

Chapter 376

(House Bill 1581)

AN ACT concerning

~~**Horse Racing – Facility Ownership, Development, Licensing, and Operations –**~~
Economic Development – Horse Racing Facilities, Prince George’s County Blue
Line Corridor Facilities, and Bus Rapid Transit – Alterations

FOR the purpose of altering the entities to which the State Racing Commission may issue a license and award racing days for racing at mile tracks; altering the circumstances under which the Preakness Stakes may be transferred to another track in the State; altering the definitions of “Prince George’s County Blue Line Corridor” and “Prince George’s County Blue Line Corridor facility” for the purposes of expanding the location of the corridor and types of facilities that may be located in the corridor; altering certain requirements for the thoroughbred racetrack operator of and certain long-term agreements related to the Pimlico racing facility site; providing that the Maryland Stadium Authority is the successor of the Maryland Thoroughbred Racetrack Operating Authority for the operation of a certain racing and community development project; requiring the thoroughbred racetrack operator to prepare certain financial statements and provide those statements to the Maryland Stadium Authority in a certain manner; requiring certain income of the thoroughbred racetrack operator to be distributed in a certain manner; increasing the amount of bonds that the Maryland Stadium Authority may issue for the Prince George’s County Blue Line Corridor; increasing the amount that the Comptroller is required to distribute from the State Lottery Fund to certain funds; requiring the Governor to include in the annual budget bill an appropriation to a certain fund for backstretch housing facilities at Laurel Park; altering certain distributions from the Purse Dedication Account; altering a grant program for certain bus rapid transit systems to require that Montgomery County and Howard County, instead of other counties or municipal corporations, be the grantee grantees under the program; providing for the duration of a grant agreement under a certain bus rapid transit grant program; increasing the amount of an appropriation that the Governor is required to include in the annual budget bill each year for the Bus Rapid Transit Fund; and generally relating to ~~horse racing~~ economic development and transportation projects in the State.

BY repealing and reenacting, without amendments,
 Article – Business Regulation
 Section 11–510(a) and 11–520(a)
 Annotated Code of Maryland
 (2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
 Article – Business Regulation
 Section 11–510(b) and 11–520(b)

Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,
Article – Economic Development
Section ~~10-601(b)~~ 10-601(a) and (b), (vv)(1), and (xx), 10-611(a), and 10-657.3(a)
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)

~~BY adding to~~
~~Article – Economic Development~~
~~Section 10-601(hhh) and 10-646.1(j)~~
~~Annotated Code of Maryland~~
~~(2024 Replacement Volume and 2025 Supplement)~~

BY repealing and reenacting, with amendments,
Article – Economic Development
Section ~~10-601(hhh) and 10-646.1(d) and (i)~~ 10-601(mm), (nn), and (hhh),
10-628(c)(1)(xi), 10-646.1(d) and (i), 10-646.4(f), and 10-657.3(c)
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)

~~BY repealing and reenacting, without amendments,~~
~~Article – State Government~~
~~Section 9-1A-28(a)~~
~~Annotated Code of Maryland~~
~~(2021 Replacement Volume and 2025 Supplement)~~

BY adding to
Article – Economic Development
Section 10-601(hhh), 10-646.1(j), and 10-657.3(g)
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section ~~9-120(b)(1)(iv)~~ 9-120(a) and (b)(1)(iv) and (xii) and 9-1A-28(b)
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,
Article – State Government
Section 9-120(b)(1)(xi) and (xv) and 9-1A-28(a)
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,Article – TransportationSection 2–802, 2–802.1(c), and 7–205.1Annotated Code of Maryland(2020 Replacement Volume and 2025 Supplement)BY repealing and reenacting, without amendments,Article – TransportationSection 2–802.1(a) and (b)Annotated Code of Maryland(2020 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Chapter 604 of the Acts of the General Assembly of 2025

Section 25

BY repealingArticle – Economic DevelopmentSection 10–611(e) and 10–612Annotated Code of Maryland(2024 Replacement Volume and 2025 Supplement)BY renumberingArticle – Economic DevelopmentSection 10–612.1 and 10–612.2to be Section 10–612 and 10–612.1, respectivelyAnnotated Code of Maryland(2024 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 – Business Regulation

11–510.

(a) Except as provided in subsection (b) of this section, the Commission may not issue a license, or award racing days, for racing at a mile track.

