

# HOUSE BILL 1524

C6, C7, Q7

4lr3037  
CF 4lr4617

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By: **Chair, Ways and Means Committee (By Request – Maryland Thoroughbred Racetrack Operating Authority)**

Rules suspended

Introduced and read first time: March 3, 2024

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Horse Racing – Racing Facility Ownership and Construction – Racing**  
3 **Operations**

4 FOR the purpose of altering the location, type, and ownership of horse racing facilities that  
5 the Maryland Stadium Authority is authorized to finance; authorizing the Maryland  
6 Stadium Authority, subject to certain requirements, to finance the planning, design,  
7 and construction of certain racing facilities on behalf of the Maryland Thoroughbred  
8 Racetrack Operating Authority; authorizing the State Racing Commission to issue a  
9 license to hold a race meeting and award racing days to a certain nonprofit  
10 organization; altering the date by which the owner of the Bowie Race Course  
11 Training Center must convey the Center to the City of Bowie; authorizing the  
12 Preakness Stakes to be transferred to another track in the State during the  
13 reconstruction of Pimlico Race Course; increasing the amount of debt that the  
14 Maryland Stadium Authority may issue for certain purposes in connection with  
15 certain racing facilities; altering the requirements of certain agreements required  
16 before the issuance of certain bonds; altering the amount of money from the State  
17 Lottery Fund that the Comptroller is required to deposit into the Racing and  
18 Community Development Financing Fund; altering certain requirements that must  
19 be satisfied before the Maryland Thoroughbred Racetrack Operating Authority is  
20 authorized to manage and oversee certain racing activities; altering the distribution  
21 and authorized uses of the Racetrack Facility Renewal Account; exempting a certain  
22 horse racing licensee from the requirement to pay an application fee for a certain  
23 sports wagering facility license; requiring the Comptroller to distribute the sales and  
24 use tax revenue attributable to the purchase of certain racehorses to a certain fund;  
25 altering certain income tax subtraction modifications, sales and use tax exemptions,  
26 property tax exemptions, transfer tax exemptions, and recordation tax exemptions  
27 related to horse racing; extending the termination date of certain provisions of law  
28 related to the Maryland Thoroughbred Racetrack Operating Authority; and  
29 generally relating to horse racing in the State.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 BY repealing  
2 Article – Economic Development  
3 Section 10–601(cc) and (dd)  
4 Annotated Code of Maryland  
5 (2018 Replacement Volume and 2023 Supplement)
- 6 BY renumbering  
7 Article – Economic Development  
8 Section 10–601(ee) through (iii)  
9 to be Section 10–601(cc) through (ggg), respectively  
10 Annotated Code of Maryland  
11 (2018 Replacement Volume and 2023 Supplement)
- 12 BY repealing and reenacting, with amendments,  
13 Article – Business Regulation  
14 Section 11–510(b), 11–519(d)(1)(i), and 11–520(b)  
15 Annotated Code of Maryland  
16 (2015 Replacement Volume and 2023 Supplement)
- 17 BY repealing and reenacting, without amendments,  
18 Article – Economic Development  
19 Section 10–601(a), (b), and (d)  
20 Annotated Code of Maryland  
21 (2018 Replacement Volume and 2023 Supplement)
- 22 BY repealing and reenacting, with amendments,  
23 Article – Economic Development  
24 Section 10–601(s), 10–628(c)(1)(vii), 10–646.1, and 10–1003  
25 Annotated Code of Maryland  
26 (2018 Replacement Volume and 2023 Supplement)
- 27 BY repealing and reenacting, without amendments,  
28 Article – Economic Development  
29 Section 10–601(cc), (kk), (ll), (tt), (uu), and (ww)  
30 Annotated Code of Maryland  
31 (2018 Replacement Volume and 2023 Supplement)  
32 (As enacted by Section 2 of this Act)
- 33 BY repealing and reenacting, with amendments,  
34 Article – Economic Development  
35 Section 10–601(oo), (vv), and (xx)  
36 Annotated Code of Maryland  
37 (2018 Replacement Volume and 2023 Supplement)  
38 (As enacted by Section 2 of this Act)
- 39 BY adding to

- 1 Article – Economic Development  
2 Section 10–601(hhh)  
3 Annotated Code of Maryland  
4 (2018 Replacement Volume and 2023 Supplement)
- 5 BY repealing and reenacting, with amendments,  
6 Article – State Government  
7 Section 9–120(b)(1)(iv), 9–1A–29(d) and (h), and 9–1E–06(b) and (d)  
8 Annotated Code of Maryland  
9 (2021 Replacement Volume and 2023 Supplement)
- 10 BY repealing and reenacting, without amendments,  
11 Article – State Government  
12 Section 9–1A–29(a)  
13 Annotated Code of Maryland  
14 (2021 Replacement Volume and 2023 Supplement)
- 15 BY adding to  
16 Article – Tax – General  
17 Section 2–1302.3  
18 Annotated Code of Maryland  
19 (2022 Replacement Volume and 2023 Supplement)
- 20 BY repealing and reenacting, with amendments,  
21 Article – Tax – General  
22 Section 2–1303, 10–207(ii), 10–307(g), and 11–236  
23 Annotated Code of Maryland  
24 (2022 Replacement Volume and 2023 Supplement)
- 25 BY repealing and reenacting, without amendments,  
26 Article – Tax – General  
27 Section 10–207(a) and 10–307(a)  
28 Annotated Code of Maryland  
29 (2022 Replacement Volume and 2023 Supplement)
- 30 BY repealing and reenacting, with amendments,  
31 Article – Tax – Property  
32 Section 7–246, 12–108(hh), 13–207(a)(26), and 13–410  
33 Annotated Code of Maryland  
34 (2019 Replacement Volume and 2023 Supplement)
- 35 BY repealing and reenacting, with amendments,  
36 Chapter 590 of the Acts of the General Assembly of 2020  
37 Section 9
- 38 BY repealing and reenacting, with amendments,  
39 Chapter 111 of the Acts of the General Assembly of 2023

## 1 Section 6

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
3 That Section(s) 10–601(cc) and (dd) of Article – Economic Development of the Annotated  
4 Code of Maryland be repealed.

