

HOUSE BILL 1524

C6, C7, Q7

4l3037
CF 4l4617

By: **Chair, Ways and Means Committee (By Request – Maryland Thoroughbred Racetrack Operating Authority)**

Rules suspended

Introduced and read first time: March 3, 2024

Assigned to: Rules and Executive Nominations

Re-referred to: Ways and Means and Appropriations, March 5, 2024

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 16, 2024

CHAPTER _____

1 AN ACT concerning

2 **Horse Racing – Racing Facility Ownership and Construction – Racing**
3 **Operations**

4 FOR the purpose of altering the location, type, and ownership of horse racing facilities that
5 the Maryland Stadium Authority is authorized to finance; authorizing the Maryland
6 Stadium Authority, subject to certain requirements, to finance the planning, design,
7 and construction of certain racing facilities on behalf of the Maryland Thoroughbred
8 Racetrack Operating Authority; authorizing the State Racing Commission to issue a
9 license to hold a race meeting and award racing days to a certain nonprofit
10 organization; altering the date by which the owner of the Bowie Race Course
11 Training Center must convey the Center to the City of Bowie; authorizing the
12 Preakness Stakes to be transferred to another track in the State during the
13 reconstruction of Pimlico Race Course; increasing the amount of debt that the
14 Maryland Stadium Authority may issue for certain purposes in connection with
15 certain racing facilities; altering the requirements of certain agreements required
16 before the issuance of certain bonds; altering the amount of money from the State
17 Lottery Fund that the Comptroller is required to deposit into the Racing and
18 Community Development Financing Fund; altering certain requirements that must
19 be satisfied before the Maryland Thoroughbred Racetrack Operating Authority is
20 authorized to manage and oversee certain racing activities; altering the distribution
21 and authorized uses of the Racetrack Facility Renewal Account; exempting a certain
22 horse racing licensee from the requirement to pay an application fee for a certain

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 sports wagering facility license; requiring the Comptroller to distribute the sales and
2 use tax revenue attributable to the purchase of certain racehorses to a certain fund;
3 altering certain income tax subtraction modifications, sales and use tax exemptions,
4 property tax exemptions, transfer tax exemptions, and recordation tax exemptions
5 related to horse racing; extending the termination date of certain provisions of law
6 related to the Maryland Thoroughbred Racetrack Operating Authority; and
7 generally relating to horse racing in the State.

8 BY repealing
9 Article – Economic Development
10 Section 10–601(cc) and (dd)
11 Annotated Code of Maryland
12 (2018 Replacement Volume and 2023 Supplement)

13 BY renumbering
14 Article – Economic Development
15 Section 10–601(ee) through (iii)
16 to be Section 10–601(cc) through (ggg), respectively
17 Annotated Code of Maryland
18 (2018 Replacement Volume and 2023 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Business Regulation
21 Section 11–510(b), 11–519(d)(1)(i), and 11–520(b)
22 Annotated Code of Maryland
23 (2015 Replacement Volume and 2023 Supplement)

24 BY repealing and reenacting, without amendments,
25 Article – Economic Development
26 Section 10–601(a), (b), and (d)
27 Annotated Code of Maryland
28 (2018 Replacement Volume and 2023 Supplement)

29 BY repealing and reenacting, with amendments,
30 Article – Economic Development
31 Section 10–601(s), 10–628(c)(1)(vii), 10–646.1, and 10–1003
32 Annotated Code of Maryland
33 (2018 Replacement Volume and 2023 Supplement)

34 BY repealing and reenacting, without amendments,
35 Article – Economic Development
36 Section 10–601(cc), (kk), (ll), (tt), (uu), and (ww)
37 Annotated Code of Maryland
38 (2018 Replacement Volume and 2023 Supplement)
39 (As enacted by Section 2 of this Act)

40 BY repealing and reenacting, with amendments,

1 Article – Economic Development
2 Section 10–601(oo), (vv), and (xx)
3 Annotated Code of Maryland
4 (2018 Replacement Volume and 2023 Supplement)
5 (As enacted by Section 2 of this Act)

6 BY adding to
7 Article – Economic Development
8 Section 10–601(hhh)
9 Annotated Code of Maryland
10 (2018 Replacement Volume and 2023 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – State Government
13 Section 9–120(b)(1)(iv), 9–1A–29(d) and (h), 9–1E–01(d), and 9–1E–06(b) and (d)
14 Annotated Code of Maryland
15 (2021 Replacement Volume and 2023 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article – State Government
18 Section 9–1A–29(a) and 9–1E–01(a)
19 Annotated Code of Maryland
20 (2021 Replacement Volume and 2023 Supplement)

21 BY adding to
22 Article – Tax – General
23 Section 2–1302.3
24 Annotated Code of Maryland
25 (2022 Replacement Volume and 2023 Supplement)

26 BY repealing and reenacting, with amendments,
27 Article – Tax – General
28 Section 2–1303, 10–207(ii), 10–307(g), and 11–236
29 Annotated Code of Maryland
30 (2022 Replacement Volume and 2023 Supplement)

31 BY repealing and reenacting, without amendments,
32 Article – Tax – General
33 Section 10–207(a) and 10–307(a)
34 Annotated Code of Maryland
35 (2022 Replacement Volume and 2023 Supplement)

36 BY repealing and reenacting, with amendments,
37 Article – Tax – Property
38 Section 7–246, 12–108(hh), 13–207(a)(26), and 13–410
39 Annotated Code of Maryland
40 (2019 Replacement Volume and 2023 Supplement)

1 BY repealing and reenacting, with amendments,
 2 Chapter 590 of the Acts of the General Assembly of 2020
 3 Section 9

4 BY repealing and reenacting, with amendments,
 5 Chapter 111 of the Acts of the General Assembly of 2023
 6 Section 6

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 8 That Section(s) 10–601(cc) and (dd) of Article – Economic Development of the Annotated
 9 Code of Maryland be repealed.