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

(1)] the Maryland Jockey Club [of Baltimore City], Inc.]; and

(2) the Laurel Racing Assoc., Inc.], **OR A SUCCESSOR THOROUGHBRED RACETRACK OPERATOR DESIGNATED BY THE MARYLAND STADIUM AUTHORITY UNDER § 10–646.1 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

11–520.

(a) The requirements of this section are established in recognition of the significance of the Preakness Stakes to the State.

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

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

(2) during the reconstruction of Pimlico Race Course, subject to the approval of the [Maryland Thoroughbred Racetrack Operating Authority] **MARYLAND STADIUM AUTHORITY**.

Article – Economic Development

10–601.

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

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

(mm) “Prince George’s County Blue Line Corridor” means an area[,]:

(1) the specific boundaries of which are designated by public local law, in central Prince George’s County in the intersections of Maryland Route 704, Maryland Route 214, and Maryland Route 202; OR

(2) THAT IS DESIGNATED AS AN ENTERPRISE ZONE IN PRINCE GEORGE’S COUNTY UNDER § 5–704 OF THIS ARTICLE.

(nn) **[(1)]** “Prince George’s County Blue Line Corridor facility” means a facility located within the Prince George’s County Blue Line Corridor that is:

[(i)] (1) a convention center;

[(ii)] (2) an arts and entertainment amphitheater; [and]

(3) A MARKET HALL;

(4) A SPORTS–RELATED FACILITY, INCLUDING A SPORTS STADIUM, PRACTICE FIELD, OR TEAM HEADQUARTERS;

(5) A MIXED–USE DEVELOPMENT;

(6) A TECHNOLOGY INNOVATION CENTER;**(7) RELATED TO COMMERCIAL DEVELOPMENT AND REVITALIZATION; AND**

[(iii) (8) any other functionally related structures, improvements, infrastructure, furnishings, or equipment of the facility, including parking garages.

[(2) “Prince George’s County Blue Line Corridor facility” does not include a sports facility.]

(vv) (1) “Racing and community development projects” means improvements to the Pimlico racing facility site, Pimlico site, and training facility site.

(xx) “Racing facility” means the Pimlico site and the training facility site and any facilities or other improvements on the Pimlico site or the training facility site.

(HHH) “THOROUGHBRED RACETRACK OPERATOR” MEANS THE MARYLAND JOCKEY CLUB, INC., OR A SUCCESSOR BUSINESS ENTITY DESIGNATED BY THE AUTHORITY IN ACCORDANCE WITH § 10-646.1 OF THIS SUBTITLE.

[(hhh) (III) “Training facility site” means a site for training thoroughbred racehorses selected or acquired by the [Maryland Thoroughbred Racetrack Operating] Authority.

10-628.

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

(xi) Prince George’s County Blue Line Corridor facilities –
[\$400,000,000] ~~\$450,000,000~~ \$425,000,000.

10-646.1.

(d) (1) In this subsection, “long-term agreement” includes a lease, operating, joint venture, or management agreement with a minimum term established by the Authority.

(2) The Authority shall ensure that the following agreements are executed:

(i) subject to paragraph (3) of this subsection, a long-term agreement regarding management and operations [at] **OF** the Pimlico racing facility site; and

(ii) agreements between the Authority and project entities for the planning, design, and construction of a racing facility.

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

1. ensure the continuity of the Preakness Stakes at the Pimlico racing facility site **AFTER RECONSTRUCTION BY THE AUTHORITY; AND**

2. [be contingent on the conveyance or conveyances in fee simple of the Pimlico site, in whole or in part, to the Maryland Thoroughbred Racetrack Operating Authority, Baltimore City, the Baltimore Development Corporation or its successor or assigns, or any designated project entity; and

3.] establish:

A. the right of the [Authority or an entity designated by the Authority] **THOROUGHBRED RACETRACK OPERATOR** to manage and operate the Pimlico [Clubhouse and Events Facility, grounds, and any] **RACING** facility **SITE**;

B. the obligation of the [Authority or an entity designated by the Authority] **THOROUGHBRED RACETRACK OPERATOR** to operate, maintain as a first-class facility, in good condition, repair, and secure the Pimlico racing facility site during periods identified in the long-term agreement; and

C. the obligation of the [Authority or an entity designated by the Authority] **THOROUGHBRED RACETRACK OPERATOR** to cooperate with respect to the provision of adequate parking and efficient transportation plans around the Pimlico racing facility site.