5 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 10–601(ee) through  
6 (iii) of Article – Economic Development of the Annotated Code of Maryland be renumbered  
7 to be Section(s) 10–601(cc) through (ggg), respectively.

8 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
9 as follows:

10 **Article – Business Regulation**

11 11–510.

12 (b) The Commission may issue a license and award racing days only to:

13 (1) the Maryland Jockey Club of Baltimore City, Inc.;

14 (2) the Laurel Racing Assoc., Inc.; and

15 (3) subject to § 10–1003(b) of the Economic Development Article[.]:

16 (I) the Maryland Thoroughbred Racetrack Operating Authority; OR

17 (II) A NONPROFIT ORGANIZATION THAT LEASES A RACING  
18 FACILITY OWNED BY THE MARYLAND THOROUGHBRED RACETRACK OPERATING  
19 AUTHORITY.

20 11–519.

21 (d) (1) (i) On or before December 31, [2024] **2025**, the owner of the Bowie  
22 Race Course Training Center shall convey the Bowie Race Course Training Center property  
23 to the City of Bowie “as is”, with all defects that may exist, whether known or unknown,  
24 and without any express or implied warranty, guarantee by, or recourse against the  
25 conveyer of the property.

26 11–520.

27 (b) The Preakness Stakes may be transferred to another track in the State only:

28 (1) as a result of a disaster or emergency; OR

29 (2) DURING THE RECONSTRUCTION OF PIMLICO RACE COURSE,

1 SUBJECT TO THE APPROVAL OF THE MARYLAND THOROUGHBRED RACETRACK  
2 OPERATING AUTHORITY.

3 Article – Economic Development

4 10–601.

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

6 (b) “Authority” means the Maryland Stadium Authority.

7 (d) “Baltimore City” means, as the context requires:

8 (1) the geographic area of the City of Baltimore; or

9 (2) the Mayor and City Council of Baltimore.

10 (s) “Facility” means:

11 (1) a structure or other improvement developed at Camden Yards;

12 (2) a convention facility;

13 (3) the Hippodrome Performing Arts facility;

14 (4) a sports facility;

15 (5) a Baltimore City public school facility;

16 (6) a racing facility;

17 **(7) A TRAINING FACILITY FOR THOROUGHBRED HORSES;**

18 **[(7)] (8)** a public school facility;

19 **[(8)] (9)** the Hagerstown Multi–Use Sports and Events Facility;

20 **[(9)] (10)** a sports entertainment facility; or

21 **[(10)] (11)** a Prince George’s County Blue Line Corridor facility.

22 (cc) (1) “MJC Entities” means the Maryland Jockey Club of Baltimore City,  
23 Inc., Laurel Racing Association Limited Partnership, Laurel Racing Association, Inc., and  
24 TSG Developments Investments, Inc.

25 (2) “MJC Entities” includes an affiliate, an assignee, a designee, a

1 successor, or a transferee of an MJC Entity.

2 (kk) (1) “Pimlico racing facility site” means the portion of the Pimlico site  
3 containing the racing facilities.

4 (2) “Pimlico racing facility site” includes the portion of the site designated  
5 to contain:

6 (i) the clubhouse and events center;

7 (ii) the dirt, turf, or synthetic racetracks;

8 (iii) the infield and immediately adjacent area surrounding the  
9 perimeter of the racetracks that is contained on the site;

10 (iv) the stables, barns, and training facilities;

11 (v) the trackside aprons; and

12 (vi) associated roadways, walkways, parking areas, green space,  
13 fencing, and related structures and areas as designated in the plans approved by the  
14 Authority.

15 (ll) “Pimlico site” means the site in Baltimore City generally bounded by Northern  
16 Parkway, Park Heights Avenue, Belvedere Avenue, and Pimlico Road.

17 (oo) “Project entities” means each entity or entities or a joint venture entity or  
18 entities, that exists or is formed by any combination of MJC Entities, an entity owned by  
19 the City of Baltimore (the Baltimore City Entity), or [an entity owned by Anne Arundel  
20 County (the Anne Arundel County Entity)] **THE MARYLAND THOROUGHBRED**  
21 **RACETRACK OPERATING AUTHORITY** for:

22 (1) the MJC Entities’ conveyance of the Pimlico site [and the Laurel Park  
23 racing facility site];

24 (2) the operation of the Pimlico racing facility site and [the Laurel Park  
25 racing] **TRAINING** facility site; and

26 (3) the construction, development, ownership, management, and operation  
27 of the racing and community development projects.

28 (tt) “Racing and Community Development Facilities Fund” means the Fund  
29 established under § 10–657.3 of this subtitle.

30 (uu) “Racing and Community Development Financing Fund” means the Fund  
31 established under § 10–657.2 of this subtitle.

