

Chapter 163

**(House Bill 972)**

AN ACT concerning

**Maryland Fair and Agricultural Education Promise Fund – Establishment  
(~~Maryland Fair and~~ Charles J. Otto Agricultural Education Promise Act)**

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

BY adding to

Article – Agriculture

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

Annotated Code of Maryland

(2016 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Business Regulation

Section 11–403

Annotated Code of Maryland

(2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(i) and (ii)

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(iii)212. and 213.

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

BY adding to

Article – State Finance and Procurement

Section 6–226(a)(2)(iii)214.

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

~~BY repealing and reenacting, without amendments,  
Article — State Government  
Section 9-120(a)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2025 Supplement)~~

~~BY repealing and reenacting, with amendments,  
Article — State Government  
Section 9-120(b)(1)(xiv) and (xv)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2025 Supplement)~~

~~BY adding to  
Article — State Government  
Section 9-120(b)(1)(xv)  
Annotated Code of Maryland  
(2021 Replacement Volume and 2025 Supplement)~~

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

**Article – Agriculture**

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

**10-2201.**

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

**10-2202.**

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

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

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

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

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

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

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

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

~~**(3) (2) INTEREST EARNINGS; AND**~~

~~**(4) (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.**~~

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

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

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

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

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

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

**(I) FOR EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$200,000 TO THE FUND.**

**10-2203.**

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

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

~~(2)~~ (1) ~~\$75,000~~ \$100,000 TO THE MARYLAND AGRICULTURAL EDUCATION FOUNDATION, INC., TO PROMOTE AND ENHANCE STATEWIDE AGRICULTURAL EDUCATION; AND

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

~~(i)~~ ~~PROMOTE AND ENHANCE THE STATE AGRICULTURAL FAIR;~~  
~~AND~~

~~(ii)~~ ~~MAINTAIN AND DEVELOP YOUTH AGRICULTURAL PROGRAMS, WITH SUBSTANTIAL FUNDING PROVIDED TO ORGANIZATIONS, INCLUDING 4 H CLUBS AND THE MARYLAND FFA ASSOCIATION, FOR THE PROVISION OF RECOGNITION AND AWARDS; AND~~

~~(4)~~ (2) ~~\$50,000~~ \$100,000 TO THE MARYLAND FFA ASSOCIATION FOR AGRICULTURAL EDUCATION AND CAREER DEVELOPMENT.

#### Article – Business Regulation

11-403.

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

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

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

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

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

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

~~(6)~~ ~~(4)~~ (5) an amount not to exceed \$30,000 in fiscal year 1998 and \$20,000 in each fiscal year thereafter to the Great Pocomoke Fair, Inc. to support exhibition harness

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

~~[(7)] (5) (6)~~ \$500,000 to the Maryland Million, Ltd. to support and promote the running of Maryland Million races;

~~[(8)] (6) (7)~~ \$350,000 to the Maryland Standardbred Race Fund for the Sire Stakes Program; and

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

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

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

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

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

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

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

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

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

~~(d)~~ Any amounts paid by the Comptroller for the purposes specified under subsections [(a)(9)] ~~(A)(7)~~ **(A)(8)** and (b) of this section shall remain available for those purposes and may not be used for any other purpose.

## Article – State Finance and Procurement

6-226.

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

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

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

212. the Department of Social and Economic Mobility Special Fund; [and]

213. the Population Health Improvement Fund; AND

214. THE MARYLAND FAIR AND AGRICULTURAL EDUCATION PROMISE FUND.

~~Article State Government~~

~~9-120.~~

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

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

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

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

~~(xiv) subject to paragraph (3) of this subsection after June 30, 2025, supplemental local impact aid of \$250,000 each fiscal year from the proceeds of the Racetrax lottery game to Anne Arundel County, Howard County, and the City of Laurel in proportion to each jurisdiction's share of the money required to be paid under § 11-404(d) of the Business Regulation Article to be used in accordance with paragraph (4) of this subsection; [and]~~

~~(xv) AFTER JUNE 30, 2026, INTO THE MARYLAND FAIR AND AGRICULTURAL EDUCATION PROMISE FUND ESTABLISHED UNDER § 10-2202 OF THE AGRICULTURE ARTICLE FROM THE MONEY THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF ALL LOTTERIES AFTER THE DISTRIBUTIONS UNDER SUBSECTION (A) OF THIS SECTION AND ITEMS (I) THROUGH (XIV) OF THIS PARAGRAPH, AN AMOUNT EQUAL TO \$1,450,000 IN EACH FISCAL YEAR; AND~~

~~[(xv)] (xvi) into the General Fund of the State the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i) through [(xiv)] (xv) of this paragraph.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2026.

Approved by the Governor, April 28, 2026.