

HOUSE BILL 965

C6

6lr2038

By: **Delegate Walker**

Introduced and read first time: February 10, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **The Maryland International and Preakness Stakes Incentive Act of 2016**

3 FOR the purpose of establishing the Maryland International thoroughbred race; providing
4 that the Maryland International is a Grade 1 stakes race run on a certain track;
5 providing for the funding of a certain purse for the Maryland International race;
6 providing for the application of certain takeout provisions and the payment of certain
7 taxes and fees; requiring the State Racing Commission to approve a certain race;
8 providing for the use of certain special funds for a certain race; providing that certain
9 money from the State Lottery Fund be distributed to pay certain Maryland-bred
10 horses who win the Preakness Stakes or are eligible for certain purses from the
11 Preakness Stakes under certain conditions; requiring that certain funds revert to the
12 State Lottery Fund under certain circumstances; requiring the Comptroller to
13 distribute certain funds to a certain special fund; requiring the State Lottery and
14 Gaming Control Agency to account for certain funds by reducing certain funds for a
15 certain purpose by a certain amount; and generally relating to the Maryland
16 International thoroughbred race, the Preakness Stakes, and Maryland-bred horses.

17 BY repealing and reenacting, with amendments,
18 Article – Business Regulation
19 Section 11-402 and 11-403
20 Annotated Code of Maryland
21 (2015 Replacement Volume and 2015 Supplement)

22 BY adding to
23 Article – Business Regulation
24 Section 11-522.1
25 Annotated Code of Maryland
26 (2015 Replacement Volume and 2015 Supplement)

27 BY repealing and reenacting, with amendments,
28 Article – State Government

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 9–120(a)
2 Annotated Code of Maryland
3 (2014 Replacement Volume and 2015 Supplement)

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

6 **Article – Business Regulation**

7 11–402.

8 The Special Fund consists of:

- 9 (1) the State share of daily licensee fees;
- 10 (2) pari–mutuel taxes;
- 11 (3) the impact aid under § 11–812 of this title;
- 12 (4) money from uncashed pari–mutuel tickets that are from bets made into
13 the betting pools of licensees; [and]
- 14 (5) any permit fees under §§ 11–820 and 11–832 of this title; **AND**
- 15 **(6) SUBJECT TO § 11–403(A)(9) AND (B) OF THIS SUBTITLE, MONEY**
16 **FROM THE STATE LOTTERY FUND DISTRIBUTED UNDER § 9–120(A)(2) OF THE**
17 **STATE GOVERNMENT ARTICLE.**

18 11–403.

19 (a) The Comptroller shall pay from the Special Fund an annual grant of:

- 20 (1) \$825,000 to the Maryland Agricultural Fair Board to promote State and
21 county agricultural fairs and exhibits;
- 22 (2) \$100,000 to Prince George’s County to replace money formerly received
23 from the admissions and amusement tax;
- 24 (3) \$40,000 to the Great Frederick Fair to support exhibition harness
25 racing with money for construction and maintenance of new stalls, track maintenance, and
26 purses;
- 27 (4) \$50 to the City of Bowie for each day that the training facilities are open
28 at the Bowie Race Course Training Center;

1 (5) \$75,000 to the Maryland Agricultural Education Foundation, Inc., to
2 promote and enhance statewide agricultural education;

3 (6) an amount not to exceed \$30,000 in fiscal year 1998 and \$20,000 in each
4 fiscal year thereafter to the Great Pocomoke Fair, Inc. to support exhibition harness racing
5 with money for construction and maintenance of new stalls, track maintenance, and purses;

6 (7) \$500,000 to the Maryland Million, Ltd. to support and promote the
7 running of Maryland Million races; [and]

8 (8) \$350,000 to the Maryland Standardbred Race Fund for the Sire Stakes
9 Program; AND

10 **(9) \$500,000 FROM THE MONEY DISTRIBUTED UNDER § 9-120(A)(2)**
11 **OF THE STATE GOVERNMENT ARTICLE TO A PURSE FOR THE MARYLAND**
12 **INTERNATIONAL THOROUGHBRED RACE UNDER § 11-522.1 OF THIS TITLE.**

13 **(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**
14 **COMPTROLLER SHALL PAY FROM THE MONEY DISTRIBUTED TO THE SPECIAL FUND**
15 **UNDER § 9-120(A)(2) OF THE STATE GOVERNMENT ARTICLE AN ANNUAL GRANT OF:**

