

Bill No.: _____
Requested: _____
Committee: _____

Drafted by: Departmental
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By: Leave Blank (By Request – Maryland Thoroughbred Racetrack Operating Authority)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

9 BY repealing
10 Article – Economic Development
11 Section 10–601(cc) and (dd)
12 Annotated Code of Maryland
13 (2018 Replacement Volume and 2023 Supplement)

14 BY renumbering
15 Article – Economic Development
16 Section 10–601(ee) through (iii)
17 to be Section 10–601(cc) through (ggg), respectively
18 Annotated Code of Maryland
19 (2018 Replacement Volume and 2023 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – Business Regulation
22 Section 11–510(b), 11–519(d)(1)(i), and 11–520(b)
23 Annotated Code of Maryland
24 (2015 Replacement Volume and 2023 Supplement)

25 BY repealing and reenacting, without amendments,
26 Article – Economic Development
27 Section 10–601(a), (b), and (d)
28 Annotated Code of Maryland
29 (2018 Replacement Volume and 2023 Supplement)

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

1 (2018 Replacement Volume and 2023 Supplement)

2 BY repealing and reenacting, without amendments,
3 Article – Economic Development
4 Section 10–601(cc), (kk), (ll), (tt), (uu), and (ww)
5 Annotated Code of Maryland
6 (2018 Replacement Volume and 2023 Supplement)
7 (As enacted by Section 2 of this Act)

8 BY repealing and reenacting, with amendments,
9 Article – Economic Development
10 Section 10–601(oo), (vv), and (xx)
11 Annotated Code of Maryland
12 (2018 Replacement Volume and 2023 Supplement)
13 (As enacted by Section 2 of this Act)

14 BY adding to
15 Article – Economic Development
16 Section 10–601(hhh)
17 Annotated Code of Maryland
18 (2018 Replacement Volume and 2023 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – State Government
21 Section 9–120(b)(1)(iv), 9–1A–29(d) and (h), and 9–1E–06(b) and (d)
22 Annotated Code of Maryland
23 (2021 Replacement Volume and 2023 Supplement)

24 BY repealing and reenacting, without amendments,
25 Article – State Government
26 Section 9–1A–29(a)
27 Annotated Code of Maryland
28 (2021 Replacement Volume and 2023 Supplement)

29 BY adding to
30 Article – Tax – General
31 Section 2–1302.3
32 Annotated Code of Maryland

1 (2022 Replacement Volume and 2023 Supplement)

2 BY repealing and reenacting, with amendments,
3 Article – Tax – General
4 Section 2–1303, 10–207(ii), 10–307(g), and 11–236
5 Annotated Code of Maryland
6 (2022 Replacement Volume and 2023 Supplement)

7 BY repealing and reenacting, without amendments,
8 Article – Tax – General
9 Section 10–207(a) and 10–307(a)
10 Annotated Code of Maryland
11 (2022 Replacement Volume and 2023 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Tax – Property
14 Section 7–246, 12–108(hh), 13–207(a)(26), and 13–410
15 Annotated Code of Maryland
16 (2019 Replacement Volume and 2023 Supplement)

17 BY repealing and reenacting, with amendments,
18 Chapter 590 of the Acts of the General Assembly of 2020
19 Section 9

20 BY repealing and reenacting, with amendments,
21 Chapter 111 of the Acts of the General Assembly of 2023
22 Section 6

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

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

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

Article – Business Regulation

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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

1 10–601.

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

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

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

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

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

7 (s) “Facility” means:

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

9 (2) a convention facility;

10 (3) the Hippodrome Performing Arts facility;

11 (4) a sports facility;

12 (5) a Baltimore City public school facility;

13 (6) a racing facility;

14 **(7) A TRAINING FACILITY FOR THOROUGHBRED HORSES;**

15 **[(7)] (8)** a public school facility;

16 **[(8)] (9)** the Hagerstown Multi–Use Sports and Events Facility;

17 **[(9)] (10)** a sports entertainment facility; or

18 **[(10)] (11)** a Prince George’s County Blue Line Corridor facility.