(ii) 1. If thoroughbred racing is no longer a lawful activity, or is otherwise rendered not commercially viable as a result of a change in law or regulation, the parties to the long-term agreement shall notify the Board of Public Works at least 180 days before the expiration or termination of the long-term agreement.

2. The notice required under subparagraph 1 of this subparagraph shall contain a [wind-down] plan **FOR ALTERNATIVE USES FOR THE PIMLICO RACING FACILITY SITE THAT PROVIDE A NECESSARY OR BENEFICIAL**

PUBLIC PURPOSE AND A PROCESS FOR COMMUNITY INPUT THAT IS FACILITATED BY THE PIMLICO COMMUNITY ADVISORY BOARD.

3. The long-term agreement required under paragraph (2)(i) of this subsection shall [contain dispute resolution provisions, including expedited review, in the event that] **PROVIDE THAT IF** there is a dispute among the parties regarding the existence of the conditions described in subparagraph 1 of this subparagraph or the contents of the [wind-down] plan **FOR ALTERNATIVE USES, THE AUTHORITY IS AUTHORIZED TO ADJUDICATE THE DISPUTE AS A CONTESTED CASE UNDER TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE, INCLUDING AUTHORIZATION TO DELEGATE ALL OR A PORTION OF THE ADJUDICATION TO THE OFFICE OF ADMINISTRATIVE HEARINGS AS DETERMINED IN THE SOLE DISCRETION OF THE AUTHORITY.**

(i) (1) For the purpose of the planning, design, construction, and ownership of a racing and community development project under this subtitle, the Authority is the successor entity to the Maryland Thoroughbred Racetrack Operating Authority.

(2) For the purpose of the operation of a racing and community development project under this subtitle, the [Maryland Economic Development Corporation] **AUTHORITY** is the successor entity to the Maryland Thoroughbred Racetrack Operating Authority.

(3) The Authority [and the Maryland Economic Development Corporation] may enter into any agreements necessary to carry out the provisions of this section.

(4) [A nonprofit operator of a racing and community development project] **THE THOROUGHBRED RACETRACK OPERATOR:**

(i) **SHALL BE A NONSTOCK CORPORATION FORMED UNDER THE LAWS OF THE STATE AND NOT OPERATED FOR PROFIT;**

(II) may not be construed to be an agency or instrumentality of the State or a unit of the Executive Branch for any purpose;

[(ii)] (III) may be replaced with another business entity [with the concurrent approval of] **DESIGNATED BY** the Authority [and the Maryland Economic Development Corporation] **IN ACCORDANCE WITH THE TERMS OF THE LONG-TERM AGREEMENT;** and

[(iii)] (IV) shall reimburse the Authority for the cost of a full-time auditor responsible for overseeing the financial transactions and records relating to racing and community project costs and ongoing operations.

(J) (1) THE THOROUGHBRED RACETRACK OPERATOR SHALL PREPARE ACCRUAL BASIS FINANCIAL STATEMENTS AT THE CLOSE OF EACH FISCAL YEAR AND PROVIDE A COPY OF THOSE FINANCIAL STATEMENTS TO THE AUTHORITY ANNUALLY.

(2) THE ACCRUAL BASIS FINANCIAL STATEMENTS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL DESCRIBE THE CURRENT FINANCIAL CONDITIONS OF THE THOROUGHBRED RACETRACK OPERATOR AND INCLUDE A STATEMENT OF OPERATING PROFIT OR LOSS.

(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, BEGINNING WITH THE FIRST FULL FISCAL YEAR OF THOROUGHBRED RACING OPERATIONS AT THE RECONSTRUCTED PIMLICO RACING FACILITY, 10% OF THE ANNUAL NET INCOME OF THE THOROUGHBRED RACETRACK OPERATOR SHALL BE DISTRIBUTED EACH YEAR ~~IN THE MANNER DESCRIBED UNDER § 9-1A-31(A)(3)(II) OF THE STATE GOVERNMENT ARTICLE AS LOCAL IMPACT GRANTS TO THE PIMLICO COMMUNITY DEVELOPMENT AUTHORITY TO BE DISTRIBUTED TO DESIGNATED COMMUNITY DEVELOPMENT ORGANIZATIONS ASSIGNED TO THE IMPACTED COMMUNITIES FOR COMMUNITY DEVELOPMENT ACTIVITIES OUTLINED IN THE ADOPTED PIMLICO AREA JOINT PLAN.~~