16 **(I) \$500,000 TO THE WINNING HORSE OF THE PREAKNESS**
17 **STAKES IN A CALENDAR YEAR IF THE WINNING HORSE IS A MARYLAND-BRED**
18 **HORSE; AND**

19 **(II) \$100,000 TO A MARYLAND-BRED HORSE THAT IS:**

20 **1. ELIGIBLE FOR PREAKNESS STAKES PURSE MONEY**
21 **BASED ON THE CONDITIONS OF THE RACE THAT DETERMINE THE DISTRIBUTION OF**
22 **PURSES IN A CALENDAR YEAR; AND**

23 **2. NOT THE WINNING HORSE OF THE PREAKNESS**
24 **STAKES.**

25 **(2) IF A MARYLAND-BRED HORSE DOES NOT WIN THE PREAKNESS**
26 **STAKES IN A CALENDAR YEAR OR IS NOT ELIGIBLE FOR PURSE MONEY BASED ON**
27 **THE CONDITIONS OF THE RACE THAT DETERMINE THE DISTRIBUTION OF PURSES**
28 **FOR THE PREAKNESS STAKES IN A CALENDAR YEAR, ANY UNUSED FUNDS**
29 **DISTRIBUTED BY THE COMPTROLLER TO THE SPECIAL FUND SHALL REVERT TO THE**
30 **STATE LOTTERY FUND.**

31 **[(b)] (C)** If the Maryland State Fair remains at the Timonium Fair Grounds, the
32 Comptroller shall pay from the Special Fund an annual grant of:

1 (1) \$500,000 to the Maryland State Fair and Agricultural Society, Inc., to:

2 (i) promote and enhance the Maryland State Fair; and

3 (ii) maintain and develop youth programs, with premium money
4 provided to organizations, such as 4-H Clubs and the Future Farmers of America, for
5 recognition and awards; and

6 (2) \$50,000 to Baltimore County to replace the money formerly received by
7 the county under this subtitle.

8 **11-522.1.**

9 (A) (1) **THERE IS A MARYLAND INTERNATIONAL THOROUGHBRED RACE**
10 **CONDUCTED BY A LICENSEE AT LAUREL PARK.**

11 (2) **THE MARYLAND INTERNATIONAL IS A GRADE 1 STAKES RACE**
12 **RUN ON A TURF TRACK.**

13 (B) **THE PURSE FOR THE MARYLAND INTERNATIONAL SHALL BE FUNDED**
14 **BY THE SPECIAL FUND ESTABLISHED UNDER § 11-402 OF THIS TITLE.**

15 (C) **THE TAKEOUT PROVISIONS OF §§ 11-514 AND 11-515 OF THIS SUBTITLE**
16 **SHALL APPLY TO THE MARYLAND INTERNATIONAL.**

17 (D) **THE LICENSEE SHALL PAY ALL TAXES AND FEES ASSOCIATED WITH THE**
18 **MARYLAND INTERNATIONAL THAT WOULD OTHERWISE BE IMPOSED FOR A**
19 **THOROUGHBRED RACE.**

20 (E) **THE MARYLAND INTERNATIONAL SHALL BE CONDUCTED ONLY WITH**
21 **THE APPROVAL OF THE COMMISSION.**

22 **Article – State Government**

23 9–120.

24 (a) (1) The Comptroller shall distribute, or cause to be distributed, the State
25 Lottery Fund to pay:

26 [(1)] (I) **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION**, on a pro
27 rata basis for the daily and nondaily State lottery games, the expenses of administering
28 and operating the State lottery, as authorized under this subtitle and the State budget; and

1 **[(2)] (II)** then, except as provided in § 10–113.1 of the Family Law Article,
2 § 11–618 of the Criminal Procedure Article, and § 3–307 of the State Finance and
3 Procurement Article, the holder of each winning ticket or share.

4 **(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**
5 **FROM THE AMOUNT THAT THE COMPTROLLER DISTRIBUTES FOR ADMINISTERING**
6 **AND OPERATING THE STATE LOTTERY, THE COMPTROLLER SHALL ANNUALLY**
7 **DISTRIBUTE \$1,100,000 TO THE RACING SPECIAL FUND ESTABLISHED UNDER §**
8 **11–401 OF THE BUSINESS REGULATION ARTICLE.**

9 **(II) THE AGENCY SHALL ACCOUNT FOR THE FUNDS**
10 **DISTRIBUTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BY REDUCING THE**
11 **AMOUNT TO BE SPENT BY THE AGENCY FOR MARKETING BY \$1,100,000.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2016.