10 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 10–601(ee) through
 11 (iii) of Article – Economic Development of the Annotated Code of Maryland be renumbered
 12 to be Section(s) 10–601(cc) through (ggg), respectively.

13 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 14 as follows:

15 **Article – Business Regulation**

16 11–510.

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

18 (1) the Maryland Jockey Club of Baltimore City, Inc.;

19 (2) the Laurel Racing Assoc., Inc.; and

20 (3) subject to § 10–1003(b) of the Economic Development Article[.]:

21 (I) the Maryland Thoroughbred Racetrack Operating Authority; **OR**

22 (II) **A NONPROFIT ORGANIZATION THAT LEASES OR SUBLEASES**
 23 **A RACING FACILITY ~~OWNED BY~~ FROM THE MARYLAND THOROUGHbred**
 24 **RACETRACK OPERATING AUTHORITY.**

25 11–519.

26 (d) (1) (i) On or before December 31, [2024] **2025**, the owner of the Bowie
 27 Race Course Training Center shall convey the Bowie Race Course Training Center property
 28 to the City of Bowie “as is”, with all defects that may exist, whether known or unknown,
 29 and without any express or implied warranty, guarantee by, or recourse against the
 30 conveyor of the property.

1 11-520.

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

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

4 (2) DURING THE RECONSTRUCTION OF PIMLICO RACE COURSE,
5 SUBJECT TO THE APPROVAL OF THE MARYLAND THOROUGHBRED RACETRACK
6 OPERATING AUTHORITY.

7 **Article – Economic Development**

8 10-601.

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

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

11 (d) “Baltimore City” means, as the context requires:

12 (1) the geographic area of the City of Baltimore; or

13 (2) the Mayor and City Council of Baltimore.

14 (s) “Facility” means:

15 (1) a structure or other improvement developed at Camden Yards;

16 (2) a convention facility;

17 (3) the Hippodrome Performing Arts facility;

18 (4) a sports facility;

19 (5) a Baltimore City public school facility;

20 (6) a racing facility;

21 (7) A TRAINING FACILITY FOR THOROUGHBRED HORSES;

22 [(7)] (8) a public school facility;

23 [(8)] (9) the Hagerstown Multi-Use Sports and Events Facility;

24 [(9)] (10) a sports entertainment facility; or

1 [(10)] (11) a Prince George's County Blue Line Corridor facility.

2 (cc) (1) "MJC Entities" means the Maryland Jockey Club of Baltimore City,
3 Inc., Laurel Racing Association Limited Partnership, Laurel Racing Association, Inc., and
4 TSG Developments Investments, Inc.

5 (2) "MJC Entities" includes an affiliate, an assignee, a designee, a
6 successor, or a transferee of an MJC Entity.

7 (kk) (1) "Pimlico racing facility site" means the portion of the Pimlico site
8 containing the racing facilities.

9 (2) "Pimlico racing facility site" includes the portion of the site designated
10 to contain:

11 (i) the clubhouse and events center;

12 (ii) the dirt, turf, or synthetic racetracks;

13 (iii) the infield and immediately adjacent area surrounding the
14 perimeter of the racetracks that is contained on the site;

15 (iv) the stables, barns, and training facilities;

16 (v) the trackside aprons; and

17 (vi) associated roadways, walkways, parking areas, green space,
18 fencing, and related structures and areas as designated in the plans approved by the
19 Authority.

20 (ll) "Pimlico site" means the site in Baltimore City generally bounded by Northern
21 Parkway, Park Heights Avenue, Belvedere Avenue, and Pimlico Road.

22 (oo) "Project entities" means each entity or entities or a joint venture entity or
23 entities, that exists or is formed by any combination of MJC Entities, an entity owned by
24 the City of Baltimore (the Baltimore City Entity), or [an entity owned by Anne Arundel
25 County (the Anne Arundel County Entity)] **THE MARYLAND THOROUGHBRED**
26 **RACETRACK OPERATING AUTHORITY** for:

27 (1) the MJC Entities' conveyance of the Pimlico site [and the Laurel Park
28 racing facility site];

29 (2) the operation of the Pimlico racing facility site and [the Laurel Park
30 racing] **TRAINING** facility site; and

1 (3) the construction, development, ownership, management, and operation
2 of the racing and community development projects.

3 (tt) “Racing and Community Development Facilities Fund” means the Fund
4 established under § 10–657.3 of this subtitle.

5 (uu) “Racing and Community Development Financing Fund” means the Fund
6 established under § 10–657.2 of this subtitle.