(II) BEFORE CALCULATING THE AMOUNT TO BE DISTRIBUTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE ANNUAL NET INCOME OF THE THOROUGHBRED RACETRACK OPERATOR SHALL BE REDUCED BY ~~ALL STATE GRANTS~~, CONTRIBUTIONS FROM ANY THOROUGHBRED PURSE ACCOUNT, AND THE CUMULATIVE OPERATING LOSSES CARRIED FORWARD, IF ANY, FROM THE PRIOR YEARS OF OPERATION.

10-646.4.

(f) For fiscal year [2024] 2027 and each fiscal year thereafter, until the bonds that have been issued to finance Prince George's County Blue Line Corridor facilities are no longer outstanding and unpaid, the Comptroller shall deposit into the Prince George's County Blue Line Corridor Facility Fund an amount not to exceed [\$27,000,000] ~~\$31,000,000~~ \$29,000,000 from the State Lottery Fund under § 9-120(b)(1)(xi) of the State Government Article.

10-657.3.

(a) There is a Racing and Community Development Facilities Fund.

(c) Subject to [subsection (f)] SUBSECTIONS (F) AND (G) of this section and to the extent considered appropriate by the Authority, the money in the Racing and

Community Development Facilities Fund shall be used to pay the following costs relating to racing facilities projects:

- (1) debt service on Authority bonds;
- (2) design and construction costs relating to racing facilities projects;
- (3) to the extent authorized by federal tax law, transition costs and reimbursements, costs of start-up, administration, overhead, and operations related to the management of improvements to racing facilities projects authorized under this subtitle and undertaken by the Authority; and
- (4) all reasonable charges and expenses related to the Authority's administration of the Racing and Community Development Financing Fund and the Racing and Community Development Facilities Fund and the management of the Authority's obligations.

(G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, FOR FISCAL YEAR 2028, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000 TO THE RACING AND COMMUNITY DEVELOPMENT FACILITIES FUND.

(2) THE AUTHORITY SHALL USE THE FUNDS INCLUDED IN THE ANNUAL BUDGET BILL UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR THE ACQUISITION, PLANNING, DESIGN, CONSTRUCTION, REPAIR, RENOVATION, RECONSTRUCTION, SITE IMPROVEMENT, AND CAPITAL EQUIPPING OF BACKSTRETCH HOUSING FACILITIES AT LAUREL PARK.

Article – State Government

9–120.

(a) The Comptroller shall:

(1) distribute, or cause to be distributed, the State Lottery Fund to pay:

[(1)] (I) 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)] (II) 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; AND

(2) CAUSE TO BE DISTRIBUTED TO THE STATE LOTTERY FUND:

(I) BEGINNING IN FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, \$5,000,000 FROM THE PURSE DEDICATION ACCOUNT, IN ACCORDANCE WITH § 9-1A-28(B)(3)(II) OF THIS TITLE;

(II) BEGINNING IN FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, \$3,500,000 FROM THE FUNDS FOR LOCAL IMPACT GRANTS, IN ACCORDANCE WITH § 9-1A-31(A)(4)(I)3 AND (B)(3)(I)2 OF THIS TITLE; AND

(III) BEGINNING IN FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, 80% OF THE AMOUNT OF FUNDS FROM THE RACETRACK FACILITY RENEWAL ACCOUNT ALLOCATED TO THOROUGHBRED TRACK LICENSEES, IN ACCORDANCE WITH § 9-1A-29(D)(1)(I)2 OF THIS TITLE.

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

(iv) after June 30, [2021] 2026, into the Racing and Community Development Financing Fund established under § 10-657.2 of the Economic Development Article from the money that remains in the State Lottery Fund, after the distribution under subsection (a) of this section, an amount equal to [at least \$17,000,000] ~~\$27,000,000~~ **\$29,000,000** in each fiscal year until the bonds issued for a racing facility have matured;

(xi) after June 30, 2024, into the Bus Rapid Transit Fund established under § 2-802.1 of the Transportation Article for bus rapid transit system grants in accordance with § 2-802 of the Transportation 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 (x) of this paragraph:

1. for fiscal year 2025, an amount equal to \$27,000,000 in each fiscal year; and

2. for each fiscal year thereafter, an amount equal to \$17,000,000 in each fiscal year;

(xii) after June 30, [2024] 2026, into the Prince George's County Blue Line Corridor Facility Fund established under § 10-657.6 of the Economic Development 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 (xi) of this paragraph, [~~\$27,000,000~~] ~~\$31,000,000~~ **\$29,000,000**;

(xv) 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) of this paragraph.