1 (vv) (1) “Racing and community development projects” means improvements to  
2 the Pimlico racing facility site, Pimlico site, [Laurel Park racing facility site, and Laurel  
3 Park site] **AND TRAINING FACILITY SITE.**

4 (2) “Racing and community development projects” includes:

5 (i) predesign and design work;

6 (ii) architectural and engineering services;

7 (iii) project consulting services;

8 (iv) demolition, clean-up, site work, and grading and site drainage;

9 (v) landscaping;

10 (vi) signage;

11 (vii) parking, roadways, fencing, walkways, sidewalks, and green  
12 space;

13 (viii) security systems;

14 (ix) lighting, sound, video, and communication systems;

15 (x) pari-mutuel and tote systems;

16 (xi) plumbing, electric, fiber, cable, utilities, and other  
17 infrastructure;

18 (xii) water, sewer, and storm water management systems;

19 (xiii) construction and equipping of barns, clubhouses, dormitories or  
20 other housing, an equine diagnostic and health facility, a Pimlico thoroughbred racing  
21 museum, stables, tracks, training facilities, and other racing and community facilities;

22 (xiv) design and project contingencies, project allowances, and cost  
23 escalators and other specifications for the projects; and

24 (xv) temporary or permanent improvements and facilities, including  
25 at on- or off-site locations, used to maintain year-round racing and training.

26 (ww) (1) “Racing and community development project costs” means costs and  
27 expenses associated with or that relate to the racing and community development projects.

28 (2) “Racing and community development project costs” includes transition

1 costs and reimbursements and the recycling of project cost savings for the benefit of the  
2 racing and community development projects.

3 (xx) “Racing facility” means the Pimlico site and the [Laurel Park racing facility  
4 site] **TRAINING FACILITY SITE** and any facilities or other improvements on the Pimlico  
5 site or the [Laurel Park racing facility site] **TRAINING FACILITY SITE**.

6 (HHH) **“TRAINING FACILITY SITE” MEANS A TRAINING FACILITY FOR**  
7 **THOROUGHBRED RACEHORSES SELECTED BY THE MARYLAND THOROUGHBRED**  
8 **RACETRACK OPERATING AUTHORITY.**

9 10–628.

10 (c) (1) Unless authorized by the General Assembly, the Board of Public Works  
11 may not approve an issuance by the Authority of bonds, whether taxable or tax exempt,  
12 that constitute tax supported debt or nontax supported debt if, after issuance, there would  
13 be outstanding and unpaid more than the following face amounts of the bonds for the  
14 purpose of financing acquisition, construction, renovation, and related expenses for  
15 construction management, professional fees, and contingencies in connection with:

16 (vii) racing facilities – [~~\$375,000,000~~] **\$400,000,000**;

17 10–646.1.

18 (a) Except as allowed by § 10–639 of this subtitle, to finance the planning, design,  
19 and construction of any segment of a racing facility **ON BEHALF OF THE MARYLAND**  
20 **THOROUGHBRED RACETRACK OPERATING AUTHORITY**, the Authority shall comply  
21 with this section.

22 (b) At least 45 days before seeking approval of the Board of Public Works for each  
23 bond issue or other borrowing, the Authority shall provide, in accordance with § 2–1257 of  
24 the State Government Article, to the fiscal committees of the General Assembly[:

25 (1) a comprehensive financing plan for the relevant racing facility that  
26 includes:

27 [(i)] (1) the aggregate amount of funds needed for the racing  
28 facility to be financed with the proposed bonds;

29 [(ii)] (2) a description of the racing facility to be constructed or  
30 renovated;

31 [(iii)] (3) the anticipated total debt service for the proposed bond  
32 issue;

33 [(iv)] (4) the anticipated total debt service when combined with the



1 debt service for all prior outstanding bond issues for racing facilities; [and]

2 [(v)] (5) anticipated project costs, AS DETERMINED BY THE  
3 MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY, of at least  
4 [\$180,000,000] **\$250,000,000** for the Pimlico racing facility [or \$155,000,000 for the  
5 Laurel Park racing facility] **AND \$110,000,000 FOR THE TRAINING FACILITY SITE**; and

6 (6) A JOINT PLAN BETWEEN THE MARYLAND THOROUGHBRED  
7 RACETRACK OPERATING AUTHORITY AND THE DEPARTMENT OF HOUSING AND  
8 COMMUNITY DEVELOPMENT THAT INCLUDES INVESTMENT IN WORKFORCE  
9 HOUSING IN AND AROUND THE PIMLICO RACING FACILITY SITE.

10 [(2) for any planned expenditures at the Laurel Park racing facility site, a  
11 plan for the improvements necessary to ensure that the condition of any part of the site  
12 where individuals reside is satisfactory for human habitation and meets the minimum  
13 housing and sanitation standards in Anne Arundel County.]

14 (c) (1) A bond issued to finance planning, design, and construction or  
15 renovations of or improvements to a racing facility:

16 (i) is a limited obligation of the Authority payable solely from money  
17 pledged by the Authority to the payment of the principal of and the premium and interest  
18 on the bond or money made available to the Authority for that purpose;

19 (ii) is not a debt, liability, or a pledge of the faith and credit or the  
20 taxing power of the State, the Authority, or any other governmental unit; and

21 (iii) may not give rise to any pecuniary liability of the State, the  
22 Authority, or any other governmental unit.

23 (2) The issuance of a bond to finance the planning, design, and construction  
24 or renovations of or improvements to a racing facility is not directly, indirectly, or  
25 contingently a moral or other obligation of the State, the Authority, or any other  
26 governmental unit to levy or pledge any tax or make any appropriation to pay the bond.

27 (3) Each bond shall state on its face the provisions of paragraphs (1) and  
28 (2) of this subsection.

