

SENATE BILL 563

M4, C7

5lr2989
CF HB 650

By: **Senators Hester, Bailey, West, Ready, and Gallion**

Introduced and read first time: January 23, 2025

Assigned to: Education, Energy, and the Environment and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Fair and Agricultural Education Promise Fund – Establishment**
3 **(Maryland Fair and Agricultural Education Promise Act)**

4 FOR the purpose of establishing the Maryland Fair and Agricultural Education Promise
5 Fund as a special, nonlapsing fund to provide grants that advance agricultural fairs
6 and education in the State; requiring interest earnings of the Fund to be credited to
7 the Fund; requiring a certain amount of proceeds from the State lottery, before being
8 allocated to the General Fund, to be allocated to the Fund; repealing the requirement
9 that a certain amount of annual proceeds from the State horse racing special fund
10 be used to promote State agricultural fairs and education; and generally relating to
11 the Maryland Fair and Agricultural Education Promise Fund.

12 BY adding to

13 Article – Agriculture

14 Section 10–2201 through 10–2203 to be under the new subtitle “Subtitle 22.
15 Maryland Fair and Agricultural Education Promise Fund”

16 Annotated Code of Maryland

17 (2016 Replacement Volume and 2024 Supplement)

18 BY repealing and reenacting, with amendments,

19 Article – Business Regulation

20 Section 11–403

21 Annotated Code of Maryland

22 (2024 Replacement Volume)

23 BY repealing and reenacting, without amendments,

24 Article – State Finance and Procurement

25 Section 6–226(a)(2)(i)

26 Annotated Code of Maryland

27 (2021 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – State Finance and Procurement
3 Section 6–226(a)(2)(ii)204. and 205.
4 Annotated Code of Maryland
5 (2021 Replacement Volume and 2024 Supplement)

6 BY adding to
7 Article – State Finance and Procurement
8 Section 6–226(a)(2)(ii)206.
9 Annotated Code of Maryland
10 (2021 Replacement Volume and 2024 Supplement)

11 BY repealing and reenacting, without amendments,
12 Article – State Government
13 Section 9–120(a)
14 Annotated Code of Maryland
15 (2021 Replacement Volume and 2024 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – State Government
18 Section 9–120(b)(1)(xiii) and (xiv)
19 Annotated Code of Maryland
20 (2021 Replacement Volume and 2024 Supplement)

21 BY adding to
22 Article – State Government
23 Section 9–120(b)(1)(xiv)
24 Annotated Code of Maryland
25 (2021 Replacement Volume and 2024 Supplement)

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

28 **Article – Agriculture**

29 **SUBTITLE 22. MARYLAND FAIR AND AGRICULTURAL EDUCATION PROMISE FUND.**

30 **10–2201.**

31 **IN THIS SUBTITLE, “FUND” MEANS THE MARYLAND FAIR AND AGRICULTURAL**
32 **EDUCATION PROMISE FUND.**

33 **10–2202.**

34 **(A) THERE IS A MARYLAND FAIR AND AGRICULTURAL EDUCATION**
35 **PROMISE FUND.**

1 **(B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS THAT ADVANCE**
2 **AGRICULTURAL FAIRS AND EDUCATION IN THE STATE.**

3 **(C) THE COMPTROLLER SHALL ADMINISTER THE FUND.**

4 **(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
5 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

6 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
7 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

8 **(E) THE FUND CONSISTS OF:**

9 **(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 9-120(B)(1)(XIV)**
10 **OF THE STATE GOVERNMENT ARTICLE;**

11 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

12 **(3) INTEREST EARNINGS; AND**

13 **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
14 **THE BENEFIT OF THE FUND.**

15 **(F) THE FUND MAY BE USED ONLY:**

16 **(1) TO PROVIDE ANNUAL GRANTS IN ACCORDANCE WITH § 10-2203**
17 **OF THIS SUBTITLE; AND**

18 **(2) FOR ADMINISTRATIVE EXPENSES OF THE COMPTROLLER IN**
19 **CARRYING OUT THIS SUBTITLE.**

20 **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
21 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

22 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
23 **THE FUND.**

24 **(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
25 **WITH THE STATE BUDGET.**

26 **10-2203.**

1 **EACH YEAR, THE COMPTROLLER SHALL PAY FROM THE FUND AN ANNUAL**
2 **GRANT OF:**

3 **(1) \$825,000 TO THE MARYLAND AGRICULTURAL FAIR BOARD TO**
4 **PROMOTE AND ENHANCE STATE AND COUNTY AGRICULTURAL FAIRS AND EXHIBITS;**

5 **(2) \$75,000 TO THE MARYLAND AGRICULTURAL EDUCATION**
6 **FOUNDATION, INC., TO PROMOTE AND ENHANCE STATEWIDE AGRICULTURAL**
7 **EDUCATION; AND**

8 **(3) \$550,000 TO THE MARYLAND STATE FAIR AND AGRICULTURAL**
9 **SOCIETY, INC., TO:**

10 **(I) PROMOTE AND ENHANCE THE STATE AGRICULTURAL FAIR;**
11 **AND**

12 **(II) MAINTAIN AND DEVELOP YOUTH AGRICULTURAL**
13 **PROGRAMS, WITH SUBSTANTIAL FUNDING PROVIDED TO ORGANIZATIONS,**
14 **INCLUDING 4-H CLUBS AND THE MARYLAND FFA ASSOCIATION, FOR THE**
15 **PROVISION OF RECOGNITION AND AWARDS.**

16 **Article – Business Regulation**

17 11-403.