9-1A-28.

(a) There is a Purse Dedication Account under the authority of the State Racing Commission.

(b) (1) The Account shall receive money as required under § 9-1A-27 of this subtitle.

(2) Money in the Account shall be invested and reinvested by the Treasurer and interest and earnings shall accrue to the Account.

(3) The Comptroller shall:

(i) account for the Account;

(ii) [for fiscal year 2021, transfer \$5,000,000, from the portion of the proceeds in the Account allocated to thoroughbred purses under subsection (c)(1) of this section, to the Racing and Community Development Facilities Fund established under § 10-657.3 of the Economic Development Article;

(iii)] for fiscal year 2022 and each fiscal year thereafter, on a properly approved transmittal prepared by the Maryland Stadium Authority, issue a warrant to pay out \$5,000,000, from the portion of the proceeds in the Account allocated to thoroughbred purses under subsection (c)(1) of this section, to the State Lottery Fund established under § 9-120 of this title until any bonds, debt, or other financial instruments issued or made available by the Maryland Stadium Authority for a racing facility under Title 10, Subtitle 6 of the Economic Development Article reach final maturity;

(III) FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR THEREAFTER, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION, ISSUE A WARRANT TO PAY OUT \$2,000,000, FROM THE PORTION OF THE PROCEEDS IN THE ACCOUNT ALLOCATED TO THOROUGHBRED PURSES UNDER SUBSECTION (C)(1) OF THIS SECTION, TO THE CORPORATION ESTABLISHED UNDER TITLE 10, SUBTITLE 1 OF THE ECONOMIC DEVELOPMENT ARTICLE UNTIL ANY BONDS, DEBT, OR OTHER FINANCIAL INSTRUMENTS ISSUED OR MADE AVAILABLE BY THE CORPORATION FOR A TRAINING FACILITY SITE AND OTHER IMPROVEMENTS UNDER TITLE 10, SUBTITLE 6 OF THE ECONOMIC DEVELOPMENT ARTICLE REACH FINAL MATURITY;

~~[(iv)] (III)~~ beginning with the first full FISCAL year of thoroughbred racing operations at the [newly constructed] RECONSTRUCTED Pimlico racing facility, for any fiscal year that the [Maryland Thoroughbred Racetrack Operating Authority] THOROUGHBRED RACETRACK OPERATOR reports an operating loss [under § 10-1003(c) of the Economic Development Article], INCLUSIVE OF ~~ALL STATE GRANTS AND~~ THOROUGHBRED PURSE ACCOUNT CONTRIBUTIONS, IN ACCORDANCE WITH §

10-646.1 OF THE ECONOMIC DEVELOPMENT ARTICLE, on a properly approved transmittal prepared by the **MARYLAND STADIUM** Authority, issue a warrant to pay out the amount of the operating loss, from the portion of the proceeds in the Account allocated to thoroughbred purses under subsection (c)(1) of this section, to the **[Authority] THOROUGHbred RACETRACK OPERATOR**; and

~~[(v)] (iv)~~ on a properly approved transmittal prepared by the State Racing Commission, issue a warrant to pay out money from the Account in the manner provided under this section.

(4) The Account is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(5) Except as provided in paragraph (3)(ii) ~~[(through (iv))] AND (iii)~~ of this subsection, expenditures from the Account shall only be made on a properly approved transmittal prepared by the State Racing Commission as provided under subsection (c) of this section.

Article – Transportation

2-802.

(a) **[(1)]** In this section [the following words have the meanings indicated.

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

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

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

(ii) No ongoing or completed facility, as that term is defined in § 10-601(s)(1), (4), (9), (10), or (11) of the Economic Development Article.]