29 (d) (1) In this subsection, "long-term agreement" includes a lease, operating,  
30 joint venture, or management agreement with a minimum term that coincides with or  
31 exceeds the initial term of the bonds issued for a racing facility.

32 (2) Before issuing any bonds for any segment of a racing facility, the  
33 Authority shall ensure that the following agreements have been executed:

34 (i) subject to paragraph (3) of this subsection, a long-term

1 agreement regarding management and operations at the Pimlico racing facility site; **AND**

2 (ii) [subject to paragraph (4) of this subsection, a long-term  
3 agreement regarding management and operations at the Laurel Park racing facility site;  
4 and

5 (iii)] agreements between the Authority and project entities for the  
6 planning, design, and construction of a racing facility.

7 (3) (i) Subject to subparagraph (ii) of this paragraph, the long-term  
8 agreement required under paragraph (2)(i) of this subsection shall:

9 1. ensure the continuity of the Preakness Stakes at the  
10 Pimlico racing facility site;

11 2. [ensure the MJC Entities' sole, exclusive, and  
12 unconditional rights to:

13 A. manage and operate the Pimlico racing facility site subject  
14 to the exclusions and conditions in the long-term agreement;

15 B. conduct at the Pimlico racing facility site thoroughbred  
16 training and racing, satellite simulcast wagering, advanced deposit wagering, and any  
17 other lawful activities;

18 C. designate annually exclusive use periods for the conduct  
19 of live thoroughbred training and racing;

20 D. maintain the track surfaces;

21 E. operate satellite simulcast wagering, advanced deposit  
22 wagering, and any other lawful activities; and

23 F. an option to reacquire the Pimlico racing facility site at the  
24 termination or expiration of the long-term agreement on mutually agreeable terms and  
25 conditions, subject to the approval of the Board of Public Works;

26 3.] require the conveyance or conveyances in fee simple of the  
27 Pimlico site, in whole or in part, to **THE MARYLAND THOROUGHBRED RACETRACK**  
28 **OPERATING AUTHORITY**, Baltimore City, the Baltimore Development Corporation or its  
29 successor or assigns, or any designated project entity, at the time and on the conditions  
30 established in the long-term agreement and subject to the Authority securing all the  
31 necessary development approvals and funding for the racing and community development  
32 project costs; **AND**

33 [4. establish the MJC Entities' rights to:

1 A. designate annually exclusive use periods for the conduct  
2 of live thoroughbred training and racing;

3 B. maintain the track surfaces; and

4 C. operate satellite simulcast wagering, advanced deposit  
5 wagering, and any other lawful activities;

6 5. preserve the MJC Entities' tangible, intangible,  
7 management, performance, distribution, intellectual property, advertising, concession,  
8 merchandising, sponsorship, media, streaming, naming, licensing, and commercial  
9 development rights, and any other rights identified by the MJC Entities;

10 6. subject to the operating agreements of the project entities,  
11 preserve the MJC Entities' right to retain or designate revenues and profits associated with  
12 the MJC Entities' rights and lawful activities; and

13 7.] 3. [subject to subparagraph (iii) of this paragraph,]  
14 establish:

15 A. the right of the Authority or an entity designated by the  
16 Authority to manage and operate the Pimlico Clubhouse and Events Facility, grounds, and  
17 any facility [not designated for the MJC Entities' year-round use];

18 B. the obligation of the Authority or an entity designated by  
19 the Authority to operate, maintain as a first-class facility, in good condition, repair, and  
20 secure the Pimlico racing facility site during periods identified in the long-term agreement;  
21 and

22 C. the obligation of the Authority or an entity designated by  
23 the Authority to cooperate with respect to the provision of adequate parking and efficient  
24 transportation plans around the Pimlico racing facility site.

25 (ii) 1. Unless thoroughbred racing is no longer a lawful activity,  
26 or is otherwise rendered not commercially viable as a result of a change in law or regulation,  
27 the long-term agreement under paragraph (2)(i) of this subsection may not expire while  
28 any bond, debt, or other financial instrument issued by the Authority for the improvement  
29 of a racing facility remains unpaid.

30 2. If thoroughbred racing is no longer a lawful activity, or is  
31 otherwise rendered not commercially viable as a result of a change in law or regulation, the  
32 parties to the long-term agreement shall notify the Board of Public Works at least 180 days  
33 before the expiration or termination of the long-term agreement.

34 3. The notice required under subparagraph 2 of this  
35 subparagraph shall contain a wind-down plan.

1                                   4.     The long-term agreement required under paragraph (2)(i)  
 2 of this subsection shall contain dispute resolution provisions, including expedited review,  
 3 in the event that there is a dispute among the parties regarding the existence of the  
 4 conditions described in subparagraph 1 of this subparagraph or the contents of the  
 5 wind-down plan.

6                                   [(iii)   The MJC Entities shall have:

7                                   1.     priority of use over the Pimlico Clubhouse and Events  
 8 Facility and grounds for MJC Entities' purposes related to racing, wagering, or other  
 9 agreed-on uses; and

10                                  2.     the right to access and egress from the Pimlico racing  
 11 facility site during periods identified in the agreement.]