7 (vv) (1) “Racing and community development projects” means improvements to
8 the Pimlico racing facility site, Pimlico site, [Laurel Park racing facility site, and Laurel
9 Park site] **AND TRAINING FACILITY SITE.**

10 (2) “Racing and community development projects” includes:

11 (i) predesign and design work;

12 (ii) architectural and engineering services;

13 (iii) project consulting services;

14 (iv) demolition, clean–up, site work, and grading and site drainage;

15 (v) landscaping;

16 (vi) signage;

17 (vii) parking, roadways, fencing, walkways, sidewalks, and green
18 space;

19 (viii) security systems;

20 (ix) lighting, sound, video, and communication systems;

21 (x) pari–mutuel and tote systems;

22 (xi) plumbing, electric, fiber, cable, utilities, and other
23 infrastructure;

24 (xii) water, sewer, and storm water management systems;

25 (xiii) construction and equipping of barns, clubhouses, dormitories or
26 other housing, an equine diagnostic and health facility, a Pimlico thoroughbred racing
27 museum, stables, tracks, training facilities, and other racing and community facilities;

28 (xiv) design and project contingencies, project allowances, and cost
29 escalators and other specifications for the projects; and

(xv) temporary or permanent improvements and facilities, including at on- or off-site locations, used to maintain year-round racing and training.

(ww) (1) “Racing and community development project costs” means costs and expenses associated with or that relate to the racing and community development projects.

(2) “Racing and community development project costs” includes transition costs and reimbursements and the recycling of project cost savings for the benefit of the racing and community development projects.

(xx) “Racing facility” means the Pimlico site and the [Laurel Park racing facility site] **TRAINING FACILITY SITE** and any facilities or other improvements on the Pimlico site or the [Laurel Park racing facility site] **TRAINING FACILITY SITE**.

(HHH) “TRAINING FACILITY SITE” MEANS A SITE FOR TRAINING FACILITY FOR 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:

(vii) racing facilities – ~~[\$375,000,000]~~ **\$400,000,000;**

10-646.1.

(a) Except as allowed by § 10-639 of this subtitle, to finance the planning, design, and construction of any segment of a racing facility **ON BEHALF OF THE MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY**, the Authority shall comply with this section.

(b) At least 45 days before seeking approval of the Board of Public Works for each bond issue or other borrowing, the Authority shall provide, in accordance with § 2-1257 of the State Government Article, to the fiscal committees of the General Assembly[:

(1)] a comprehensive financing plan for the relevant racing facility that includes:

[(i) (1)] the aggregate amount of funds needed for the racing facility to be financed with the proposed bonds;

1 [(ii)] (2) a description of the racing facility to be constructed or
2 renovated;

3 [(iii)] (3) the anticipated total debt service for the proposed bond
4 issue;

5 [(iv)] (4) the anticipated total debt service when combined with the
6 debt service for all prior outstanding bond issues for racing facilities; [and]

7 [(v)] (5) anticipated project costs, AS DETERMINED BY THE
8 MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY, of at least
9 [\$180,000,000] **\$250,000,000** for the Pimlico racing facility [or \$155,000,000 for the
10 Laurel Park racing facility] AND **\$110,000,000 FOR THE TRAINING FACILITY SITE**; and

11 (6) A JOINT PLAN BETWEEN THE MARYLAND THOROUGHBRED
12 RACETRACK OPERATING AUTHORITY AND THE DEPARTMENT OF HOUSING AND
13 COMMUNITY DEVELOPMENT THAT INCLUDES THE FOLLOWING INVESTMENTS
14 ~~INVESTMENT IN WORKFORCE HOUSING~~ IN AND AROUND THE PIMLICO RACING
15 FACILITY SITE:

16 (I) RACETRACK WORKFORCE HOUSING;

17 (II) COMMUNITY COMMERCIAL REVITALIZATION;

18 (III) COMMUNITY SAFETY;

19 (IV) COMMUNITY WORKFORCE DEVELOPMENT AND JOB
20 TRAINING;

21 (V) AFFORDABLE HOUSING;

22 (VI) HOMEOWNERSHIP AND HOME PRESERVATION;

23 (VII) REDEVELOPMENT OF VACANT AND BLIGHTED HOUSING;

24 AND

25 (VIII) COMMUNITY BEAUTIFICATION.

26 [(2) for any planned expenditures at the Laurel Park racing facility site, a
27 plan for the improvements necessary to ensure that the condition of any part of the site
28 where individuals reside is satisfactory for human habitation and meets the minimum
29 housing and sanitation standards in Anne Arundel County.]

1 (c) (1) A bond issued to finance planning, design, and construction or
2 renovations of or improvements to a racing facility:

3 (i) is a limited obligation of the Authority payable solely from money
4 pledged by the Authority to the payment of the principal of and the premium and interest
5 on the bond or money made available to the Authority for that purpose;

6 (ii) is not a debt, liability, or a pledge of the faith and credit or the
7 taxing power of the State, the Authority, or any other governmental unit; and

8 (iii) may not give rise to any pecuniary liability of the State, the
9 Authority, or any other governmental unit.

10 (2) The issuance of a bond to finance the planning, design, and construction
11 or renovations of or improvements to a racing facility is not directly, indirectly, or
12 contingently a moral or other obligation of the State, the Authority, or any other
13 governmental unit to levy or pledge any tax or make any appropriation to pay the bond.

14 (3) Each bond shall state on its face the provisions of paragraphs (1) and
15 (2) of this subsection.

16 (d) (1) In this subsection, “long-term agreement” includes a lease, operating,
17 joint venture, or management agreement with a minimum term that coincides with or
18 exceeds the initial term of the bonds issued for a racing facility.