(b) (1) ~~[(Subject to paragraph (2) of this subsection, when] WHEN a deposit or payment is made in accordance with § 9-120(b)(1)(xi) of the State Government Article into the Bus Rapid Transit Fund established under § 2-802.1 of this subtitle, [and there is only one eligible grantee, then] BEGINNING IN FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, the Department shall award a grant to:~~

(I) [the eligible grantee] MONTGOMERY COUNTY equal to \$27,000,000; AND [the]

~~(I) THE amount distributed to the Department under § 9-120(b)(1)(xi) of the State Government Article; AND~~

~~(II) THE AMOUNT APPROPRIATED UNDER § 7-205.1 OF THIS ARTICLE~~

(II) HOWARD COUNTY EQUAL TO \$2,000,000.

(2) (i) If there are two eligible grantees, and one eligible grantee is Montgomery County, the Department shall distribute \$25,000,000 to Montgomery County and the remaining amount of the deposit or payment under § 9-120(b)(1)(xi) of the State Government Article to the remaining eligible grantee.

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

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

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

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

(3) (i) [Eligible grantees receiving funds in accordance with this subsection and § 2-802.1 of this subtitle] MONTGOMERY COUNTY AND HOWARD COUNTY may use the grant funds for the:

1. Financing and refinancing of the costs related to the DESIGN, construction, acquisition, improvement, equipping, rehabilitation, and expansion of bus rapid transit system projects AND OTHER NECESSARY FACILITIES, EQUIPMENT, AND INFRASTRUCTURE FOR BUS RAPID TRANSIT SYSTEM PROJECTS;

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

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

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

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

1. The forms, dates, and denominations of the bonds;
2. The principal maturities;
3. The methods to be used in determining interest payable on the bonds; and
4. Any provisions for registration, redemption before stated maturity, or the use of facsimile signatures or seals.

(c) The Department:

(1) Shall [distribute grants]:

(I) DEVELOP AND IMPLEMENT A MULTI-YEAR GRANT AGREEMENT TO ADMINISTER THE GRANT UNDER THIS SECTION WHICH SHALL REMAIN IN EFFECT UNTIL THE PRINCIPAL OF AND INTEREST ON ANY BONDS ISSUED BY MONTGOMERY COUNTY OR HOWARD COUNTY UNDER THIS SECTION ARE PAID IN FULL; AND

(II) DISTRIBUTE THE GRANT under this section to [eligible grantees] **MONTGOMERY COUNTY OR HOWARD COUNTY** in a timely manner; and

(2) May not impose any additional conditions on [an eligible grantee] **MONTGOMERY COUNTY OR HOWARD COUNTY** on receipt of a grant under this section.

2-802.1.

(a) In this section, “Fund” means the Bus Rapid Transit Fund.

(b) There is a Bus Rapid Transit Fund.

(c) The purpose of the Fund is to:

(1) Provide grants to [eligible grantees, as defined under § 2–802 of this subtitle] MONTGOMERY COUNTY OR HOWARD COUNTY; and

(2) Make funding commitments for the issuance of bus rapid transit bonds.
7–205.1.

[For fiscal year 2026 and each fiscal year thereafter, the] THE Governor shall include in the State budget an appropriation [of \$10,000,000] from the Transportation Trust Fund to the Bus Rapid Transit Fund established under § 2–802.1 of this article for bus rapid transit system grants in accordance with § 2–802 of this article IN THE FOLLOWING AMOUNTS:

(1) FOR FISCAL YEAR 2026, \$10,000,000; AND

(2) FOR FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, \$12,000,000.

Chapter 604 of the Acts of 2025

SECTION 25. AND BE IT FURTHER ENACTED, That, except as otherwise provided by law, all existing laws, regulations, proposed regulations, standards and guidelines, policies, orders and other directives, forms, plans, memberships, contracts, property, investigations, administrative and judicial responsibilities, rights to sue and be sued, and all other duties and responsibilities associated with the functions of Maryland Thoroughbred Racetrack Operating Authority prior to the taking effect of the termination provision of Section 6 of Chapter 111 of 2023, as amended by Section 6 of this Act, shall continue in effect and, as appropriate, are legal and binding on the [Maryland Economic Development Corporation] MARYLAND STADIUM AUTHORITY until completed, withdrawn, canceled, modified, or otherwise changed under the law.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Economic Development

10–611.

(a) There is an office known as Maryland Sports in the Authority.

[(e) Maryland Sports is encouraged to promote private fund-raising by maintaining relationships with each affiliated foundation established under § 10–612 of this subtitle.]

