

# HOUSE BILL 764

C8, R2, C7

4lr1573  
CF 4lr3414

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By: **Delegates Shetty, Korman, and Palakovich Carr**

Introduced and read first time: January 31, 2024

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Lottery Fund – Bus Rapid Transit Fund Distribution – Alterations**

3 FOR the purpose of repealing a certain limitation on the distribution of up to a certain  
4 amount of money from the State Lottery Fund to the Bus Rapid Transit Fund for  
5 certain bus rapid transit system grants; altering the circumstances for distributions  
6 from the Bus Rapid Transit Fund; and generally relating to the State Lottery Fund  
7 and the Bus Rapid Transit Fund.

8 BY repealing and reenacting, with amendments,

9 Article – State Government

10 Section 9–120

11 Annotated Code of Maryland

12 (2021 Replacement Volume and 2023 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Transportation

15 Section 2–802

16 Annotated Code of Maryland

17 (2020 Replacement Volume and 2023 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – State Government**

21 9–120.

22 (a) The Comptroller shall distribute, or cause to be distributed, the State Lottery  
23 Fund to pay:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) on a pro rata basis for the daily and nondaily State lottery games, the  
2 expenses of administering and operating the State lottery, as authorized under this subtitle  
3 and the State budget; and

4 (2) then, except as provided in § 10–113.1 of the Family Law Article, §  
5 11–618 of the Criminal Procedure Article, and § 3–307 of the State Finance and  
6 Procurement Article, the holder of each winning ticket or share.

7 (b) (1) By the end of the month following collection, the Comptroller shall  
8 deposit, cause to be deposited, or pay:

9 (i) 1. After June 30, 2023, but not later than June 30, 2026, into  
10 the Maryland Stadium Facilities Fund established under § 7–312 of the State Finance and  
11 Procurement Article from the money that remains in the State Lottery Fund, after the  
12 distribution under subsection (a) of this section, an amount not to exceed \$14,200,000 in  
13 each fiscal year;

14 2. after June 30, 2023, but not later than June 30, 2026, from  
15 the money that remains in the State Lottery Fund after the distribution under subsection  
16 (a) of this section, an amount for each fiscal year not to exceed:

17 A. \$34,900,000 into the Camden Yards Football Sports  
18 Facility Supplemental Financing Fund established under § 10–652.1 of the Economic  
19 Development Article; and

20 B. \$40,900,000 into the Camden Yards Baseball Sports  
21 Facility Supplemental Financing Fund established under § 10–652.2 of the Economic  
22 Development Article;

23 3. after June 30, 2026, but not later than June 30, 2039, into  
24 the Maryland Stadium Facilities Fund established under § 7–312 of the State Finance and  
25 Procurement Article from the money that remains in the State Lottery Fund, after the  
26 distribution under subsection (a) of this section, an amount not to exceed \$3,360,000 in each  
27 fiscal year;

28 4. after June 30, 2026, but not later than June 30, 2039, from  
29 the money that remains in the State Lottery Fund after the distribution under subsection  
30 (a) of this section, an amount for each fiscal year not to exceed:

31 A. \$45,000,000 into the Camden Yards Football Sports  
32 Facility Supplemental Financing Fund established under § 10–652.1 of the Economic  
33 Development Article; and

34 B. \$41,640,000 into the Camden Yards Baseball Sports  
35 Facility Supplemental Financing Fund established under § 10–652.2 of the Economic  
36 Development Article; and

1                   5.     after June 30, 2039, from the money that remains in the  
2 State Lottery Fund after the distribution under subsection (a) of this section, an amount  
3 for each fiscal year not to exceed:

4                   A.     \$45,000,000 into the Camden Yards Football Sports  
5 Facility Supplemental Financing Fund established under § 10–652.1 of the Economic  
6 Development Article; and

7                   B.     \$45,000,000 into the Camden Yards Baseball Sports  
8 Facility Supplemental Financing Fund established under § 10–652.2 of the Economic  
9 Development Article;

10                  (ii)    after June 30, 2014, into the Maryland Veterans Trust Fund 10%  
11 of the money that remains in the State Lottery Fund from the proceeds of sales of tickets  
12 from instant ticket lottery machines by veterans' organizations under § 9–112(d) of this  
13 subtitle, after the distribution under subsection (a) of this section;