19 (2) Before issuing any bonds for any segment of a racing facility, the
20 Authority shall ensure that the following agreements have been executed:

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

23 (ii) [subject to paragraph (4) of this subsection, a long-term
24 agreement regarding management and operations at the Laurel Park racing facility site;
25 and

26 (iii)] agreements between the Authority and project entities for the
27 planning, design, and construction of a racing facility.

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

30 1. ensure the continuity of the Preakness Stakes at the
31 Pimlico racing facility site;

32 2. [ensure the MJC Entities’ sole, exclusive, and
33 unconditional rights to:

1 A. manage and operate the Pimlico racing facility site subject
2 to the exclusions and conditions in the long-term agreement;

3 B. conduct at the Pimlico racing facility site thoroughbred
4 training and racing, satellite simulcast wagering, advanced deposit wagering, and any
5 other lawful activities;

6 C. designate annually exclusive use periods for the conduct
7 of live thoroughbred training and racing;

8 D. maintain the track surfaces;

9 E. operate satellite simulcast wagering, advanced deposit
10 wagering, and any other lawful activities; and

11 F. an option to reacquire the Pimlico racing facility site at the
12 termination or expiration of the long-term agreement on mutually agreeable terms and
13 conditions, subject to the approval of the Board of Public Works;

14 3.] ~~require~~ **BE CONTINGENT ON** the conveyance or
15 conveyances in fee simple of the Pimlico site, in whole or in part, to **THE MARYLAND**
16 **THOROUGHBRED RACETRACK OPERATING AUTHORITY**, Baltimore City, the
17 Baltimore Development Corporation or its successor or assigns, or any designated project
18 entity, ~~at the time and on the conditions established in the long-term agreement and~~
19 ~~subject to the Authority securing all the necessary development approvals and funding for~~
20 ~~the racing and community development project costs; AND~~

21 [4. establish the MJC Entities' rights to:

22 A. designate annually exclusive use periods for the conduct
23 of live thoroughbred training and racing;

24 B. maintain the track surfaces; and

25 C. operate satellite simulcast wagering, advanced deposit
26 wagering, and any other lawful activities;

27 5. preserve the MJC Entities' tangible, intangible,
28 management, performance, distribution, intellectual property, advertising, concession,
29 merchandising, sponsorship, media, streaming, naming, licensing, and commercial
30 development rights, and any other rights identified by the MJC Entities;

31 6. subject to the operating agreements of the project entities,
32 preserve the MJC Entities' right to retain or designate revenues and profits associated with
33 the MJC Entities' rights and lawful activities; and

1 7.] 3. [subject to subparagraph (iii) of this paragraph,]
2 establish:

3 A. the right of the Authority or an entity designated by the
4 Authority to manage and operate the Pimlico Clubhouse and Events Facility, grounds, and
5 any facility [not designated for the MJC Entities' year-round use];

6 B. the obligation of the Authority or an entity designated by
7 the Authority to operate, maintain as a first-class facility, in good condition, repair, and
8 secure the Pimlico racing facility site during periods identified in the long-term agreement;
9 and

10 C. the obligation of the Authority or an entity designated by
11 the Authority to cooperate with respect to the provision of adequate parking and efficient
12 transportation plans around the Pimlico racing facility site.

13 (ii) 1. Unless thoroughbred racing is no longer a lawful activity,
14 or is otherwise rendered not commercially viable as a result of a change in law or regulation,
15 the long-term agreement under paragraph (2)(i) of this subsection may not expire while
16 any bond, debt, or other financial instrument issued by the Authority for the improvement
17 of a racing facility remains unpaid.

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

22 3. The notice required under subparagraph 2 of this
23 subparagraph shall contain a wind-down plan.

24 4. The long-term agreement required under paragraph (2)(i)
25 of this subsection shall contain dispute resolution provisions, including expedited review,
26 in the event that there is a dispute among the parties regarding the existence of the
27 conditions described in subparagraph 1 of this subparagraph or the contents of the
28 wind-down plan.

29 [(iii) The MJC Entities shall have:

30 1. priority of use over the Pimlico Clubhouse and Events
31 Facility and grounds for MJC Entities' purposes related to racing, wagering, or other
32 agreed-on uses; and

33 2. the right to access and egress from the Pimlico racing
34 facility site during periods identified in the agreement.]

1 ~~(4) (i) Subject to subparagraph (ii) of this paragraph, the [long term~~
2 ~~agreement] AGREEMENTS required under paragraph (2)(ii) of this subsection shall:~~

3 ~~1. [ensure that the Maryland Million is run annually at~~
4 ~~Laurel Park except:~~

5 ~~A. during periods of construction;~~

6 ~~B. if prevented from doing so by weather, acts of God, or other~~
7 ~~circumstances beyond the control of the racing licensee; or~~

8 ~~C. if the racing licensee and the Maryland Million, LLC agree~~
9 ~~to another location that is approved by the State Racing Commission;~~

10 ~~2. ensure the MJC Entities' sole, exclusive, and~~
11 ~~unconditional rights to:~~

12 ~~A. manage and operate the Laurel Park racing facility site;~~
13 ~~and~~

14 ~~B. conduct at the Laurel Park racing facility site year-round~~
15 ~~thoroughbred training and racing, satellite simulcast wagering, advanced deposit~~
16 ~~wagering, and any other lawful activities;~~