[10–612.

(a) The Authority may establish one or more affiliated foundations to work with Maryland Sports, established under § 10–611 of this subtitle.

(b) The purposes of an affiliated foundation are to:

(1) support the State in:

(i) sports bid development;

(ii) sporting event recruitment and retention;

(iii) economic analysis and research relating to sporting events;

(iv) sponsorship of sporting events; and

(v) development of partnerships with public and private entities designed to sponsor sporting events;

(2) promote regional, national, and international sporting events to be held, in whole or in part, in the State; and

(3) recruit, market, promote, work to retain, and manage sporting events that have a positive economic or cultural impact, or otherwise enhance the quality of life of the State's citizens.

(c) (1) The Authority shall develop policies for the operation of each affiliated foundation the Authority establishes.

(2) The Attorney General shall review the policies the Authority develops under paragraph (1) of this subsection for form and legal sufficiency and, if appropriate, approve them to govern the affiliated foundation.

(3) The State Ethics Commission shall review the policies the Authority develops under paragraph (1) of this subsection that pertain to conflicts of interest and, if appropriate, approve them to govern an official or employee of the Authority also serving as a director or official of an affiliated foundation.

(d) An affiliated foundation may solicit and receive contributions from businesses, governmental entities, nonprofit organizations, and individuals interested in the promotion of sports in the State.

(e) (1) An affiliated foundation established under this section may not be considered an agency or instrumentality of the State or a unit of the Executive Branch for any purpose.

(2) A financial obligation or liability of an affiliated foundation established and operated under this section may not be considered a debt or an obligation of the State, the Authority, or Maryland Sports.

(f) (1) Sections 5–501 through 5–504 of the General Provisions Article do not prohibit an official or employee of the Authority from also becoming a director or an official of an affiliated foundation organized under this section.

(2) An official or employee of the Authority who serves as a director or official of an affiliated foundation organized under this section:

(i) may not be compensated, directly or indirectly, by the affiliated foundation; and

(ii) may be reimbursed for bona fide expenses incurred in the performance of activities undertaken on behalf of the affiliated foundation as authorized by the board of directors of that affiliated foundation and by the Authority.

(3) (i) The Authority shall notify the State Ethics Commission in writing whenever the Authority permits an official or employee of the Authority to serve as a director or official of an affiliated foundation.

(ii) Within 30 days after receipt of the notice under subparagraph (i) of this paragraph, the State Ethics Commission shall notify the Authority of any objections or concerns pertaining to the joint service identified in the notice.

(iii) On receipt of a notice from the State Ethics Commission under subparagraph (ii) of this paragraph, the Authority shall reexamine the matter.

(4) The Authority shall report annually to the Governor, the Legislative Policy Committee of the General Assembly, in accordance with § 2–1257 of the State Government Article, and the State Ethics Commission:

(i) the names of the officials and employees serving as a director or official of an affiliated foundation; and

(ii) how the policies and procedures adopted under subsection (c) of this section have been implemented in the preceding year.

(g) An independent certified public accountant hired and paid by the Authority shall audit an affiliated foundation established under this section each year.

(h) In any fiscal year, after providing the budget committees of the General Assembly an opportunity for review and comment, the Authority may grant up to \$500,000 of the Authority's available nonbudgeted money to affiliated foundations established under this section.]

SECTION 3. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 10-612.1 and 10-612.2 of Article – Economic Development of the Annotated Code of Maryland be renumbered to be Section(s) 10-612 and 10-612.1, respectively.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That, within 45 days after the effective date of this Act, all of the functions, powers, duties, books and records (including electronic records), personal property, equipment, fixtures, assets, liabilities, obligations, credits, rights, agreements, and privileges previously held by the Maryland Thoroughbred Racetrack Operating Authority, including those related to the Maryland Jockey Club, Inc., and transferred to the Maryland Economic Development Corporation under Section 23 of Chapter 604 of the Acts of the General Assembly of 2025, shall be transferred to the Maryland Stadium Authority.

SECTION 5. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this Act shall take effect July 1, 2027.

SECTION ~~3~~ 6. AND BE IT FURTHER ENACTED, That, except as provided in Section 5 of this Act, this Act shall take effect ~~June~~ July 1, 2026.

Approved by the Governor, May 12, 2026.