19 (cc) (1) “MJC Entities” means the Maryland Jockey Club of Baltimore City,

1 Inc., Laurel Racing Association Limited Partnership, Laurel Racing Association, Inc., and
2 TSG Developments Investments, Inc.

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

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

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

9 (i) the clubhouse and events center;

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

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

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

14 (v) the trackside aprons; and

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

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

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

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

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

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

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

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

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

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

13 (i) predesign and design work;

14 (ii) architectural and engineering services;

15 (iii) project consulting services;

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

17 (v) landscaping;

18 (vi) signage;

19 (vii) parking, roadways, fencing, walkways, sidewalks, and green
20 space;

21 (viii) security systems;

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

- 1 (x) pari-mutuel and tote systems;
- 2 (xi) plumbing, electric, fiber, cable, utilities, and other
3 infrastructure;
- 4 (xii) water, sewer, and storm water management systems;
- 5 (xiii) construction and equipping of barns, clubhouses, dormitories or
6 other housing, an equine diagnostic and health facility, a Pimlico thoroughbred racing
7 museum, stables, tracks, training facilities, and other racing and community facilities;
- 8 (xiv) design and project contingencies, project allowances, and cost
9 escalators and other specifications for the projects; and
- 10 (xv) temporary or permanent improvements and facilities, including
11 at on- or off-site locations, used to maintain year-round racing and training.

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

14 (2) "Racing and community development project costs" includes transition
15 costs and reimbursements and the recycling of project cost savings for the benefit of the
16 racing and community development projects.

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

20 **(HHH) "TRAINING FACILITY SITE" MEANS A TRAINING FACILITY FOR**
21 **THOROUGHBRED RACEHORSES SELECTED BY THE MARYLAND THOROUGHBRED**
22 **RACETRACK OPERATING AUTHORITY.**

23 10-628.

24 (c) (1) Unless authorized by the General Assembly, the Board of Public Works
25 may not approve an issuance by the Authority of bonds, whether taxable or tax exempt,
26 that constitute tax supported debt or nontax supported debt if, after issuance, there would
27 be outstanding and unpaid more than the following face amounts of the bonds for the

1 purpose of financing acquisition, construction, renovation, and related expenses for
2 construction management, professional fees, and contingencies in connection with:

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

4 10–646.1.

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

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

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

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

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

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

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

22 [(v)] (5) anticipated project costs, **AS DETERMINED BY THE**
23 **MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY**, of at least
24 ~~[\$180,000,000]~~ **\$250,000,000** for the Pimlico racing facility [or \$155,000,000 for the
25 Laurel Park racing facility] **AND \$110,000,000 FOR THE TRAINING FACILITY SITE**; and

26 (6) **A JOINT PLAN BETWEEN THE MARYLAND THOROUGHBRED**
27 **RACETRACK OPERATING AUTHORITY AND THE DEPARTMENT OF HOUSING AND**

1 **COMMUNITY DEVELOPMENT THAT INCLUDES INVESTMENT IN WORKFORCE**
2 **HOUSING IN AND AROUND THE PIMLICO RACING FACILITY SITE.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 D. maintain the track surfaces;

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

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

25 3.] require the conveyance or conveyances in fee simple of the
26 Pimlico site, in whole or in part, to **THE MARYLAND THOROUGHBRED RACETRACK**

1 **OPERATING AUTHORITY**, Baltimore City, the Baltimore Development Corporation or its
2 successor or assigns, or any designated project entity, at the time and on the conditions
3 established in the long-term agreement and subject to the Authority securing all the
4 necessary development approvals and funding for the racing and community development
5 project costs; **AND**

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

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

9 B. maintain the track surfaces; and

10 C. operate satellite simulcast wagering, advanced deposit
11 wagering, and any other lawful activities;

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

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

19 7.] **3.** [subject to subparagraph (iii) of this paragraph,]
20 establish:

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

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

28 C. the obligation of the Authority or an entity designated by

1 the Authority to cooperate with respect to the provision of adequate parking and efficient
2 transportation plans around the Pimlico racing facility site.