17 ~~3. provide for the MJC Entities:~~

18 ~~A. grant of an interest in the Laurel Park racing facility site,~~
19 ~~in whole or in part, to Anne Arundel County or an entity or entities designated by Anne~~
20 ~~Arundel County, including any designated project entity, for a specified term, including~~
21 ~~renewals, and on the conditions established in the long-term agreement and subject to the~~
22 ~~Authority securing all necessary development approvals and funding for the racing and~~
23 ~~community development project costs;~~

24 ~~B. access to the Laurel Park racing facility site for parking~~
25 ~~and roadways;~~

26 ~~C. rights to the Laurel Park racing facility site at the~~
27 ~~expiration or termination of the long-term agreements on mutually agreeable terms and~~
28 ~~conditions;~~

29 ~~D. payment to Anne Arundel County, or an entity designated~~
30 ~~by Anne Arundel County, of an amount at least equal to the prorated amount of real~~
31 ~~property taxes paid in fiscal year 2020 for the Laurel Park racing facility site and any~~
32 ~~improvements on the site, unless otherwise agreed to by the MJC Entities and Anne~~
33 ~~Arundel County; and~~

~~E. an obligation to maintain as a first class facility, in good condition, repair, and secure the Laurel Park racing facility site during the periods identified in the long term agreement;~~

~~4.] preserve the MJC Entities' tangible, intangible, management, performance, distribution, intellectual property, advertising, concession, merchandising, sponsorship, media, streaming, naming, licensing, commercial development, and any other rights identified by the MJC Entities; and~~

~~[5.] 2. subject to the operating agreements of the project entities, preserve the MJC Entities' right to retain or designate revenues and profits associated with the MJC Entities' rights and lawful activities.~~

~~(ii) 1. Unless 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 [long term agreement] AGREEMENTS under paragraph (2)(ii) of this subsection may not expire while any bond, debt, or other financial instrument issued by the Authority for the improvement of a racing facility remains unpaid.~~

~~2. 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] AGREEMENTS shall notify the Board of Public Works at least 180 days before the expiration or termination of the [long term agreement] AGREEMENTS.~~

~~3. The notice required under subsubparagraph 2 of this subparagraph shall contain a wind down plan.~~

~~4. The [long term agreement] AGREEMENTS required under paragraph (2)(ii) of this subsection shall contain dispute resolution provisions, including expedited review, in the event that there is a dispute among the parties regarding the existence of the conditions described in subsubparagraph 1 of this subparagraph or the contents of the wind down plan.~~

(e) **[The] ON BEHALF OF THE MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY, THE Authority shall enter into agreements with project entities or local entities for planning, design, and construction of the racing and community development projects at a racing facility site.**

(f) For fiscal year 2022 and each fiscal year thereafter, until the bonds that have been issued to finance racing facilities are no longer outstanding and unpaid, the Comptroller shall deposit into the Racing and Community Development Financing Fund **AT LEAST \$17,000,000** from the State Lottery Fund under § 9-120(b)(1)(iv) of the State Government Article.

1 (g) If the money deposited in the Racing and Community Development Financing
2 Fund in accordance with subsection (f) of this section is not needed for debt service or debt
3 service reserves, the Authority may transfer those funds to the Racing and Community
4 Development Facilities Fund.

5 (h) If funds are needed for debt service or debt service reserves, the Authority
6 may transfer money in the Racing and Community Development Facilities Fund to the
7 Racing and Community Development Financing Fund.

8 10–1003.

9 (a) The purpose of the Authority is to maintain the State as a best-in-class
10 thoroughbred horse racing venue.

11 (b) The Authority may:

12 (1) study and make any recommendations that the Authority finds are in
13 the best interests of thoroughbred racing in the State;

14 (2) in coordination with other State entities, develop new and existing
15 horse racing and training facilities in the State;

16 (3) [subject to subsection (c) of this section and in accordance with an
17 executive order or a determination of the State Racing Commission that a thoroughbred
18 racing licensee under Title 11, Subtitle 5 of the Business Regulation Article, for any reason
19 other than weather, an act of God, or other circumstances beyond the control of the licensee,
20 is unable to support the minimum number of live racing days:

21 (i) **SUBJECT TO THE APPROVAL OF AN AGREEMENT BY THE**
22 **BOARD OF PUBLIC WORKS**, manage and oversee, in compliance with Title 11, Subtitle 5
23 of the Business Regulation Article:

24 [1.] (I) day-to-day thoroughbred horse racing operations;

25 [2.] (II) live racing days; and

26 [3.] (III) assets in the State; [and]

27 [(ii)] (4) in coordination with the Maryland Economic Development
28 Corporation, acquire property or contractual interests consistent with § 11–521 of the
29 Business Regulation Article and the procedures set forth in §§ 8–334 through 8–339 of the
30 Transportation Article;

31 [(4)] (5) enter into any agreements, leases, partnerships, or contracts
32 necessary to:

1 (i) support and sustain Maryland thoroughbred racing and
2 pari-mutuel wagering activity; and

3 (ii) ensure compliance with State Racing Commission rules and
4 regulations;

5 ~~[(5)]~~ **(6)** authorize or create a separate body, entity, or holding company
6 to carry out any provisions of this subtitle;

7 ~~[(6)]~~ **(7)** adopt regulations to carry out the provisions of this subtitle; and

8 ~~[(7)]~~ **(8)** make any other recommendations the Authority deems
9 necessary.