12                                  (4)   (i)     Subject to subparagraph (ii) of this paragraph, the [long-term  
 13 agreement] **AGREEMENTS** required under paragraph (2)(ii) of this subsection shall:

14                                  1.     [ensure that the Maryland Million is run annually at  
 15 Laurel Park except:

16   A.     during periods of construction;

17   B.     if prevented from doing so by weather, acts of God, or other  
 18 circumstances beyond the control of the racing licensee; or

19   C.     if the racing licensee and the Maryland Million, LLC agree  
 20 to another location that is approved by the State Racing Commission;

21                                  2.     ensure the MJC Entities' sole, exclusive, and  
 22 unconditional rights to:

23   A.     manage and operate the Laurel Park racing facility site;  
 24 and

25   B.     conduct at the Laurel Park racing facility site year-round  
 26 thoroughbred training and racing, satellite simulcast wagering, advanced deposit  
 27 wagering, and any other lawful activities;

28                                  3.     provide for the MJC Entities:

29   A.     grant of an interest in the Laurel Park racing facility site,  
 30 in whole or in part, to Anne Arundel County or an entity or entities designated by Anne  
 31 Arundel County, including any designated project entity, for a specified term, including  
 32 renewals, and on the conditions established in the long-term agreement and subject to the  
 33 Authority securing all necessary development approvals and funding for the racing and

1 community development project costs;

2 B. access to the Laurel Park racing facility site for parking  
3 and roadways;

4 C. rights to the Laurel Park racing facility site at the  
5 expiration or termination of the long-term agreements on mutually agreeable terms and  
6 conditions;

7 D. payment to Anne Arundel County, or an entity designated  
8 by Anne Arundel County, of an amount at least equal to the prorated amount of real  
9 property taxes paid in fiscal year 2020 for the Laurel Park racing facility site and any  
10 improvements on the site, unless otherwise agreed to by the MJC Entities and Anne  
11 Arundel County; and

12 E. an obligation to maintain as a first-class facility, in good  
13 condition, repair, and secure the Laurel Park racing facility site during the periods  
14 identified in the long-term agreement;

15 4.] preserve the MJC Entities' tangible, intangible,  
16 management, performance, distribution, intellectual property, advertising, concession,  
17 merchandising, sponsorship, media, streaming, naming, licensing, commercial  
18 development, and any other rights identified by the MJC Entities; and

19 [5.] 2. subject to the operating agreements of the project entities,  
20 preserve the MJC Entities' right to retain or designate revenues and profits associated with  
21 the MJC Entities' rights and lawful activities.

22 (ii) 1. Unless thoroughbred racing is no longer a lawful activity,  
23 or is otherwise rendered not commercially viable as a result of a change in law or regulation,  
24 the [long-term agreement] AGREEMENTS under paragraph (2)(ii) of this subsection may  
25 not expire while any bond, debt, or other financial instrument issued by the Authority for  
26 the improvement of a racing facility remains unpaid.

27 2. If thoroughbred racing is no longer a lawful activity, or is  
28 otherwise rendered not commercially viable as a result of a change in law or regulation, the  
29 parties to the [long-term agreement] AGREEMENTS shall notify the Board of Public Works  
30 at least 180 days before the expiration or termination of the [long-term agreement]  
31 AGREEMENTS.

32 3. The notice required under subparagraph 2 of this  
33 subparagraph shall contain a wind-down plan.

34 4. The [long-term agreement] AGREEMENTS required  
35 under paragraph (2)(ii) of this subsection shall contain dispute resolution provisions,  
36 including expedited review, in the event that there is a dispute among the parties regarding

1 the existence of the conditions described in subparagraph 1 of this subparagraph or the  
2 contents of the wind-down plan.

3 (e) **[The] ON BEHALF OF THE MARYLAND THOROUGHBRED RACETRACK**  
4 **OPERATING AUTHORITY, THE** Authority shall enter into agreements with project entities  
5 or local entities for planning, design, and construction of the racing and community  
6 development projects at a racing facility site.

7 (f) For fiscal year 2022 and each fiscal year thereafter, until the bonds that have  
8 been issued to finance racing facilities are no longer outstanding and unpaid, the  
9 Comptroller shall deposit into the Racing and Community Development Financing Fund  
10 **AT LEAST** \$17,000,000 from the State Lottery Fund under § 9-120(b)(1)(iv) of the State  
11 Government Article.

12 (g) If the money deposited in the Racing and Community Development Financing  
13 Fund in accordance with subsection (f) of this section is not needed for debt service or debt  
14 service reserves, the Authority may transfer those funds to the Racing and Community  
15 Development Facilities Fund.

16 (h) If funds are needed for debt service or debt service reserves, the Authority  
17 may transfer money in the Racing and Community Development Facilities Fund to the  
18 Racing and Community Development Financing Fund.

19 10-1003.

20 (a) The purpose of the Authority is to maintain the State as a best-in-class  
21 thoroughbred horse racing venue.

22 (b) The Authority may:

23 (1) study and make any recommendations that the Authority finds are in  
24 the best interests of thoroughbred racing in the State;

25 (2) in coordination with other State entities, develop new and existing  
26 horse racing and training facilities in the State;

27 (3) **[subject to subsection (c) of this section and in accordance with an**  
28 **executive order or a determination of the State Racing Commission that a thoroughbred**  
29 **racing licensee under Title 11, Subtitle 5 of the Business Regulation Article, for any reason**  
30 **other than weather, an act of God, or other circumstances beyond the control of the licensee,**  
31 **is unable to support the minimum number of live racing days:**

32 (i) **SUBJECT TO THE APPROVAL OF AN AGREEMENT BY THE**  
33 **BOARD OF PUBLIC WORKS,** manage and oversee, in compliance with Title 11, Subtitle 5  
34 of the Business Regulation Article:



1 9–1A–29.

2 (a) There is a Racetrack Facility Renewal Account under the authority of the  
3 State Racing Commission.

