

HOUSE BILL 643

C6, C7

9lr2461
CF SB 673

By: **Delegate Guyton**

Introduced and read first time: February 6, 2019

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2019

CHAPTER _____

1 AN ACT concerning

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

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

14 BY repealing and reenacting, with amendments,
15 Article – State Government
16 Section 9–1A–29
17 Annotated Code of Maryland
18 (2014 Replacement Volume and 2018 Supplement)

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

21 **Article – State Government**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 9-1A-29.

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

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

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

8 (3) The Comptroller shall:

9 (i) account for the Account; and

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

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

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

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

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

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

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

29 (1) 80% to the Pimlico Race Course, Laurel Park, and the racecourse at
30 Timonium; and

31 (2) 20% to Rosecroft Raceway and Ocean Downs Race Course.

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

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

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

7 (f) ~~(1)~~ **[Of] FOR ~~FISCAL YEAR 2020 AND EACH FISCAL YEAR~~ EACH OF**
8 **FISCAL YEARS 2020 THROUGH 2024, THEREAFTER,** OF the amount provided from the
9 Racetrack Facility Renewal Account under subsection (d)(1) of this section, the racecourse
10 at Timonium shall be provided [the following amounts], for racetrack facility capital
11 construction and improvements[:

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

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

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

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

16 (v) for fiscal year 2016, \$1,000,000], **AN AMOUNT THAT EQUALS**
17 **THE LESSER OF:**

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

21 **2. \$350,000.**

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

24 ~~(3) (i) From the [amounts] AMOUNT provided in paragraph (1) of this~~
25 ~~subsection, the holder of a racing license to race at the racecourse at Timonium may use up~~
26 ~~to \$350,000 per year to support a minimum of 7 live racing days.~~

27 ~~(ii) Use of funds authorized under subparagraph (i) of this~~
28 ~~paragraph must be approved by the Secretary of Labor, Licensing, and Regulation under~~
29 ~~terms and a process consistent with the provisions of subsection (j) of this section.~~

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

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

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

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

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

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

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

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.