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MARYLAND DEPARTMENT OF LABOR TESTIMONY ON HOUSE BILL 1598

TO: Budget and Taxation Committee
FROM: Christopher Merz, Executive Director, Maryland Racing Commission
DATE: 03/16/2026
BILL: Horse Racing – Racetrack Facility Renewal Account Grants – Alterations

MDL POSITION: FAVORABLE W/ AMENDMENTS

On behalf of the Maryland Racing Commission, I write in support of House Bill 1598, with the proposed amendments. The legislation represents an important step toward strengthening and sustaining Maryland's horse racing industry while ensuring continued accountability for public investments in racetrack infrastructure.

The Racetrack Facility Renewal Account was created to assist Maryland racetracks in maintaining and improving their facilities so that they can remain competitive with other jurisdictions and continue supporting thousands of jobs across the state's agricultural, breeding, and racing sectors. However, the current statutory requirement that licensees provide a matching fund in order to access these grants has, in certain circumstances, created a barrier to making necessary capital improvements in a timely manner.

House Bill 1598 addresses this challenge by allowing, rather than requiring, a racing licensee to provide a matching fund when seeking grants from the Racetrack Facility Renewal Account. This flexibility will allow needed capital improvements to move forward more efficiently while still preserving strong safeguards to ensure the long-term viability of racing in Maryland.

The proposed amendments strengthen the bill in several important ways:

- **Long-Term Racing Commitment:** If a racing licensee receives grant funds without providing a matching fund, the licensee must conduct live racing in the State for at least 10 years after completion of the capital construction plan. This ensures that public investments directly support the long-term continuation of live racing in Maryland.

- **Recapture Provisions:** If the licensee fails to meet the 10-year live racing requirement, the Commission is required to recapture grant funds on a pro rata basis, protecting the State's financial interest and ensuring accountability.
- **Oversight and Certification:** The amendments clarify the Commission's authority, in consultation with the Department of General Services, to monitor construction projects and certify completion of approved capital construction plans, ensuring proper oversight of grant expenditures.
- **Regulatory Implementation:** The amendments also direct the Commission to adopt regulations establishing guidelines and criteria for grants issued without matching funds, ensuring transparency and consistent administration of the program.

Taken together, these provisions strike an appropriate balance between flexibility and accountability. They allow racetrack operators to access the capital necessary to modernize facilities and improve the racing product while ensuring that State support translates into sustained racing activity, economic development, and job retention.

Maryland's horse racing industry supports thousands of jobs across breeding farms, training facilities, racetracks, veterinary services, feed suppliers, and numerous other small businesses throughout the State. Strategic reinvestment in racetrack infrastructure is critical to maintaining that economic ecosystem and ensuring that Maryland remains competitive with neighboring racing jurisdictions.

By allowing responsible use of the Racetrack Facility Renewal Account while tying those investments to long-term racing commitments, House Bill 1598 will help position Maryland racing for continued growth and sustainability in the years ahead.

For these reasons, the Maryland Racing Commission respectfully urges the Committee to give HB 1598 a favorable report with the amendments.