14                  (iii)   after June 30, 2014, into the Baltimore City Public School  
15 Construction Financing Fund established under § 10–656 of the Economic Development  
16 Article the money that remains in the State Lottery Fund from the proceeds of all lotteries  
17 after the distributions under subsection (a) of this section and items (i) and (ii) of this  
18 paragraph, an amount equal to \$20,000,000 in each fiscal year that bonds are outstanding  
19 and unpaid, to be paid in two installments with at least \$10,000,000 paid no later than  
20 December 1 of each fiscal year;

21                  (iv)    after June 30, 2021, into the Racing and Community  
22 Development Financing Fund established under § 10–657.2 of the Economic Development  
23 Article from the money that remains in the State Lottery Fund, after the distribution under  
24 subsection (a) of this section, an amount equal to \$17,000,000 in each fiscal year until the  
25 bonds issued for a racing facility have matured;

26                  (v)     after June 30, 2020, into the Michael Erin Busch Sports Fund  
27 established under § 10–612.2 of the Economic Development Article from the money that  
28 remains in the State Lottery Fund from the proceeds of all lotteries after the distributions  
29 under subsection (a) of this section and items (i) through (iv) of this paragraph, an amount  
30 equal to \$1,000,000 in each fiscal year;

31                  (vi)    after June 30, 2021, a grant to the Maryland Humanities Council  
32 for Maryland History Day and other programming from the money that remains in the  
33 State Lottery Fund after the distributions under subsection (a) of this section and items (i)  
34 through (v) of this paragraph, an amount equal to \$150,000 in each fiscal year;

35                  (vii)   after June 30, 2021, to Anne Arundel County or Baltimore City  
36 each fiscal year the amount required to be distributed under § 9–1A–31(a)(7)(ii) of this title  
37 to be used as required under § 9–1A–31 of this title;

1 (viii) after June 30, 2022, into the Maggie McIntosh School Arts Fund  
2 established under § 5–243 of the Education Article from the money that remains in the  
3 State Lottery Fund from the proceeds of all other lotteries after the distributions under  
4 subsection (a) of this section and items (i) through (vii) of this paragraph, an amount equal  
5 to \$250,000 in each fiscal year;

6 (ix) after June 1, 2022, to the Sports Entertainment Facilities  
7 Financing Fund established under § 10–657.5 of the Economic Development Article from  
8 the money that remains in the State Lottery Fund from the proceeds of all lotteries after  
9 the distributions under subsection (a) of this section and items (i) through (viii) of this  
10 paragraph, an amount not to exceed \$25,000,000 to be paid in two installments not later  
11 than November 1 and June 1 of each fiscal year;

12 (x) after June 30, 2022, to the Major Sports and Entertainment  
13 Event Program Fund established under § 10–611.2 of the Economic Development Article  
14 from the money that remains in the State Lottery Fund from the proceeds of all lotteries  
15 after the distributions under subsection (a) of this section and items (i) through (ix) of this  
16 paragraph:

17 1. for fiscal year 2023, an amount equal to \$10,000,000; and

18 2. for each fiscal year thereafter, the amount necessary to  
19 restore the Major Sports and Entertainment Event Program Fund to a balance of  
20 \$10,000,000;

21 (xi) [if a deposit or payment is made under item (i)2 through 5 of this  
22 paragraph, an amount equal to the total deposit or payment under item (i)2 through 5 of  
23 this paragraph, but not exceeding \$27,000,000, into] **AFTER JUNE 30, 2024, INTO** the Bus  
24 Rapid Transit Fund established under § 2–802.1 of the Transportation Article for bus rapid  
25 transit system grants in accordance with § 2–802 of the Transportation Article from the  
26 money that remains in the State Lottery Fund from the proceeds of all lotteries after the  
27 distributions under subsection (a) of this section and items (i) through (x) of this paragraph,  
28 **AN AMOUNT EQUAL TO \$27,000,000 IN EACH FISCAL YEAR;**

29 (xii) after June 30, 2023, into the Prince George’s County Blue Line  
30 Corridor Facility Fund established under § 10–657.6 of the Economic Development Article  
31 from the money that remains in the State Lottery Fund from the proceeds of all lotteries  
32 after the distributions under subsection (a) of this section and items (i) through (xi) of this  
33 paragraph, an amount not to exceed \$27,000,000 to be paid in two installments not later  
34 than November 1 and June 1 of each fiscal year; and

35 (xiii) into the General Fund of the State the money that remains in the  
36 State Lottery Fund from the proceeds of all lotteries after the distributions under  
37 subsection (a) of this section and items (i) through (xii) of this paragraph.

