

HOUSE BILL 1524

C6, C7, Q7

4lr3037
CF 4lr4617

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

A BILL ENTITLED

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
23 sports wagering facility license; requiring the Comptroller to distribute the sales and
24 use tax revenue attributable to the purchase of certain racehorses to a certain fund;
25 altering certain income tax subtraction modifications, sales and use tax exemptions,
26 property tax exemptions, transfer tax exemptions, and recordation tax exemptions
27 related to horse racing; extending the termination date of certain provisions of law
28 related to the Maryland Thoroughbred Racetrack Operating Authority; and
29 generally relating to horse racing in the State.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 BY repealing
2 Article – Economic Development
3 Section 10–601(cc) and (dd)
4 Annotated Code of Maryland
5 (2018 Replacement Volume and 2023 Supplement)
- 6 BY renumbering
7 Article – Economic Development
8 Section 10–601(ee) through (iii)
9 to be Section 10–601(cc) through (ggg), respectively
10 Annotated Code of Maryland
11 (2018 Replacement Volume and 2023 Supplement)
- 12 BY repealing and reenacting, with amendments,
13 Article – Business Regulation
14 Section 11–510(b), 11–519(d)(1)(i), and 11–520(b)
15 Annotated Code of Maryland
16 (2015 Replacement Volume and 2023 Supplement)
- 17 BY repealing and reenacting, without amendments,
18 Article – Economic Development
19 Section 10–601(a), (b), and (d)
20 Annotated Code of Maryland
21 (2018 Replacement Volume and 2023 Supplement)
- 22 BY repealing and reenacting, with amendments,
23 Article – Economic Development
24 Section 10–601(s), 10–628(c)(1)(vii), 10–646.1, and 10–1003
25 Annotated Code of Maryland
26 (2018 Replacement Volume and 2023 Supplement)
- 27 BY repealing and reenacting, without amendments,
28 Article – Economic Development
29 Section 10–601(cc), (kk), (ll), (tt), (uu), and (ww)
30 Annotated Code of Maryland
31 (2018 Replacement Volume and 2023 Supplement)
32 (As enacted by Section 2 of this Act)
- 33 BY repealing and reenacting, with amendments,
34 Article – Economic Development
35 Section 10–601(oo), (vv), and (xx)
36 Annotated Code of Maryland
37 (2018 Replacement Volume and 2023 Supplement)
38 (As enacted by Section 2 of this Act)
- 39 BY adding to

1 Article – Economic Development
2 Section 10–601(hhh)
3 Annotated Code of Maryland
4 (2018 Replacement Volume and 2023 Supplement)

5 BY repealing and reenacting, with amendments,
6 Article – State Government
7 Section 9–120(b)(1)(iv), 9–1A–29(d) and (h), and 9–1E–06(b) and (d)
8 Annotated Code of Maryland
9 (2021 Replacement Volume and 2023 Supplement)

10 BY repealing and reenacting, without amendments,
11 Article – State Government
12 Section 9–1A–29(a)
13 Annotated Code of Maryland
14 (2021 Replacement Volume and 2023 Supplement)

15 BY adding to
16 Article – Tax – General
17 Section 2–1302.3
18 Annotated Code of Maryland
19 (2022 Replacement Volume and 2023 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – Tax – General
22 Section 2–1303, 10–207(ii), 10–307(g), and 11–236
23 Annotated Code of Maryland
24 (2022 Replacement Volume and 2023 Supplement)

25 BY repealing and reenacting, without amendments,
26 Article – Tax – General
27 Section 10–207(a) and 10–307(a)
28 Annotated Code of Maryland
29 (2022 Replacement Volume and 2023 Supplement)

30 BY repealing and reenacting, with amendments,
31 Article – Tax – Property
32 Section 7–246, 12–108(hh), 13–207(a)(26), and 13–410
33 Annotated Code of Maryland
34 (2019 Replacement Volume and 2023 Supplement)

35 BY repealing and reenacting, with amendments,
36 Chapter 590 of the Acts of the General Assembly of 2020
37 Section 9

38 BY repealing and reenacting, with amendments,
39 Chapter 111 of the Acts of the General Assembly of 2023

Section 6

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

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

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

Article – Business Regulation

11–510.

