

HOUSE BILL 266

C6, C7
HB 643/19 – W&M

01r0690

By: **Delegate Guyton**

Introduced and read first time: January 20, 2020

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Video Lottery Terminal Proceeds – Racetrack Facility Renewal Account –**
3 **Racecourse at Timonium**

4 FOR the purpose of requiring that, in certain fiscal years, a certain amount of video lottery
5 terminal proceeds distributed to the Racetrack Facility Renewal Account for certain
6 racing licensees be allocated in a certain manner to the racecourse at Timonium for
7 certain expenses; requiring a certain racetrack, under certain circumstances, to
8 provide and expend a matching fund; repealing an obsolete provision; repealing a
9 provision of law that authorizes the holder of a racing license to race at the
10 racecourse at Timonium to use a certain amount of money to support a certain
11 number of racing days; and generally relating to the distribution of video lottery
12 terminal proceeds to the Racetrack Facility Renewal Account.

13 BY repealing and reenacting, with amendments,
14 Article – State Government
15 Section 9–1A–29
16 Annotated Code of Maryland
17 (2014 Replacement Volume and 2019 Supplement)

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

20 **Article – State Government**

21 9–1A–29.

22 (a) There is a Racetrack Facility Renewal Account under the authority of the
23 State Racing Commission.

24 (b) (1) The Account shall receive money as required under § 9–1A–27 of this
25 subtitle for the first 16 years of operations at each video lottery facility.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 (3) The Comptroller shall:

4 (i) account for the Account; and

5 (ii) on a properly approved transmittal prepared by the State Racing
6 Commission, issue a warrant to pay out money from the Account in the manner provided
7 under this section.

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

10 (5) Expenditures from the Account shall only be made on a properly
11 approved transmittal prepared by the State Racing Commission as provided under
12 subsection (c) of this section.

13 (6) (i) Subject to subparagraph (ii) of this paragraph, the State Racing
14 Commission may use the services of a certified public accountant to review an eligible
15 request for a grant under this section.

16 (ii) The holder of a license to hold a race meeting in the State that
17 has requested a grant under this section shall reimburse the State Racing Commission for
18 any expenditures for services under subparagraph (i) of this paragraph.

19 (c) Funds from the Account shall be used to provide a grant to the holder of a
20 license to hold a race meeting in the State for racetrack facility capital construction and
21 improvements.

22 (d) The amount of funds made available from the Racetrack Facility Renewal
23 Account shall be allocated as follows:

24 (1) 80% to the Pimlico Race Course, Laurel Park, and the racecourse at
25 Timonium; and

26 (2) 20% to Rosecroft Raceway and Ocean Downs Race Course.

27 (e) In order to obtain a grant, a holder of a license to hold a race meeting in the
28 State shall:

29 (1) submit a capital construction plan to be implemented within a specified
30 time frame to the State Racing Commission for approval; and

31 (2) [except as provided in subsection (f) of this section,] provide and expend
32 a matching fund.

1 (f) [(1) Of] **FOR EACH OF FISCAL YEARS 2021 THROUGH 2025**, OF the
2 amount provided from the Racetrack Facility Renewal Account under subsection (d)(1) of
3 this section, the racecourse at Timonium shall be provided [the following amounts], for
4 racetrack facility capital construction and improvements[:

5 (i) for fiscal year 2012, \$1,125,000;

6 (ii) for fiscal year 2013, \$1,250,000;

7 (iii) for fiscal year 2014, \$1,125,000;

8 (iv) for fiscal year 2015, \$1,000,000; and

9 (v) for fiscal year 2016, \$1,000,000], **AN AMOUNT THAT EQUALS**

10 **THE LESSER OF:**

11 **(1) THE RACECOURSE'S PRO RATA SHARE OF THE AMOUNT PROVIDED**
12 **UNDER SUBSECTION (D)(1) OF THIS SECTION BASED ON THE NUMBER OF LIVE**
13 **RACING DAYS AT THE RACECOURSE; OR**

14 **(2) \$350,000.**

15 [(2) A matching fund is not required for the amount provided for the
16 racecourse at Timonium under paragraph (1) of this subsection.

17 (3) (i) From the amounts provided in paragraph (1) of this subsection,
18 the holder of a racing license to race at the racecourse at Timonium may use up to \$350,000
19 per year to support a minimum of 7 live racing days.

20 (ii) Use of funds authorized under subparagraph (i) of this
21 paragraph must be approved by the Secretary of Labor under terms and a process
22 consistent with the provisions of subsection (j) of this section.]

23 (g) Of the amount provided from the Racetrack Facility Renewal Account under
24 subsection (d)(1) of this section, the State Racing Commission may provide direct grant
25 funding for the establishment of a horse racing museum as part of the Pimlico Race Course.

26 (h) After a grant has been provided under this section, the State Racing
27 Commission shall:

28 (1) in consultation with the Department of General Services, monitor the
29 implementation of the approved capital construction plan; and

1 (2) make provisions for recapture of grant moneys if the capital
2 construction plan is not implemented within the time frame approved by the State Racing
3 Commission.

4 (i) Any unencumbered funds remaining in the Racetrack Facility Renewal
5 Account after a video lottery facility has been in operation for 16 years shall be paid to the
6 Education Trust Fund established under § 9-1A-30 of this subtitle.

7 (j) The State Racing Commission shall adopt regulations to implement the
8 provisions of this subsection, including regulations to address minimum criteria for the
9 types of improvements to be made by the holder of a license.

10 (k) The provisions of this section may not be construed to apply to the racecourse
11 in Allegany County.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2020.