

# SENATE BILL 673

C6, C7

9lr1910  
CF 9lr2461

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By: **Senator West**

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

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## 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, beginning in a certain fiscal year, a certain amount of  
5 video lottery terminal proceeds distributed to the Racetrack Facility Renewal  
6 Account for certain racing licensees be allocated in a certain manner to the  
7 racecourse at Timonium for certain expenses; requiring a certain racetrack, under  
8 certain circumstances, to provide and expend a matching fund; repealing an obsolete  
9 provision; and generally relating to the distribution of video lottery terminal  
10 proceeds to the Racetrack Facility Renewal Account.

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

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

18 **Article – State Government**

19 9–1A–29.

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

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

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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 FISCAL YEAR 2020 AND EACH FISCAL YEAR**  
2 **THEREAFTER, OF** the amount provided from the Racetrack Facility Renewal Account  
3 under subsection (d)(1) of this section, the racecourse at Timonium shall be provided [the  
4 following amounts], for 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 RACECOURSE'S PRO RATA SHARE OF THE AMOUNT PROVIDED UNDER**  
11 **SUBSECTION (D)(1) OF THIS SECTION BASED ON THE NUMBER OF LIVE RACING DAYS**  
12 **AT THE RACECOURSE.**

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

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

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

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

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

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

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

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

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

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

6           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
7 1, 2019.