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

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

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

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

(I) the Maryland Thoroughbred Racetrack Operating Authority; OR

(II) A NONPROFIT ORGANIZATION THAT LEASES A RACING FACILITY OWNED BY THE MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY.

11–519.

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

11–520.

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

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

(2) DURING THE RECONSTRUCTION OF PIMLICO RACE COURSE,

**SUBJECT TO THE APPROVAL OF THE MARYLAND THOROUGHBRED RACETRACK
OPERATING AUTHORITY.**

Article – Economic Development

10–601.

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

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

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

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

(2) the Mayor and City Council of Baltimore.

(s) “Facility” means:

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

(2) a convention facility;

(3) the Hippodrome Performing Arts facility;

(4) a sports facility;

(5) a Baltimore City public school facility;

(6) a racing facility;

(7) A TRAINING FACILITY FOR THOROUGHBRED HORSES;

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

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

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

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

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

(2) “MJC Entities” includes an affiliate, an assignee, a designee, a

1 successor, or a transferee of an MJC Entity.

2 (kk) (1) “Pimlico racing facility site” means the portion of the Pimlico site
3 containing the racing facilities.

4 (2) “Pimlico racing facility site” includes the portion of the site designated
5 to contain:

6 (i) the clubhouse and events center;

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

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

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

11 (v) the trackside aprons; and

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

15 (ll) “Pimlico site” means the site in Baltimore City generally bounded by Northern
16 Parkway, Park Heights Avenue, Belvedere Avenue, and Pimlico Road.

17 (oo) “Project entities” means each entity or entities or a joint venture entity or
18 entities, that exists or is formed by any combination of MJC Entities, an entity owned by
19 the City of Baltimore (the Baltimore City Entity), or [an entity owned by Anne Arundel
20 County (the Anne Arundel County Entity)] **THE MARYLAND THOROUGHBRED**
21 **RACETRACK OPERATING AUTHORITY** for:

22 (1) the MJC Entities’ conveyance of the Pimlico site [and the Laurel Park
23 racing facility site];

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

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

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

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

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

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

- (i) predesign and design work;
- (ii) architectural and engineering services;
- (iii) project consulting services;
- (iv) demolition, clean-up, site work, and grading and site drainage;
- (v) landscaping;
- (vi) signage;
- (vii) parking, roadways, fencing, walkways, sidewalks, and green space;
- (viii) security systems;
- (ix) lighting, sound, video, and communication systems;
- (x) pari-mutuel and tote systems;
- (xi) plumbing, electric, fiber, cable, utilities, and other infrastructure;
- (xii) water, sewer, and storm water management systems;
- (xiii) construction and equipping of barns, clubhouses, dormitories or other housing, an equine diagnostic and health facility, a Pimlico thoroughbred racing museum, stables, tracks, training facilities, and other racing and community facilities;
- (xiv) design and project contingencies, project allowances, and cost 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 TRAINING FACILITY FOR THOROUGHBRED RACEHORSES SELECTED 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;

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

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

[(iv)] (4) the anticipated total debt service when combined with the

1 debt service for all prior outstanding bond issues for racing facilities; [and]

2 [(v)] (5) anticipated project costs, AS DETERMINED BY THE
3 MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY, of at least
4 [\$180,000,000] **\$250,000,000** for the Pimlico racing facility [or \$155,000,000 for the
5 Laurel Park racing facility] **AND \$110,000,000 FOR THE TRAINING FACILITY SITE**; and

6 (6) A JOINT PLAN BETWEEN THE MARYLAND THOROUGHBRED
7 RACETRACK OPERATING AUTHORITY AND THE DEPARTMENT OF HOUSING AND
8 COMMUNITY DEVELOPMENT THAT INCLUDES INVESTMENT IN WORKFORCE
9 HOUSING IN AND AROUND THE PIMLICO RACING FACILITY SITE.

