and declares that, in addition to  
24 its storied history and tradition, horse racing in Maryland has a significant economic  
25 impact on the State; and

26 WHEREAS, The General Assembly also finds and declares that the retention of  
27 the operation of the Pimlico Race Course and Laurel Park tracks, the operation of the  
28 Bowie Race Course Training Center, and the running of the Preakness Stakes in the  
29 State of Maryland, are for valid public purposes, including continuing the economic  
30 benefits to the State and its citizens, ~~protecting the critical role enhancing, enhancing,~~  
31 and continuing the State's highly valued racing industry as well as tourism and  
32 commerce in the State, furthering the State's regulation and licensing of the racing  
33 industry in order to promote the integrity, convenience, and safety of racing and  
34 associated wagering for the public and for the participants, and preserving the State's  
35 stature and quality of life; and

36 ~~WHEREAS, The General Assembly also finds and declares that the retention of~~  
37 ~~the operation of the Pimlico Race Course and Laurel Park racetracks and the running~~  
38 ~~of the Preakness Stakes in the State of Maryland are a valid public purpose because of~~  
39 ~~the economic benefits to the State and its citizens, the enhancement of our highly~~

~~1 valued racing and tourism industries in the State, and the preservation of the State's~~  
~~2 stature and quality of life; and~~

3 WHEREAS, The General Assembly also finds and declares that if the State  
4 lacks necessary authority to move immediately to exercise its regulatory and eminent  
5 domain powers with respect to acquiring Pimlico Race Course and Laurel Park tracks,  
6 the Bowie Race Course Training Center, and the Preakness Stakes, the opportunity to  
7 do so and, thus, preserve those operational facilities and the running of the Preakness  
8 Stakes in Maryland may be lost; and

9 WHEREAS, The General Assembly also finds and declares that there is a  
10 heightened State interest in the strict regulation of gaming and wagering and the  
11 entities that conduct or are associated with the conduct of these activities, and that  
12 level of interest provides additional justification for the authority granted under this  
13 Act; and

14 WHEREAS, It is the intent of the General Assembly to establish the necessary  
15 statutory authority for the State to take appropriate steps to prevent the loss of the  
16 historically, culturally, and economically important Preakness Stakes from Maryland  
17 and to help preserve the continued operation of the Pimlico Race Course and Laurel  
18 Park racetracks as two of the premier thoroughbred racetracks in the country and the  
19 Bowie Race Course Training Center as one of the premier training facilities; now,  
20 therefore,

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

23 **Article – Business Regulation**

24 11–520.

25 (a) The requirements of this section are established in recognition of the  
26 significance of the Preakness Stakes to the State.

27 (b) The Preakness Stakes may be transferred to another track in the State  
28 only as a result of a disaster or emergency.

29 (c) If the Preakness Stakes is transferred out of the State, the Commission  
30 may:

31 (1) revoke any racing days awarded to the Maryland Jockey Club of  
32 Baltimore City, Inc., or its successor; and

33 (2) award these racing days to another licensee, notwithstanding §  
34 11–511(b) of this subtitle.

1 (d) (1) If the Preakness Stakes is offered for sale, the State has the option  
2 to buy the Preakness Stakes for the amount of any offer that the licensee wishes to  
3 accept.

4 (2) Within 30 days after receiving an offer that it wishes to accept, the  
5 licensee shall give the State notice of the offer.

6 (3) If the State wishes to exercise the option, it shall so notify the  
7 licensee within 60 days after it receives the notice.