10 **[(c) Before the Authority may exercise the powers authorized under subsection**
11 **(b)(3) of this section, the Legislative Policy Committee shall review and comment on the**
12 **executive order or determination of the State Racing Commission described under**
13 **subsection (b)(3) of this section.]**

14 **Article – State Government**

15 9–120.

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

18 (iv) after June 30, 2021, into the Racing and Community
19 Development Financing Fund established under § 10–657.2 of the Economic Development
20 Article from the money that remains in the State Lottery Fund, after the distribution under
21 subsection (a) of this section, an amount equal to **AT LEAST** \$17,000,000 in each fiscal year
22 until the bonds issued for a racing facility have matured;

23 9–1A–29.

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

26 (d) (1) The amount of funds made available from the Racetrack Facility
27 Renewal Account shall be allocated as follows:

28 (i) **[1.]** for fiscal year **[2021] 2025 AND EACH FISCAL YEAR**
29 **THEREAFTER, [80%] 10%** to be deposited in the Racing and Community Development
30 Facilities Fund established under § 10–657.3 of the Economic Development Article; **[and]**

31 **(II) [2.]** for fiscal year 2022 and thereafter, 80% to the State
32 Lottery Fund established under § 9–120 of this title; and

1 [(ii)] **(III)** [subject to paragraph (2) of this subsection, 20% to
 2 Rosecroft Raceway and] **FOR FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER,**
 3 **10% TO** Ocean Downs Race Course [according to a formula established in regulations
 4 adopted by the State Racing Commission].

5 (2) [Of the amount available to Rosecroft Raceway from the Racetrack
 6 Facility Renewal Account under paragraph (1)(ii) of this subsection:

7 (i) the unencumbered fund balance, including accrued interest,
 8 existing as of June 30, 2020, shall be transferred to the Racing and Community
 9 Development Facilities Fund established under § 10–646.3 of the Economic Development
 10 Article; and

11 (ii) subject] **SUBJECT** to paragraph (3) of this subsection, **FROM**
 12 **THE AMOUNT TRANSFERRED TO THE ~~STATE LOTTERY FUND~~ RACING AND**
 13 **COMMUNITY DEVELOPMENT FACILITIES FUND IN ACCORDANCE WITH PARAGRAPH**
 14 **~~(1)(H)~~ (1)(I) OF THIS SUBSECTION,** for fiscal year [2021] **2025** and each fiscal year
 15 thereafter, \$200,000 shall be transferred annually to Employ Prince George’s, Inc. for
 16 workforce development and small, minority, and women–owned business development.

17 (3) (i) It is the intent of the General Assembly that the funds
 18 transferred to Employ Prince George’s, Inc. shall supplement, and not supplant, funds
 19 otherwise available for Employ Prince George’s, Inc.

20 (ii) If Employ Prince George’s, Inc. is unable to expend the funds
 21 transferred under paragraph [(2)(ii)] **(2)** of this subsection during the 12–month period
 22 after which Employ Prince George’s, Inc. received the funds, Employ Prince George’s, Inc.
 23 shall partner with similar organizations located within Prince George’s County to expend
 24 the balance of the funds from that period to encourage workforce development and small,
 25 minority, and women–owned business development.

26 (h) The State Racing Commission shall adopt regulations to implement the
 27 provisions of this section, including regulations to[:

28 (1)] address minimum criteria for the types of improvements to be made by
 29 the holder of a license[; and

30 (2) establish a formula to allocate funds under subsection (d)(2) of this
 31 section between Rosecroft Raceway and Ocean Downs Race Course].

32 9–1E–01.

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

(d) “Horse racing licensee” means the holder of a license issued by the State Racing Commission under [Title 11, Subtitle 5] § 11-510 of the Business Regulation Article [to hold racing in Anne Arundel County].

9-1E-06.

(b) (1) [An] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN** applicant for a sports wagering license shall pay to the Commission an application fee of:

[(1)] (I) \$2,000,000 for a Class A-1 sports wagering facility license;

[(2)] (II) \$1,000,000 for a Class A-2 sports wagering facility license;

[(3)] (III) \$250,000 for a Class B-1 sports wagering facility license;

[(4)] (IV) \$50,000 for a Class B-2 sports wagering facility license; and

[(5)] (V) \$500,000 for a mobile sports wagering license.

(2) THE REQUIREMENT TO PAY AN APPLICATION FEE TO THE COMMISSION UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO AN APPLICANT FOR A CLASS A-2 SPORTS WAGERING FACILITY LICENSE THAT IS A HORSE RACING LICENSEE DESCRIBED UNDER § 11-510(B)(3) OF THE BUSINESS REGULATION ARTICLE.

(d) (1) A sports wagering licensee may not begin accepting wagers on sporting events until the application fee under subsection [(b)] **(B)(1)** of this section is paid in full and the applicant reimburses the Commission for expenses related to performing background investigations.

(2) The application fee under subsection [(b)] **(B)(1)** of this section is nonrefundable.

Article – Tax – General

2-1302.3.

AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1301 THROUGH 2-1302.2 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE THE SALES AND USE TAX REVENUE THAT IS ATTRIBUTABLE TO THE PURCHASE OF A RACEHORSE FOLLOWING A CLAIMING RACE TO THE RACING AND COMMUNITY DEVELOPMENT FACILITIES FUND ESTABLISHED UNDER § 10-657.3 OF THE ECONOMIC DEVELOPMENT ARTICLE.