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

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

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

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

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

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

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

29 (d) (1) In this subsection, "long-term agreement" includes a lease, operating,
30 joint venture, or management agreement with a minimum term that coincides with or
31 exceeds the initial term of the bonds issued for a racing facility.

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

34 (i) subject to paragraph (3) of this subsection, a long-term

1 agreement regarding management and operations at the Pimlico racing facility site; **AND**

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

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

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

9 1. ensure the continuity of the Preakness Stakes at the
10 Pimlico racing facility site;

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

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

15 B. conduct at the Pimlico racing facility site thoroughbred
16 training and racing, satellite simulcast wagering, advanced deposit wagering, and any
17 other lawful activities;

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

20 D. maintain the track surfaces;

21 E. operate satellite simulcast wagering, advanced deposit
22 wagering, and any other lawful activities; and

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

26 3.] require the conveyance or conveyances in fee simple of the
27 Pimlico site, in whole or in part, to **THE MARYLAND THOROUGHBRED RACETRACK**
28 **OPERATING AUTHORITY**, Baltimore City, the Baltimore Development Corporation or its
29 successor or assigns, or any designated project entity, at the time and on the conditions
30 established in the long-term agreement and subject to the Authority securing all the
31 necessary development approvals and funding for the racing and community development
32 project costs; **AND**

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

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

3 B. maintain the track surfaces; and

4 C. operate satellite simulcast wagering, advanced deposit
5 wagering, and any other lawful activities;

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

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

13 7.] 3. [subject to subparagraph (iii) of this paragraph,]
14 establish:

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

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

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

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

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

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

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

6 [(iii) The MJC Entities shall have:

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

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

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

14 1. [ensure that the Maryland Million is run annually at
15 Laurel Park except:

16 A. during periods of construction;

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

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

21 2. ensure the MJC Entities' sole, exclusive, and
22 unconditional rights to:

23 A. manage and operate the Laurel Park racing facility site;
24 and

25 B. conduct at the Laurel Park racing facility site year-round
26 thoroughbred training and racing, satellite simulcast wagering, advanced deposit
27 wagering, and any other lawful activities;

28 3. provide for the MJC Entities:

29 A. grant of an interest in the Laurel Park racing facility site,
30 in whole or in part, to Anne Arundel County or an entity or entities designated by Anne
31 Arundel County, including any designated project entity, for a specified term, including
32 renewals, and on the conditions established in the long-term agreement and subject to the
33 Authority securing all necessary development approvals and funding for the racing and

1 community development project costs;

2 B. access to the Laurel Park racing facility site for parking
3 and roadways;

4 C. rights to the Laurel Park racing facility site at the
5 expiration or termination of the long-term agreements on mutually agreeable terms and
6 conditions;

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

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

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

19 [5.] 2. subject to the operating agreements of the project entities,
20 preserve the MJC Entities' right to retain or designate revenues and profits associated with
21 the MJC Entities' rights and lawful activities.

22 (ii) 1. Unless thoroughbred racing is no longer a lawful activity,
23 or is otherwise rendered not commercially viable as a result of a change in law or regulation,
24 the [long-term agreement] AGREEMENTS under paragraph (2)(ii) of this subsection may
25 not expire while any bond, debt, or other financial instrument issued by the Authority for
26 the improvement of a racing facility remains unpaid.

27 2. If thoroughbred racing is no longer a lawful activity, or is
28 otherwise rendered not commercially viable as a result of a change in law or regulation, the
29 parties to the [long-term agreement] AGREEMENTS shall notify the Board of Public Works
30 at least 180 days before the expiration or termination of the [long-term agreement]
31 AGREEMENTS.

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

34 4. The [long-term agreement] AGREEMENTS required
35 under paragraph (2)(ii) of this subsection shall contain dispute resolution provisions,
36 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.

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

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

10–1003.

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

(b) The Authority may:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article – State Government

9–120.

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

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

9–1A–29.

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

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

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

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

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

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

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

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

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

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

(h) The State Racing Commission shall adopt regulations to implement the

provisions of this section, including regulations to[:

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

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

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.**

2-1303.