8 **11-521.**

9 ~~(E)~~ ~~(1)~~ **(A)** IN ADDITION TO THE OTHER PROVISIONS OF THIS  
10 ~~SECTION~~ SUBTITLE, IN ACCORDANCE WITH THE SOVEREIGN POWER OF THE  
11 STATE AND THE PROVISIONS OF ARTICLE III, §§ 40 AND 40A OF THE  
12 MARYLAND CONSTITUTION, AND SUBJECT TO ~~PARAGRAPHS (2) AND (3) OF THIS~~  
13 ~~SUBSECTION~~ SUBSECTIONS (B) AND (C) OF THIS SECTION, THE STATE MAY  
14 ACQUIRE BY PURCHASE OR CONDEMNATION FOR PUBLIC USE WITH JUST  
15 COMPENSATION SOME OR ALL OF THE FOLLOWING REAL, TANGIBLE, AND  
16 INTANGIBLE PRIVATE PROPERTY, INCLUDING ANY CONTRACTUAL INTERESTS  
17 OR INTELLECTUAL PROPERTY:

18 ~~(I)~~ **(1)** PIMLICO RACE COURSE, A RACETRACK LOCATED  
19 IN BALTIMORE CITY, INCLUDING ANY AND ALL PROPERTY OR PROPERTY  
20 RIGHTS ASSOCIATED WITH IT WHEREVER LOCATED, WHETHER TANGIBLE,  
21 INTANGIBLE, REAL, PERSONAL, OR MIXED, AND ANY BUSINESS ENTITY THAT  
22 OWNS IT;

23 ~~(II)~~ **(2)** ~~THE RACECOURSE KNOWN AS~~ LAUREL PARK, A  
24 RACETRACK LOCATED IN ANNE ARUNDEL COUNTY, INCLUDING ANY AND ALL  
25 PROPERTY OR PROPERTY RIGHTS ASSOCIATED WITH IT WHEREVER LOCATED,  
26 WHETHER TANGIBLE, INTANGIBLE, REAL, PERSONAL, OR MIXED, AND ANY  
27 BUSINESS ENTITY THAT OWNS IT;

28 ~~(III)~~ **(3)** BOWIE RACE COURSE TRAINING CENTER, A  
29 TRAINING CENTER LOCATED IN PRINCE GEORGE'S COUNTY, INCLUDING ANY  
30 AND ALL PROPERTY OR PROPERTY RIGHTS ASSOCIATED WITH IT WHEREVER  
31 LOCATED, WHETHER TANGIBLE, INTANGIBLE, REAL, PERSONAL, OR MIXED, AND  
32 ANY BUSINESS ENTITY THAT OWNS IT;

33 ~~(IV)~~ **(4)** THE PREAKNESS STAKES TROPHY THAT IS  
34 KNOWN AS THE WOODLAWN VASE, INCLUDING ANY AND ALL PROPERTY OR  
35 PROPERTY RIGHTS ASSOCIATED WITH IT, WHETHER TANGIBLE, INTANGIBLE,  
36 REAL, PERSONAL, OR MIXED, AND ANY BUSINESS ENTITY THAT OWNS IT;

~~(v)~~ (5) THE NAME, COMMON LAW AND STATUTORY COPYRIGHTS, SERVICE MARKS, TRADEMARKS, TRADE NAMES, CONTRACTS, HORSE RACING EVENTS, AND OTHER INTANGIBLE AND INTELLECTUAL PROPERTY THAT ARE ASSOCIATED WITH THE PREAKNESS STAKES AND THE WOODLAWN VASE;

~~(vi)~~ (6) ALL PROPERTY OF THE MARYLAND JOCKEY CLUB OF BALTIMORE CITY, INC., OR ITS SUCCESSORS AND ASSIGNS, INCLUDING STOCK AND EQUITY INTERESTS IN IT, AND INCLUDING ANY AND ALL PROPERTY OR PROPERTY RIGHTS ASSOCIATED WITH IT, WHETHER TANGIBLE, INTANGIBLE, REAL, PERSONAL, OR MIXED, ~~AND ANY BUSINESS ENTITY THAT OWNS IT;~~ AND

