

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 856 (Cecil County Delegation)
Ways and Means

Horse Racing - Distribution of Racetrack Facility Renewal Account Funds - Alterations

This bill alters the distribution of Racetrack Facility Renewal Account (RFRA) funds for fiscal years in which there is no live racing at Rosecroft Raceway. The bill specifies that, beginning in the fiscal year after Rosecroft Raceway is closed and there is no longer live racing held at that track, the portion of RFRA funds allocated to standardbred racing be allocated as follows: (1) 10% to Ocean Downs Race Course; and (2) 10% to the race courses within the Fair Hill Natural Resources Management Area. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: None, as the bill only reallocates the distribution of standardbred racing funds within RFRA.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Except for the video lottery facility in Allegany County, 1% of video lottery terminal (VLT) proceeds from each video lottery facility is distributed to RFRA, which is under the authority of the Maryland Racing Commission (MRC), for the first 16 years of operations at each video lottery facility. Grants from RFRA are provided to racing licensees for racetrack facility capital construction and improvements. MRC must allocate 80% of RFRA funds to the thoroughbred tracks (Pimlico Race Course, Laurel Park, and the

racecourse in Timonium) and 20% to the standardbred tracks (Rosecroft Raceway and Ocean Downs Race Course). The amount of VLT proceeds distributed to RFRA for the standardbred tracks is estimated at \$2.8 million in fiscal 2026 and \$2.5 million in fiscal 2027.

Among its many provisions, Chapter 410 of 2024 requires the Governor to include in the fiscal 2026 budget bill an appropriation of \$4.5 million to RFRA to be made available for Rosecroft Raceway. If Rosecroft Raceway closes, the unencumbered fund balance of the amount available to Rosecroft Raceway from RFRA must be made available to Ocean Downs Race Course.

Generally, in order to obtain a grant, a holder of a license to hold a race meeting in the State must submit a capital construction plan to MRC and provide matching funds. After a grant has been provided, MRC must, in consultation with the Department of General Services, monitor the implementation of the approved capital construction plan and make provisions for the recapture of funds under specified circumstances.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

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