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

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

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

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

19 [(iii) The MJC Entities shall have:

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

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

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

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

- 1 A. during periods of construction;
- 2 B. if prevented from doing so by weather, acts of God, or other
3 circumstances beyond the control of the racing licensee; or
- 4 C. if the racing licensee and the Maryland Million, LLC agree
5 to another location that is approved by the State Racing Commission;
- 6 2. ensure the MJC Entities’ sole, exclusive, and
7 unconditional rights to:
- 8 A. manage and operate the Laurel Park racing facility site;
9 and
- 10 B. conduct at the Laurel Park racing facility site year-round
11 thoroughbred training and racing, satellite simulcast wagering, advanced deposit
12 wagering, and any other lawful activities;
- 13 3. provide for the MJC Entities:
- 14 A. grant of an interest in the Laurel Park racing facility site,
15 in whole or in part, to Anne Arundel County or an entity or entities designated by Anne
16 Arundel County, including any designated project entity, for a specified term, including
17 renewals, and on the conditions established in the long-term agreement and subject to the
18 Authority securing all necessary development approvals and funding for the racing and
19 community development project costs;
- 20 B. access to the Laurel Park racing facility site for parking
21 and roadways;
- 22 C. rights to the Laurel Park racing facility site at the
23 expiration or termination of the long-term agreements on mutually agreeable terms and
24 conditions;
- 25 D. payment to Anne Arundel County, or an entity designated
26 by Anne Arundel County, of an amount at least equal to the prorated amount of real
27 property taxes paid in fiscal year 2020 for the Laurel Park racing facility site and any
28 improvements on the site, unless otherwise agreed to by the MJC Entities and Anne

1 Arundel County; and

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

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

9 [5.] 2. subject to the operating agreements of the project entities,
10 preserve the MJC Entities' right to retain or designate revenues and profits associated with
11 the MJC Entities' rights and lawful activities.

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

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

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

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

29 (e) [The] ON BEHALF OF THE MARYLAND THOROUGHBRED RACETRACK
30 OPERATING AUTHORITY, THE Authority shall enter into agreements with project entities

1 or local entities for planning, design, and construction of the racing and community
2 development projects at a racing facility site.

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

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

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

15 10–1003.

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

18 (b) The Authority may:

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

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

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

28 (i) **SUBJECT TO THE APPROVAL OF AN AGREEMENT BY THE**

1 **BOARD OF PUBLIC WORKS**, manage and oversee, in compliance with Title 11, Subtitle 5
2 of the Business Regulation Article:

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

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

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

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

10 [(4)] (5) enter into any agreements, leases, partnerships, or contracts
11 necessary to:

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

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

16 [(5)] (6) authorize or create a separate body, entity, or holding company
17 to carry out any provisions of this subtitle;

18 [(6)] (7) adopt regulations to carry out the provisions of this subtitle; and

19 [(7)] (8) make any other recommendations the Authority deems
20 necessary.

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

25 **Article – State Government**

1 9–120.

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

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

9 9–1A–29.

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

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

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

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

19 **[(ii)] (III) [subject to paragraph (2) of this subsection, 20% to**
20 **Rosecroft Raceway and] FOR FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER,**
21 **10% TO** Ocean Downs Race Course **[according to a formula established in regulations**
22 **adopted by the State Racing Commission].**

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

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

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

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

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

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

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

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

21 9–1E–06.

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

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

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

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

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

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

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

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

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

14 Article – Tax – General

15 2–1302.3.

16 AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2–1301 THROUGH
17 2–1302.2 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE THE SALES
18 AND USE TAX REVENUE THAT IS ATTRIBUTABLE TO THE PURCHASE OF A RACEHORSE
19 FOLLOWING A CLAIMING RACE TO THE RACING AND COMMUNITY DEVELOPMENT
20 FACILITIES FUND ESTABLISHED UNDER § 10–657.3 OF THE ECONOMIC
21 DEVELOPMENT ARTICLE.

22 2–1303.

23 After making the distributions required under §§ 2–1301 through [2–1302.2]
24 2–1302.3 of this subtitle, the Comptroller shall pay:

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

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

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

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

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

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

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

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

11 10–207.

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

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

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

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

21 1.] any property located, or used, at or within the [Laurel
22 Park site or] Pimlico site; and

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

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 [or 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.