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

19 (1) [\$825,000 to the Maryland Agricultural Fair Board to promote State
20 and county agricultural fairs and exhibits;

21 (2) \$100,000 to Prince George's County to replace money formerly received
22 from the admissions and amusement tax;

23 [(3)] (2) \$40,000 to the Great Frederick Fair to support exhibition
24 harness racing with money for construction and maintenance of new stalls, track
25 maintenance, and purses;

26 [(4)] (3) \$50 to the City of Bowie for each day that the training facilities
27 are open at the Bowie Race Course Training Center;

28 [(5) \$75,000 to the Maryland Agricultural Education Foundation, Inc., to
29 promote and enhance statewide agricultural education;]

30 [(6)] (4) an amount not to exceed \$30,000 in fiscal year 1998 and \$20,000
31 in each fiscal year thereafter to the Great Pocomoke Fair, Inc. to support exhibition harness

1 racing with money for construction and maintenance of new stalls, track maintenance, and
 2 purses;

3 ~~[(7)]~~ **(5)** \$500,000 to the Maryland Million, Ltd. to support and promote
 4 the running of Maryland Million races;

5 ~~[(8)]~~ **(6)** \$350,000 to the Maryland Standardbred Race Fund for the Sire
 6 Stakes Program; and

7 ~~[(9)]~~ **(7)** beginning July 1, 2017, from the money distributed under §
 8 9–120(b) of the State Government Article up to \$500,000 to a purse for the Maryland
 9 International thoroughbred race under § 11–522.1 of this title.

10 (b) (1) In fiscal year 2017, the Comptroller shall pay, from the money
 11 distributed to the Special Fund, \$500,000 to the Maryland Racing Commission to be used,
 12 in a manner determined by the Maryland Racing Commission, for a bonus award program
 13 for Maryland–bred or Maryland–sired horses running in the Preakness Stakes.

14 (2) The Maryland Racing Commission shall consult with representatives of
 15 the thoroughbred racing industry prior to establishing the rules and criteria for the bonus
 16 award program.

17 (3) If, under the rules of the bonus award program, funds remain in the
 18 program after the Preakness Stakes is conducted on one or more occasions, remaining funds
 19 shall carry over to the next fiscal year and may not revert to the General Fund.

20 (c) ~~[(If the Maryland State Fair remains at the Timonium Fair Grounds, the~~
 21 Comptroller shall pay from the Special Fund an annual grant of:

22 (1) \$500,000 to the Maryland State Fair and Agricultural Society, Inc., to:

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

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

27 (2) \$50,000 to Baltimore County to replace the money formerly received by
 28 the county under this subtitle.

29 (d)] Any amounts paid by the Comptroller for the purposes specified under
 30 subsections ~~[(a)(9)]~~ **(A)(7)** and (b) of this section shall remain available for those purposes
 31 and may not be used for any other purpose.

32 **Article – State Finance and Procurement**

1 6–226.

2 (a) (2) (i) 1. This subparagraph does not apply in fiscal years 2024
3 through 2028.

4 2. Notwithstanding any other provision of law, and unless
5 inconsistent with a federal law, grant agreement, or other federal requirement or with the
6 terms of a gift or settlement agreement, net interest on all State money allocated by the
7 State Treasurer under this section to special funds or accounts, and otherwise entitled to
8 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
9 Fund of the State.

10 (ii) The provisions of subparagraph (i) of this paragraph do not apply
11 to the following funds:

12 204. the Victims of Domestic Violence Program Grant Fund;
13 [and]

14 205. the Proposed Programs Collaborative Grant Fund; AND

15 **206. THE MARYLAND FAIR AND AGRICULTURAL**
16 **EDUCATION PROMISE FUND.**

17 **Article – State Government**

18 9–120.

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

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

24 (2) then, except as provided in § 10–113.1 of the Family Law Article, §
25 11–618 of the Criminal Procedure Article, and § 3–307 of the State Finance and
26 Procurement Article, the holder of each winning ticket or share.

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

29 (xiii) after June 30, 2024, a supplemental local impact grant of
30 \$3,000,000 each fiscal year to the County Executive and County Council of Prince George’s
31 County from the money that remains in the State Lottery Fund from the proceeds of all
32 lotteries after the distributions under subsection (a) of this section and items (i) through

1 (xii) of this paragraph to be distributed in Prince George's County in accordance with §
2 9-1A-31 of this title; [and]

3 **(XIV) AFTER JUNE 30, 2025, INTO THE MARYLAND FAIR AND**
4 **AGRICULTURAL EDUCATION PROMISE FUND ESTABLISHED UNDER § 10-2202 OF**
5 **THE AGRICULTURE ARTICLE FROM THE MONEY THAT REMAINS IN THE STATE**
6 **LOTTERY FUND FROM THE PROCEEDS OF ALL LOTTERIES AFTER THE**
7 **DISTRIBUTIONS UNDER SUBSECTION (A) OF THIS SECTION AND ITEMS (I) THROUGH**
8 **(XIII) OF THIS PARAGRAPH, AN AMOUNT EQUAL TO \$1,450,000 IN EACH FISCAL YEAR;**
9 **AND**

10 [[xiv]] **(XV)** into the General Fund of the State the money that remains
11 in the State Lottery Fund from the proceeds of all lotteries after the distributions under
12 subsection (a) of this section and items (i) through [[xiii]] **(XIV)** of this paragraph.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
14 1, 2025.