1 2–1303.

2 After making the distributions required under §§ 2–1301 through [2–1302.2]
3 **2–1302.3** of this subtitle, the Comptroller shall pay:

4 (1) revenues from the hotel surcharge into the Dorchester County
5 Economic Development Fund established under § 10–130 of the Economic Development
6 Article;

7 (2) to the Blueprint for Maryland’s Future Fund established under § 5–206
8 of the Education Article, the following percentage of the remaining sales and use tax
9 revenues:

10 (i) for fiscal year 2023, 9.2%;

11 (ii) for fiscal year 2024, 11.0%;

12 (iii) for fiscal year 2025, 11.3%;

13 (iv) for fiscal year 2026, 11.7%; and

14 (v) for fiscal year 2027 and each fiscal year thereafter, 12.1%; and

15 (3) the remaining sales and use tax revenue into the General Fund of the
16 State.

17 10–207.

18 (a) To the extent included in federal adjusted gross income, the amounts under
19 this section are subtracted from the federal adjusted gross income of a resident to determine
20 Maryland adjusted gross income.

21 (ii) (1) In this subsection, [“Laurel Park site” and “Pimlico site” have the
22 meanings] **“PIMLICO SITE” HAS THE MEANING** stated in § 10–601 of the Economic
23 Development Article.

24 (2) The subtraction under subsection (a) of this section includes:

25 (i) the amount of gain recognized as a result of the direct or indirect
26 transfer or conveyance of~~f~~:

27 1.~~f~~ any property located, or used, at or within the [Laurel
28 Park site or] Pimlico site; and

29 ~~2.~~ any portion of the Bowie Race Course Training Center
30 property; and~~f~~

1 (ii) the amount of income recognized as a result of any expenditure
2 of funds directly or indirectly by the State[,] OR Baltimore City[, or Anne Arundel County]
3 with respect to the [Laurel Park site or] Pimlico site.

4 10–307.

5 (a) To the extent included in federal taxable income, the amounts under this
6 section are subtracted from the federal taxable income of a corporation to determine
7 Maryland modified income.

8 (g) The subtraction under subsection (a) of this section includes the amounts
9 allowed to be subtracted for an individual under:

10 (1) § 10–207(i) of this title (Profits on sale or exchange of State or local
11 bonds);

12 (2) § 10–207(k) of this title (Relocation and assistance payments);

13 (3) § 10–207(m) of this title (State or local income tax refunds);

14 (4) § 10–207(c–1) of this title (State tax–exempt interest from mutual
15 funds);

16 (5) [§ 10–207(hh)] **§ 10–207(II)** of this title (Gain on the transfer of
17 property within the [Laurel Park site or] Pimlico site ~~for~~ Bowie Race Course Training
18 Center property] and income recognized as result of governmental expenditures); or

19 (6) § 10–207(jj) of this title (Coronavirus relief payments).

20 11–236.

21 (a) (1) In this section the following words have the meanings indicated.

22 (2) (i) “Construction material” means an item of tangible personal
23 property that is used to construct or renovate a building, a structure, or an improvement
24 on land and that typically loses its separate identity as personal property once incorporated
25 into the real property.

26 (ii) “Construction material” includes building materials, building
27 systems equipment, landscaping materials, and supplies.

28 (3) [“Laurel Park racing facility site” has the meaning stated in § 10–601
29 of the Economic Development Article.

1 (4) “Pimlico site” [has the meaning] AND “**TRAINING FACILITY SITE**”
2 **HAVE THE MEANINGS** stated in § 10–601 of the Economic Development Article.

3 (b) The sales and use tax does not apply to a sale of construction material, if:

4 (1) the construction material is purchased by a person solely for use in
5 furtherance of the provisions of Title 10, Subtitle 6 of the Economic Development Article
6 for the construction or redevelopment at the [Laurel Park racing facility site or] Pimlico
7 site **OR TRAINING FACILITY SITE**;

8 (2) the sale is made before January 1, [2026] **2029**; and

9 (3) the buyer provides the vendor with eligibility of the exemption issued
10 by the Comptroller.

11 (c) The Comptroller shall adopt regulations to implement this section.

12 **Article – Tax – Property**

13 7–246.

14 (a) In this section, [“Laurel Park racing facility site” and] “Pimlico racing facility
15 site” AND “**TRAINING FACILITY SITE**” have the meanings stated in § 10–601 of the
16 Economic Development Article.

17 (b) An interest of a person in an improvement at the [Laurel Park racing facility
18 site or] Pimlico racing facility site **OR TRAINING FACILITY SITE** or an interest of a person
19 in the real property of the [Laurel Park racing facility site or] Pimlico racing facility site
20 **OR TRAINING FACILITY SITE** is not subject to property tax for the duration of:

21 (1) with respect to the Pimlico racing facility site, the long–term agreement
22 described under [§ 10–646.1(d)(2)(i)] **§ 10–646.1(D)** of the Economic Development Article;
23 or

24 (2) with respect to the [Laurel Park racing facility site] **TRAINING**
25 **FACILITY SITE**, the long–term agreement described under [§ 10–646.1(d)(2)(ii)] **§**
26 **10–646.1(D)** of the Economic Development Article.

27 12–108.