~~(vii)~~ (7) ALL PROPERTY OF THE LAUREL RACING ASSOCIATION, INC., ~~OR ITS ASSOC., INC., THE LAUREL RACING ASSOCIATION LIMITED PARTNERSHIP, OR THEIR RESPECTIVE~~ SUCCESSORS AND ASSIGNS, INCLUDING STOCK AND EQUITY INTERESTS, AND INCLUDING ANY AND ALL PROPERTY OR PROPERTY RIGHTS ASSOCIATED WITH ~~THEM,~~ WHETHER TANGIBLE, INTANGIBLE, REAL, PERSONAL, OR MIXED, ~~AND ANY BUSINESS ENTITY THAT OWNS IT.~~

(2) (B) ALL PROCEEDINGS FOR THE CONDEMNATION FOR PUBLIC USE OF THE PRIVATE PROPERTY DESCRIBED UNDER ~~PARAGRAPH (1) OF THIS~~ SUBSECTION (A) OF THIS SECTION SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF TITLE 12 OF THE REAL PROPERTY ARTICLE AND TITLE 12, CHAPTER 200 OF THE MARYLAND RULES.

(3) (C) PURSUANT TO THE PROVISIONS OF ARTICLE III, § 40A OF THE MARYLAND CONSTITUTION, AS APPLICABLE, THE PRIVATE PROPERTY DESCRIBED UNDER ~~PARAGRAPH (1) OF THIS~~ SUBSECTION (A) OF THIS SECTION MAY BE TAKEN IMMEDIATELY ON PAYMENT FOR THE PROPERTY CONSISTENT WITH THE PROCEDURES OF §§ 8-334 THROUGH 8-339 OF THE TRANSPORTATION ARTICLE.

### Article – Economic Development

10–117.

(A) The Corporation may:

(1) borrow money and issue bonds to finance any part of the cost of a project or for any other corporate purpose of the Corporation;

(2) secure the payment of any portion of the borrowing by pledge of or mortgage or deed of trust on property or revenues of the Corporation;

1           (3) combine projects for financing, make agreements with or for the  
2 benefit of the bondholders or with others in connection with the issuance or future  
3 issuance of bonds, as the Corporation considers advisable; and

4           (4) otherwise provide for the security of bonds and the rights of  
5 bondholders.

6           **(B) IN ADDITION TO THE POWERS OF THE CORPORATION UNDER**  
7 **SUBSECTION (A) OF THIS SECTION, FOR THE PURPOSE OF FUNDING THE**  
8 **PURCHASE OR CONDEMNATION BY THE STATE FOR PUBLIC USE OF THE**  
9 **PROPERTY AS AUTHORIZED BY ~~§ 11-520(E)~~ §§ 11-520 AND 11-521 OF THE**  
10 **BUSINESS REGULATION ARTICLE, THE CORPORATION MAY BORROW MONEY**  
11 **AND ISSUE BONDS TO FINANCE THE COST OF ACQUIRING BY PURCHASE OR**  
12 **COMPLETING THE CONDEMNATION PROCESS BY THE STATE IN ACCORDANCE**  
13 **WITH APPLICABLE LEGAL STANDARDS.**

14           SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Economic  
15 Development Corporation, in accordance with § 2-1246 of the State Government  
16 Article, shall report monthly to the Senate Budget and Taxation Committee, the  
17 House Environmental Matters Committee, and the Legislative Policy Committee on  
18 the status of the State's business plan regarding the management and disposition of  
19 any assets acquired under this Act.

20           SECTION 3. AND BE IT FURTHER ENACTED, That if the Maryland  
21 Economic Development Corporation acquires property under this Act, the Corporation  
22 shall, before disposing of the property, consult with the Governor, the President of the  
23 Senate, the Speaker of the House of Delegates, the State Comptroller, the State  
24 Treasurer, and the Minority Leaders of the Senate and the House of Delegates  
25 concerning the disposition of the property.

26           SECTION ~~2~~ ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act is an  
27 emergency measure, is necessary for the immediate preservation of the public health  
28 or safety, has been passed by a yea and nay vote supported by three-fifths of all the  
29 members elected to each of the two Houses of the General Assembly, and shall take  
30 effect from the date it is enacted.