4 (d) (1) The amount of funds made available from the Racetrack Facility  
5 Renewal Account shall be allocated as follows:

6 (i) [1.] for fiscal year [2021] **2025 AND EACH FISCAL YEAR**  
7 **THEREAFTER, [80%] 10%** to be deposited in the Racing and Community Development  
8 Facilities Fund established under § 10–657.3 of the Economic Development Article; [and]

9 (ii) **(II)** [2.] for fiscal year 2022 and thereafter, 80% to the State  
10 Lottery Fund established under § 9–120 of this title; and

11 (iii) **(III)** [subject to paragraph (2) of this subsection, 20% to  
12 Rosecroft Raceway and] **FOR FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER,**  
13 **10% TO** Ocean Downs Race Course [according to a formula established in regulations  
14 adopted by the State Racing Commission].

15 (2) [Of the amount available to Rosecroft Raceway from the Racetrack  
16 Facility Renewal Account under paragraph (1)(ii) of this subsection:

17 (i) the unencumbered fund balance, including accrued interest,  
18 existing as of June 30, 2020, shall be transferred to the Racing and Community  
19 Development Facilities Fund established under § 10–646.3 of the Economic Development  
20 Article; and

21 (ii) subject] **SUBJECT** to paragraph (3) of this subsection, **FROM**  
22 **THE AMOUNT TRANSFERRED TO THE STATE LOTTERY FUND IN ACCORDANCE WITH**  
23 **PARAGRAPH (1)(II) OF THIS SUBSECTION,** for fiscal year [2021] **2025** and each fiscal  
24 year thereafter, \$200,000 shall be transferred annually to Employ Prince George’s, Inc. for  
25 workforce development and small, minority, and women–owned business development.

26 (3) (i) It is the intent of the General Assembly that the funds  
27 transferred to Employ Prince George’s, Inc. shall supplement, and not supplant, funds  
28 otherwise available for Employ Prince George’s, Inc.

29 (ii) If Employ Prince George’s, Inc. is unable to expend the funds  
30 transferred under paragraph [(2)(ii)] **(2)** of this subsection during the 12–month period  
31 after which Employ Prince George’s, Inc. received the funds, Employ Prince George’s, Inc.  
32 shall partner with similar organizations located within Prince George’s County to expend  
33 the balance of the funds from that period to encourage workforce development and small,  
34 minority, and women–owned business development.

35 (h) The State Racing Commission shall adopt regulations to implement the



1 provisions of this section, including regulations to[:

2 (1) address minimum criteria for the types of improvements to be made by  
3 the holder of a license[; and

4 (2) establish a formula to allocate funds under subsection (d)(2) of this  
5 section between Rosecroft Raceway and Ocean Downs Race Course].

6 9-1E-06.

7 (b) (1) [An] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
8 **SUBSECTION, AN** applicant for a sports wagering license shall pay to the Commission an  
9 application fee of:

10 [(1)] (I) \$2,000,000 for a Class A-1 sports wagering facility license;

11 [(2)] (II) \$1,000,000 for a Class A-2 sports wagering facility license;

12 [(3)] (III) \$250,000 for a Class B-1 sports wagering facility license;

13 [(4)] (IV) \$50,000 for a Class B-2 sports wagering facility license; and

14 [(5)] (V) \$500,000 for a mobile sports wagering license.

15 (2) **THE REQUIREMENT TO PAY AN APPLICATION FEE TO THE**  
16 **COMMISSION UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO AN**  
17 **APPLICANT FOR A CLASS A-2 SPORTS WAGERING FACILITY LICENSE THAT IS A**  
18 **HORSE RACING LICENSEE DESCRIBED UNDER § 11-510(B)(3) OF THE BUSINESS**  
19 **REGULATION ARTICLE.**

20 (d) (1) A sports wagering licensee may not begin accepting wagers on sporting  
21 events until the application fee under subsection [(b)] (B)(1) of this section is paid in full  
22 and the applicant reimburses the Commission for expenses related to performing  
23 background investigations.

24 (2) The application fee under subsection [(b)] (B)(1) of this section is  
25 nonrefundable.

## 26 Article – Tax – General

27 **2-1302.3.**

28 **AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1301 THROUGH**  
29 **2-1302.2 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE THE SALES**  
30 **AND USE TAX REVENUE THAT IS ATTRIBUTABLE TO THE PURCHASE OF A RACEHORSE**

1 FOLLOWING A CLAIMING RACE TO THE RACING AND COMMUNITY DEVELOPMENT  
2 FACILITIES FUND ESTABLISHED UNDER § 10-657.3 OF THE ECONOMIC  
3 DEVELOPMENT ARTICLE.

4 2-1303.

5 After making the distributions required under §§ 2-1301 through [2-1302.2]  
6 **2-1302.3** of this subtitle, the Comptroller shall pay:

7 (1) revenues from the hotel surcharge into the Dorchester County  
8 Economic Development Fund established under § 10-130 of the Economic Development  
9 Article;

10 (2) to the Blueprint for Maryland's Future Fund established under § 5-206  
11 of the Education Article, the following percentage of the remaining sales and use tax  
12 revenues:

13 (i) for fiscal year 2023, 9.2%;

14 (ii) for fiscal year 2024, 11.0%;

15 (iii) for fiscal year 2025, 11.3%;

16 (iv) for fiscal year 2026, 11.7%; and

17 (v) for fiscal year 2027 and each fiscal year thereafter, 12.1%; and

18 (3) the remaining sales and use tax revenue into the General Fund of the  
19 State.

20 10-207.

21 (a) To the extent included in federal adjusted gross income, the amounts under  
22 this section are subtracted from the federal adjusted gross income of a resident to determine  
23 Maryland adjusted gross income.