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

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

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

(i) for fiscal year 2023, 9.2%;

(ii) for fiscal year 2024, 11.0%;

(iii) for fiscal year 2025, 11.3%;

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

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

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

10-207.

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

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

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

(i) the amount of gain recognized as a result of the direct or indirect
transfer or conveyance of[:

1.] any property located, or used, at or within the [Laurel

1 Park site or] Pimlico site; and

2 [2. any portion of the Bowie Race Course Training Center
3 property; and]

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

7 10–307.

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

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

13 (1) § 10–207(i) of this title (Profits on sale or exchange of State or local
14 bonds);

15 (2) § 10–207(k) of this title (Relocation and assistance payments);

16 (3) § 10–207(m) of this title (State or local income tax refunds);

17 (4) § 10–207(c–1) of this title (State tax–exempt interest from mutual
18 funds);

19 (5) **[§ 10–207(hh)] § 10–207(II)** of this title (Gain on the transfer of
20 property within the [Laurel Park site or] Pimlico site [or Bowie Race Course Training
21 Center property] and income recognized as result of governmental expenditures); or

22 (6) § 10–207(jj) of this title (Coronavirus relief payments).

23 11–236.

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

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

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

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

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

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

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

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

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

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

Article – Tax – Property

7–246.

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

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

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

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

12–108.

(hh) (1) In this subsection, [“Laurel Park racing facility site”,] “MJC Entities”, “Pimlico racing facility site”, “Pimlico site”, [and] “project entities”, **AND “TRAINING**

FACILITY SITE” have the meanings stated in § 10–601 of the Economic Development 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]) **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]) **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) BEFORE JUNE 1, 2024, only to reimburse the racing licensees' costs attributable to maintaining ongoing year-round racing operations, ensuring the continued running of the Preakness Stakes at the Pimlico site during construction, and expenses related to the Bowie Race Course Training Center before the conveyance of the property in accordance with § 11-519 of the Business Regulation Article, as enacted by Section 1 of this Act; **AND**

(2) ON OR AFTER JUNE 1, 2024, BY THE MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY FOR TRANSITIONAL, OPERATIONAL, AND CAPITAL COSTS AT LAUREL PARK AND OTHER USES DEEMED NECESSARY BY THE AUTHORITY.

(b) The Maryland Stadium Authority shall cooperate with the racing licensee to identify the costs described under subsection [(a)] **(A)(1)** of this section and establish an approval process before any reimbursement is provided in accordance with subsection [(a)] **(A)(1)** of this section.

Chapter 111 of the Acts of 2023

SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section 5 of this Act, this Act shall take effect June 1, 2023. Section 2 of this Act shall remain effective for a period of [4] **6** years and 1 month and, at the end of June 30, [2027] **2029**, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that:

(1) the Maryland Jockey Club transfer, in accordance with the Pimlico Transfer Agreement, ownership of the Pimlico racing facility site to the Maryland Thoroughbred Racetrack Operating Authority;

(2) on or before January 1, 2025:

(i) the Maryland Jockey Club make Laurel Park available to the Maryland Thoroughbred Racetrack Operating Authority for use as a transition facility while new racing facilities are constructed at the Pimlico racing facility site and a new training facility is constructed; and

(ii) the Maryland Jockey Club and Laurel Racing Association Limited Partnership transfer the right to conduct all thoroughbred horse racing in the State to the Maryland Thoroughbred Racetrack Operating Authority or its designees except that the Maryland Jockey Club or an affiliate may conduct the Preakness Stakes, the Black-Eyed Susan Stakes, and related undercard races in 2025 at the Pimlico racing

1 facility site and Laurel Park in 2026;

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

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

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

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

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

18 (ii) the Maryland Thoroughbred Purse Account; and

19 (iii) material contracts, permits, and licenses applicable to the
20 Pimlico Racetrack.

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

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

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

29 SECTION 6. AND BE IT FURTHER ENACTED, That it is the intent of the General
30 Assembly that this Act is consistent with the terms set forth in the executed Pimlico
31 Redevelopment Community Compact.

32 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect June
33 1, 2024.