28 (hh) (1) In this subsection, [“Laurel Park racing facility site”,] “MJC Entities”,
29 “Pimlico racing facility site”, “Pimlico site”, [and] “project entities”, AND “**TRAINING**
30 **FACILITY SITE**” have the meanings stated in § 10–601 of the Economic Development
31 Article.

(2) An instrument of writing is not subject to recordation tax if the instrument of writing transfers or grants a security interest in property that is:

(i) located at or within the [Laurel Park racing facility site,] Pimlico racing facility site, [or] Pimlico site, **OR TRAINING FACILITY SITE** and the transfer or grant is by any combination of project entities, MJC Entities, Baltimore City, **OR** an entity designated by Baltimore City, ~~Anne Arundel County, or an entity designated by Anne Arundel County;~~ or

(ii) the property identified as the Bowie Race Course Training Center under § 11–519 of the Business Regulation Article that is transferred by the owner of the property to a government entity.

13–207.

(a) An instrument of writing is not subject to transfer tax to the same extent that it is not subject to recordation tax under:

(26) § 12–108(hh) of this article (Transfer of real property within the [Laurel Park racing facility site,] Pimlico racing facility site, Pimlico site, ~~or~~ [Bowie Race Course Training Center property], **OR TRAINING FACILITY SITE**).

13–410.

An instrument of writing is not subject to the county transfer tax to the same extent that it is not subject to the recordation tax under:

(1) § 12–108(cc) of this article (Certain transfers to land trusts); or

(2) § 12–108(hh) of this article (Transfer of real property within the [Laurel Park racing facility site,] Pimlico racing facility site, Pimlico site, ~~or~~ [Bowie Race Course Training Center property], **OR TRAINING FACILITY SITE**).

Chapter 590 of the Acts of 2020

SECTION 9. AND BE IT FURTHER ENACTED, That:

(a) In addition to the funds otherwise available for racing and community development project costs under this Act and notwithstanding the limitations under § 10–657.3 of the Economic Development Article, as enacted by Section 1 of this Act, \$2,000,000 of the funds transferred to the Racing and Community Development Facilities Fund established under § 10–657.3 of the Economic Development Article in accordance with § 9–1A–29(d)(2) of the State Government Article, as enacted by Section 1 of this Act, may be used:

1 ~~(3)~~ (iii) ~~on or before July 1, 2026,~~ the Maryland Jockey Club or an
 2 affiliate and Maryland Thoroughbred Racetrack Operating Authority enter into a licensing
 3 agreement for the intellectual property related to the Preakness Stakes and the
 4 Black-Eyed Susan Stakes; and

5 ~~(4)~~ (iv) ~~on or before January 1, 2027,~~ the Maryland Jockey Club or an
 6 affiliate and the Laurel Racing Association Limited Partnership enter into a long-term
 7 loan agreement with the Maryland Thoroughbred Racetrack Operating Authority granting
 8 the Authority the right to display the Woodlawn Vase at any location of the Authority's
 9 choosing;

10 ~~(5)~~ (3) the ownership of the Maryland Jockey Club and Pimlico names
 11 and trademarks be transferred to the Maryland Thoroughbred Racetrack Operating
 12 Authority; and

13 ~~(6)~~ (4) the Maryland Jockey Club and Laurel Racing Association
 14 Limited Partnership transfer to the Maryland Thoroughbred Racetrack Operating
 15 Authority:

16 (i) all personal property and equipment at the Pimlico racing facility
 17 site necessary to operate year-round racing and to use the personal property and
 18 equipment at Laurel Park during the period that the Pimlico racing facility site is under
 19 construction;

20 (ii) the Maryland Thoroughbred Purse Account; and

21 (iii) on the agreement of the parties, material contracts, permits, and
 22 licenses applicable to the Pimlico Racetrack.

23 SECTION 5. AND BE IT FURTHER ENACTED, That:

24 (a) On or before June 30, 2024, the unencumbered fund balance, including
 25 accrued interest, that is allocated to the Rosecroft Raceway under the Racetrack Facility
 26 Renewal Account shall be transferred to the Racing and Community Development
 27 Facilities Fund established under § 10-657.3 of the Economic Development Article.

28 (b) The funds described under subsection (a) of this section may be used by the
 29 Maryland Thoroughbred Racetrack Operating Authority for transitional, operational, and
 30 capital costs at Laurel Park and other uses deemed necessary by the Authority.

31 SECTION 6. AND BE IT FURTHER ENACTED, That the Governor may transfer by
 32 budget amendment for fiscal year 2025 an amount not exceeding \$10,000,000 from the
 33 Racing and Community Development Financing Fund to the Maryland Racing Operations
 34 Fund established under § 10-1008 of the Economic Development Article to be used by the
 35 Maryland Thoroughbred Racetrack Operating Authority, or a nonprofit organization
 36 designated by the Authority, as working capital.

1 SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That it is the intent of the
2 General Assembly that this Act is consistent with the terms set forth in the executed
3 Pimlico Redevelopment Community Compact.

4 SECTION 8. AND BE IT FURTHER ENACTED, That, prior to the expiration of the
5 sunset provision under Chapter 111 of the Acts of 2023, as amended by Section 3 of this
6 Act, the Maryland Thoroughbred Racetrack Operating Authority shall transfer or assign
7 all obligations in accordance with the transaction agreements described under Section 4 of
8 this Act.

9 SECTION ~~7~~ 9. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 June 1, 2024.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.