24 (ii) (1) In this subsection, ["Laurel Park site" and "Pimlico site" have the  
25 meanings] **"PIMLICO SITE" HAS THE MEANING** stated in § 10-601 of the Economic  
26 Development Article.

27 (2) The subtraction under subsection (a) of this section includes:

28 (i) the amount of gain recognized as a result of the direct or indirect  
29 transfer or conveyance of[:

30 1.] any property located, or used, at or within the [Laurel

1 Park site or] Pimlico site; and

2 [2. any portion of the Bowie Race Course Training Center  
3 property; and]

4 (ii) the amount of income recognized as a result of any expenditure  
5 of funds directly or indirectly by the State[, ] OR Baltimore City[, or Anne Arundel County]  
6 with respect to the [Laurel Park site or] Pimlico site.

7 10–307.

8 (a) To the extent included in federal taxable income, the amounts under this  
9 section are subtracted from the federal taxable income of a corporation to determine  
10 Maryland modified income.

11 (g) The subtraction under subsection (a) of this section includes the amounts  
12 allowed to be subtracted for an individual under:

13 (1) § 10–207(i) of this title (Profits on sale or exchange of State or local  
14 bonds);

15 (2) § 10–207(k) of this title (Relocation and assistance payments);

16 (3) § 10–207(m) of this title (State or local income tax refunds);

17 (4) § 10–207(c–1) of this title (State tax–exempt interest from mutual  
18 funds);

19 (5) [§ 10–207(hh)] **§ 10–207(II)** of this title (Gain on the transfer of  
20 property within the [Laurel Park site or] Pimlico site [or Bowie Race Course Training  
21 Center property] and income recognized as result of governmental expenditures); or

22 (6) § 10–207(jj) of this title (Coronavirus relief payments).

23 11–236.

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

25 (2) (i) “Construction material” means an item of tangible personal  
26 property that is used to construct or renovate a building, a structure, or an improvement  
27 on land and that typically loses its separate identity as personal property once incorporated  
28 into the real property.

29 (ii) “Construction material” includes building materials, building  
30 systems equipment, landscaping materials, and supplies.

1 (3) ["Laurel Park racing facility site" has the meaning stated in § 10–601  
2 of the Economic Development Article.

3 (4) "Pimlico site" [has the meaning] AND "TRAINING FACILITY SITE"  
4 HAVE THE MEANINGS stated in § 10–601 of the Economic Development Article.

5 (b) The sales and use tax does not apply to a sale of construction material, if:

6 (1) the construction material is purchased by a person solely for use in  
7 furtherance of the provisions of Title 10, Subtitle 6 of the Economic Development Article  
8 for the construction or redevelopment at the [Laurel Park racing facility site or] Pimlico  
9 site OR TRAINING FACILITY SITE;

10 (2) the sale is made before January 1, [2026] 2029; and

11 (3) the buyer provides the vendor with eligibility of the exemption issued  
12 by the Comptroller.

13 (c) The Comptroller shall adopt regulations to implement this section.

#### 14 Article – Tax – Property

15 7–246.

16 (a) In this section, ["Laurel Park racing facility site" and] "Pimlico racing facility  
17 site" AND "TRAINING FACILITY SITE" have the meanings stated in § 10–601 of the  
18 Economic Development Article.

19 (b) An interest of a person in an improvement at the [Laurel Park racing facility  
20 site or] Pimlico racing facility site OR TRAINING FACILITY SITE or an interest of a person  
21 in the real property of the [Laurel Park racing facility site or] Pimlico racing facility site  
22 OR TRAINING FACILITY SITE is not subject to property tax for the duration of:

23 (1) with respect to the Pimlico racing facility site, the long–term agreement  
24 described under [§ 10–646.1(d)(2)(i)] § 10–646.1(D) of the Economic Development Article;  
25 or

26 (2) with respect to the [Laurel Park racing facility site] TRAINING  
27 FACILITY SITE, the long–term agreement described under [§ 10–646.1(d)(2)(ii)] §  
28 10–646.1(D) of the Economic Development Article.

29 12–108.

30 (hh) (1) In this subsection, ["Laurel Park racing facility site",] "MJC Entities",  
31 "Pimlico racing facility site", "Pimlico site", [and] "project entities", AND "TRAINING

1 **FACILITY SITE**” have the meanings stated in § 10–601 of the Economic Development  
2 Article.

3 (2) An instrument of writing is not subject to recordation tax if the  
4 instrument of writing transfers or grants a security interest in property that is[:

5 (i) located at or within the [Laurel Park racing facility site,] Pimlico  
6 racing facility site, [or] Pimlico site, **OR TRAINING FACILITY SITE** and the transfer or  
7 grant is by any combination of project entities, MJC Entities, Baltimore City, **OR** an entity  
8 designated by Baltimore City[, Anne Arundel County, or an entity designated by Anne  
9 Arundel County; or

10 (ii) the property identified as the Bowie Race Course Training  
11 Center under § 11–519 of the Business Regulation Article that is transferred by the owner  
12 of the property to a government entity].

13 13–207.

14 (a) An instrument of writing is not subject to transfer tax to the same extent that  
15 it is not subject to recordation tax under:

16 (26) § 12–108(hh) of this article (Transfer of real property within the [Laurel  
17 Park racing facility site,] Pimlico racing facility site, Pimlico site, or [Bowie Race Course  
18 Training Center property]) **TRAINING FACILITY SITE**).

19 13–410.