38 (2) The money paid into the General Fund under this subsection is  
39 available in the fiscal year in which the money accumulates in the State Lottery Fund.

1 (c) The regulations of the Agency shall apportion the money in the State Lottery  
2 Fund in accordance with subsection (b) of this section.

### 3 Article – Transportation

4 2–802.

5 (a) (1) In this section the following words have the meanings indicated.

6 (2) “Bus rapid transit system” means a bus line that operates on at least  
7 some portion of roadway dedicated to buses and offers off–board fare collection or another  
8 form of high efficiency fare collection if a fare is charged.

9 (3) “Eligible grantee” means a county or municipal corporation that has:

10 (i) A bus rapid transit system that operates in the county or  
11 municipal corporation; and

12 (ii) No ongoing or completed facility, as that term is defined in §  
13 10–601(s)(1), (4), (8), (9), or (10) of the Economic Development Article.

14 (b) (1) Subject to paragraph (2) of this subsection, if a deposit or payment is  
15 made in accordance with [§ 9–120(b)(1)(i)2 through 5] **§ 9–120(B)(1)(XI)** of the State  
16 Government Article into the Maryland Stadium Authority Facilities Fund established  
17 under § 7–312 of the State Finance and Procurement Article, and there is only one eligible  
18 grantee, then the Department shall award a grant to the eligible grantee equal to the  
19 amount distributed to the Department under § 9–120(b)(1)(xi) of the State Government  
20 Article.

21 (2) (i) If there are two eligible grantees, and one eligible grantee is  
22 Montgomery County, the Department shall distribute \$20,000,000 to Montgomery County  
23 and the remaining amount of the deposit or payment under § 9–120(b)(1)(xi) of the State  
24 Government Article to the remaining eligible grantee.

25 (ii) If more than three counties or municipal corporations are eligible  
26 grantees, and one eligible grantee is Montgomery County, then the Department shall  
27 distribute:

28 1. Not less than \$20,000,000 to Montgomery County if  
29 Montgomery County remains an eligible county; and

30 2. The total remaining amount of the deposit or payment  
31 under § 9–120(b)(1)(xi) of the State Government Article to the remaining eligible grantees  
32 based on each eligible grantee’s pro rata share of the statewide population.

1 (iii) If Montgomery County is not an eligible grantee, and more than  
2 one county or municipal corporation are eligible grantees, then the Department shall  
3 distribute the total amount of the deposit payment under § 9–120(b)(1)(xi) of the State  
4 Government Article to the eligible grantees based on each eligible grantee’s pro rata share  
5 of the statewide population.

6 (3) (i) Eligible grantees receiving funds in accordance with this  
7 subsection and § 2–802.1 of this subtitle may use the grant funds for the:

8 1. Financing and refinancing of the costs related to the  
9 construction, acquisition, improvement, equipping, rehabilitation, and expansion of bus  
10 rapid transit system projects;

11 2. Payment of debt service on bonds issued to finance bus  
12 rapid transit system projects;

13 3. Payment of all reasonable expenses and charges related to  
14 bond issuance and borrowing; and

15 4. Payment of costs relating to the management and  
16 operation of bus rapid transit system projects.

17 (ii) If an eligible grantee uses funds under this section for the  
18 payment of debt service on bonds issued to finance bus rapid transit system projects, the  
19 eligible grantee shall issue bonds in accordance with an ordinance or resolution which may  
20 specify all matters relating to the advertisement, sale, issuance, delivery, and payment of  
21 the bonds, including:

22 1. The forms, dates, and denominations of the bonds;

23 2. The principal maturities;

24 3. The methods to be used in determining interest payable  
25 on the bonds; and

26 4. Any provisions for registration, redemption before stated  
27 maturity, or the use of facsimile signatures or seals.

28 (c) The Department:

29 (1) Shall distribute grants under this section to eligible grantees in a timely  
30 manner; and

31 (2) May not impose any additional conditions on an eligible grantee on  
32 receipt of a grant under this section.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
2   1, 2024.