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

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

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

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

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

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

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

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

16 **Article – Tax – Property**

17 7–246.

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

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

25 (1) with respect to the Pimlico racing facility site, the long–term agreement

1 described under [§ 10–646.1(d)(2)(i)] **§ 10–646.1(D)** of the Economic Development Article;
2 or

3 (2) with respect to the [Laurel Park racing facility site] **TRAINING**
4 **FACILITY SITE**, the long-term agreement described under [§ 10–646.1(d)(2)(ii)] **§**
5 **10–646.1(D)** of the Economic Development Article.

6 12–108.

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

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

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

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

21 13–207.

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

24 (26) § 12–108(hh) of this article (Transfer of real property within the [Laurel
25 Park racing facility site,] Pimlico racing facility site, Pimlico site, or [Bowie Race Course
26 Training Center property]) **TRAINING FACILITY SITE**).

27 13–410.

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

3 (1) § 12–108(cc) of this article (Certain transfers to land trusts); or

4 (2) § 12–108(hh) of this article (Transfer of real property within the [Laurel
5 Park racing facility site,] Pimlico racing facility site, Pimlico site, or [Bowie Race Course
6 Training Center property]) **TRAINING FACILITY SITE**).

7 **Chapter 590 of the Acts of 2020**

8 SECTION 9. AND BE IT FURTHER ENACTED, That:

9 (a) In addition to the funds otherwise available for racing and community
10 development project costs under this Act and notwithstanding the limitations under §
11 10–657.3 of the Economic Development Article, as enacted by Section 1 of this Act,
12 \$2,000,000 of the funds transferred to the Racing and Community Development Facilities
13 Fund established under § 10–657.3 of the Economic Development Article in accordance with
14 § 9–1A–29(d)(2) of the State Government Article, as enacted by Section 1 of this Act, may
15 be used:

16 **(1) BEFORE JUNE 1, 2024**, only to reimburse the racing licensees’ costs
17 attributable to maintaining ongoing year–round racing operations, ensuring the continued
18 running of the Preakness Stakes at the Pimlico site during construction, and expenses
19 related to the Bowie Race Course Training Center before the conveyance of the property in
20 accordance with § 11–519 of the Business Regulation Article, as enacted by Section 1 of this
21 Act; **AND**

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

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

1 **Chapter 111 of the Acts of 2023**

2 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section
3 5 of this Act, this Act shall take effect June 1, 2023. Section 2 of this Act shall remain
4 effective for a period of [4] 6 years and 1 month and, at the end of June 30, [2027] 2029,
5 Section 2 of this Act, with no further action required by the General Assembly, shall be
6 abrogated and of no further force and effect.

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

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

12 (2) on or before January 1, 2025:

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

17 (ii) the Maryland Jockey Club and Laurel Racing Association
18 Limited Partnership transfer the right to conduct all thoroughbred horse racing in the
19 State to the Maryland Thoroughbred Racetrack Operating Authority or its designees except
20 that the Maryland Jockey Club or an affiliate may conduct the Preakness Stakes, the
21 Black–Eyed Susan Stakes, and related undercard races in 2025 at the Pimlico racing
22 facility site and Laurel Park in 2026;

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

26 (4) on or before January 1, 2027, the Maryland Jockey Club and the Laurel
27 Racing Association Limited Partnership enter into a long–term loan agreement with the
28 Maryland Thoroughbred Racetrack Operating Authority granting the Authority the right
29 to display the Woodlawn Vase at any location of the Authority’s choosing;

1 (5) the ownership of the Maryland Jockey Club and Pimlico names and
2 trademarks be transferred to the Maryland Thoroughbred Racetrack Operating Authority;
3 and

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

6 (i) all personal property and equipment at the Pimlico racing facility
7 site necessary to operate year-round racing and to use the personal property and
8 equipment at Laurel Park during the period that the Pimlico racing facility site is under
9 construction;

10 (ii) the Maryland Thoroughbred Purse Account; and

11 (iii) material contracts, permits, and licenses applicable to the
12 Pimlico Racetrack.

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

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

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

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

24 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect June
25 1, 2024.