20 An instrument of writing is not subject to the county transfer tax to the same extent  
21 that it is not subject to the recordation tax under:

22 (1) § 12–108(cc) of this article (Certain transfers to land trusts); or

23 (2) § 12–108(hh) of this article (Transfer of real property within the [Laurel  
24 Park racing facility site,] Pimlico racing facility site, Pimlico site, or [Bowie Race Course  
25 Training Center property]) **TRAINING FACILITY SITE**).

## 26 Chapter 590 of the Acts of 2020

27 SECTION 9. AND BE IT FURTHER ENACTED, That:

28 (a) In addition to the funds otherwise available for racing and community  
29 development project costs under this Act and notwithstanding the limitations under §  
30 10–657.3 of the Economic Development Article, as enacted by Section 1 of this Act,  
31 \$2,000,000 of the funds transferred to the Racing and Community Development Facilities  
32 Fund established under § 10–657.3 of the Economic Development Article in accordance with  
33 § 9–1A–29(d)(2) of the State Government Article, as enacted by Section 1 of this Act, may

1 be used:

2 **(1) BEFORE JUNE 1, 2024**, only to reimburse the racing licensees' costs  
3 attributable to maintaining ongoing year-round racing operations, ensuring the continued  
4 running of the Preakness Stakes at the Pimlico site during construction, and expenses  
5 related to the Bowie Race Course Training Center before the conveyance of the property in  
6 accordance with § 11-519 of the Business Regulation Article, as enacted by Section 1 of this  
7 Act; AND

8 **(2) ON OR AFTER JUNE 1, 2024, BY THE MARYLAND THOROUGHBRED**  
9 **RACETRACK OPERATING AUTHORITY FOR TRANSITIONAL, OPERATIONAL, AND**  
10 **CAPITAL COSTS AT LAUREL PARK AND OTHER USES DEEMED NECESSARY BY THE**  
11 **AUTHORITY.**

12 (b) The Maryland Stadium Authority shall cooperate with the racing licensee to  
13 identify the costs described under subsection [(a)] **(A)(1)** of this section and establish an  
14 approval process before any reimbursement is provided in accordance with subsection [(a)]  
15 **(A)(1)** of this section.

16 **Chapter 111 of the Acts of 2023**

17 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section  
18 5 of this Act, this Act shall take effect June 1, 2023. Section 2 of this Act shall remain  
19 effective for a period of [4] **6** years and 1 month and, at the end of June 30, [2027] **2029**,  
20 Section 2 of this Act, with no further action required by the General Assembly, shall be  
21 abrogated and of no further force and effect.

22 SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the General  
23 Assembly that:

24 (1) the Maryland Jockey Club transfer, in accordance with the Pimlico  
25 Transfer Agreement, ownership of the Pimlico racing facility site to the Maryland  
26 Thoroughbred Racetrack Operating Authority;

27 (2) on or before January 1, 2025:

28 (i) the Maryland Jockey Club make Laurel Park available to the  
29 Maryland Thoroughbred Racetrack Operating Authority for use as a transition facility  
30 while new racing facilities are constructed at the Pimlico racing facility site and a new  
31 training facility is constructed; and

32 (ii) the Maryland Jockey Club and Laurel Racing Association  
33 Limited Partnership transfer the right to conduct all thoroughbred horse racing in the  
34 State to the Maryland Thoroughbred Racetrack Operating Authority or its designees except  
35 that the Maryland Jockey Club or an affiliate may conduct the Preakness Stakes, the  
36 Black-Eyed Susan Stakes, and related undercard races in 2025 at the Pimlico racing

1 facility site and Laurel Park in 2026;

2 (3) on or before July 1, 2026, the Maryland Jockey Club and Maryland  
3 Thoroughbred Racetrack Operating Authority enter into a licensing agreement for the  
4 intellectual property related to the Preakness Stakes and the Black-Eyed Susan Stakes;

5 (4) on or before January 1, 2027, the Maryland Jockey Club and the Laurel  
6 Racing Association Limited Partnership enter into a long-term loan agreement with the  
7 Maryland Thoroughbred Racetrack Operating Authority granting the Authority the right  
8 to display the Woodlawn Vase at any location of the Authority's choosing;

9 (5) the ownership of the Maryland Jockey Club and Pimlico names and  
10 trademarks be transferred to the Maryland Thoroughbred Racetrack Operating Authority;  
11 and

12 (6) the Maryland Jockey Club and Laurel Racing Association Limited  
13 Partnership transfer to the Maryland Thoroughbred Racetrack Operating Authority:

14 (i) all personal property and equipment at the Pimlico racing facility  
15 site necessary to operate year-round racing and to use the personal property and  
16 equipment at Laurel Park during the period that the Pimlico racing facility site is under  
17 construction;

18 (ii) the Maryland Thoroughbred Purse Account; and

19 (iii) material contracts, permits, and licenses applicable to the  
20 Pimlico Racetrack.

21 SECTION 5. AND BE IT FURTHER ENACTED, That:

22 (a) On or before June 30, 2024, the unencumbered fund balance, including  
23 accrued interest, that is allocated to the Rosecroft Raceway under the Racetrack Facility  
24 Renewal Account shall be transferred to the Racing and Community Development  
25 Facilities Fund established under § 10-657.3 of the Economic Development Article.

26 (b) The funds described under subsection (a) of this section may be used by the  
27 Maryland Thoroughbred Racetrack Operating Authority for transitional, operational, and  
28 capital costs at Laurel Park and other uses deemed necessary by the Authority.

29 SECTION 6. AND BE IT FURTHER ENACTED, That it is the intent of the General  
30 Assembly that this Act is consistent with the terms set forth in the executed Pimlico  
31 Redevelopment Community Compact.

32 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
33 1, 2024.