

CHAPTER 3

(Senate Bill 1072)

AN ACT concerning

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

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

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

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

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 10–117
Annotated Code of Maryland

(2008 Volume)

Preamble

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

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

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

~~WHEREAS, The General Assembly also finds and declares that the retention of the operation of the Pimlico Race Course and Laurel Park racetracks and the running of the Preakness Stakes in the State of Maryland are a valid public purpose because of the economic benefits to the State and its citizens, the enhancement of our highly valued racing and tourism industries in the State, and the preservation of the State's stature and quality of life; and~~

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

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

WHEREAS, It is the intent of the General Assembly to establish the necessary statutory authority for the State to take appropriate steps to prevent the loss of the

historically, culturally, and economically important Preakness Stakes from Maryland and to help preserve the continued operation of the Pimlico Race Course and Laurel Park racetracks as two of the premier thoroughbred racetracks in the country and the Bowie Race Course Training Center as one of the premier training facilities; now, therefore,

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

Article – Business Regulation

11-520.

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

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

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

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

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

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

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

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

11-521.

~~(E)~~ ~~(1)~~ **(A)** IN ADDITION TO THE OTHER PROVISIONS OF THIS SECTION SUBTITLE, IN ACCORDANCE WITH THE SOVEREIGN POWER OF THE STATE AND THE PROVISIONS OF ARTICLE III, §§ 40 AND 40A OF THE MARYLAND CONSTITUTION, AND SUBJECT TO PARAGRAPHS ~~(2)~~ AND ~~(3)~~ OF THIS SUBSECTION SUBSECTIONS **(B)** AND **(C)** OF THIS SECTION, THE STATE MAY ACQUIRE BY PURCHASE OR CONDEMNATION FOR PUBLIC USE WITH JUST

COMPENSATION SOME OR ALL OF THE FOLLOWING REAL, TANGIBLE, AND INTANGIBLE PRIVATE PROPERTY, INCLUDING ANY CONTRACTUAL INTERESTS OR INTELLECTUAL PROPERTY:

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

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

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

~~(IV)~~ (4) THE PREAKNESS STAKES TROPHY THAT IS KNOWN AS THE WOODLAWN VASE, 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;

~~(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 ~~IF~~ 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;
- (3) combine projects for financing, make agreements with or for the benefit of the bondholders or with others in connection with the issuance or future issuance of bonds, as the Corporation considers advisable; and
- (4) otherwise provide for the security of bonds and the rights of bondholders.

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

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

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

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

Approved by the Governor, April 14, 2009.