

HB1524/493823/1

BY: Budget and Taxation Committee

AMENDMENTS TO HOUSE BILL 1524
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 8, after “Authority;” insert “requiring the owner of a horse racing track to provide certain notice to certain local governments;”; in line 16, after “bonds;” insert “altering the membership of the Maryland Thoroughbred Racetrack Operating Authority; requiring the Maryland Thoroughbred Racetrack Operating Authority to prepare certain financial statements; requiring the Maryland Thoroughbred Racetrack Operating Authority to distribute certain profits in a certain manner; requiring that at least a certain number of days before entering into a lease of the Pimlico racing facility site that the Maryland Thoroughbred Racetrack Operating Authority submit a copy of the lease to the Legislative Policy Committee for review and comment; stating the intent of the General Assembly that a certain lottery game is administered in a certain manner;”; in line 18, after “Fund;” insert “requiring the Comptroller to pay a certain supplemental local impact grant from the State Lottery Fund; requiring the payment of a certain amount from the Purse Dedication Account to the Maryland Thoroughbred Racetrack Operating Authority under certain circumstances;”; and strike beginning with “altering” in line 20 down through “Account;” in line 21 and substitute “altering a requirement that certain unencumbered funds in the Racetrack Facility Renewal Account be transferred to the Education Trust Fund; requiring, under certain circumstances, that certain funds in the Racetrack Facility Renewal Account be made available for certain purposes;”.

On page 2, in line 5, after “racing;” insert “requiring the Governor to include certain amounts in the State budget for certain purposes; amending the Maryland Consolidated Capital Bond Loan of 2022 to alter the purposes of a certain grant;”; in line 21, after “Section” insert “11-317;”; after line 23, insert:

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“BY adding to

Article - Business Regulation

Section 11–519(d)(6)

Annotated Code of Maryland

(2015 Replacement Volume and 2023 Supplement)”;

and in line 31, strike “and 10–1003” and substitute “10–1003, and 10–1004(a)(1)”.

On page 3, after line 10, insert:

“BY adding to

Article - State Government

Section 9-111(f) and 9–120(b)(1)(xiii)

Annotated Code of Maryland

(2021 Replacement Volume and 2023 Supplement)”;

in line 13, after “9–120(b)(1)(iv)” insert “, (xii), and (xiii), 9–1A–28(b)”; in the same line, strike “9–1A–29(d) and (h)” and substitute “9–1A–29(d), (g), and (h)”; in line 18, after “Section” insert “9–1A–28(a),”; and in the same line, after “9-1A-29(a)” insert “, 9–1A–31(a)(1), (3), and (4),”.

On page 4, after line 3, insert:

“BY adding to

Chapter 344 of the Acts of the General Assembly of 2022

Section 1(3) Item ZA00(MO)

BY repealing and reenacting, with amendments,

Chapter 344 of the Acts of the General Assembly of 2022, as amended by

Chapter 111 of the Acts of the General Assembly of 2023

Section 1(3) Item SA25(B)”.

AMENDMENT NO. 2

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On page 4, after line 15, insert:

“11-317.

(A) Before a license or racing days may be transferred to a buyer or a lessee of a track:

(1) the Legislative Policy Committee shall have been notified at least 15 days before the transfer;

(2) the Legislative Policy Committee, if it has chosen to do so, shall have provided comment to the Commission about the transfer; and

(3) the transfer shall have been approved by the Commission.

(B) AT LEAST 30 DAYS BEFORE THE OWNER OF A TRACK ENTERS INTO A CONTRACT TO SELL THE TRACK, THE OWNER SHALL PROVIDE CONFIDENTIAL NOTICE OF THE CONTRACT TO THE GOVERNING BODY OF THE JURISDICTION WHERE THE TRACK IS LOCATED.”;

and after line 30, insert:

“(6) FOR FISCAL 2026, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL OPERATING OR CAPITAL BUDGET BILL AN APPROPRIATION OF \$6,200,000 TO THE COUNTY EXECUTIVE AND COUNTY COUNCIL OF PRINCE GEORGE’S COUNTY FOR SITE DEVELOPMENT, DEMOLITION, AND GRADING ON AND AROUND THE BOWIE RACE COURSE TRAINING CENTER PROPERTY AND ROSECROFT RACEWAY.”.

On page 16, after line 13, insert:

“(C) (1) THE AUTHORITY SHALL PREPARE ACCRUAL BASIS FINANCIAL STATEMENTS AT THE CLOSE OF EACH FISCAL YEAR.

(Over)

(2) THE ACCRUAL BASIS FINANCIAL STATEMENTS SHALL DESCRIBE THE CURRENT FINANCIAL CONDITIONS OF THE AUTHORITY FOR THE YEAR AND PROVIDE A STATEMENT OF OPERATING PROFIT OR LOSS.

(3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, BEGINNING WITH THE FIRST FULL YEAR OF THOROUGHBRED RACING OPERATIONS AT THE NEWLY CONSTRUCTED PIMLICO RACING FACILITY, 10% OF THE ANNUAL NET INCOME OF THE AUTHORITY SHALL BE DISTRIBUTED EACH YEAR IN ACCORDANCE WITH § 9-1A-31(A)(3)(II) OF THE STATE GOVERNMENT ARTICLE.

(4) PRIOR TO CALCULATING THE AMOUNT TO BE DISTRIBUTED UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE ANNUAL NET INCOME OF THE AUTHORITY SHALL BE REDUCED BY THE CUMULATIVE OPERATING LOSSES CARRIED FORWARD, IF ANY, FROM PRIOR YEARS OF OPERATION.

(D) (1) AT LEAST 45 DAYS BEFORE THE AUTHORITY ENTERS INTO A LEASE OF THE PIMLICO RACING FACILITY SITE, THE AUTHORITY SHALL SUBMIT A COPY OF THE LEASE TO THE LEGISLATIVE POLICY COMMITTEE.

(2) THE LEGISLATIVE POLICY COMMITTEE SHALL HAVE UP TO 45 DAYS AFTER THE LEASE IS SUBMITTED TO THE COMMITTEE UNDER PARAGRAPH (1) OF THIS SUBSECTION TO REVIEW AND COMMENT ON THE LEASE.

10-1004.

- (a) (1) Subject to paragraph (2) of this subsection, the Authority consists of:
- (i) the following members appointed by the Governor with the advice and consent of the Senate:
 1. one member from a list of two individuals nominated by the Maryland Thoroughbred Horsemen's Association;

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2. one member from a list of two individuals nominated by the Maryland Horse Breeders Association; [and]

3. ONE MEMBER WHO REPRESENTS PARK HEIGHTS RENAISSANCE, INC.;

4. ONE MEMBER WHO REPRESENTS THE COMMUNITY SURROUNDING THE TRAINING FACILITY SITE AS DEFINED UNDER § 10-601 OF THIS TITLE; AND

[3.] 5. three other members who possess relevant industry, business, or government experience:

A. at least one of whom shall have experience in real estate development or the financial services industries; and

B. one of whom shall serve as Chair;

(ii) the Chair or Executive Director of the Maryland Stadium Authority, or the designee of the Chair or Executive Director;

(iii) the Chair or Executive Director of the Maryland Economic Development Corporation, or the designee of the Corporation's Board of Directors;

(iv) one member who is not an elected official, appointed by the President of the Senate;

(v) one member who is not an elected official, appointed by the Speaker of the House;

(vi) the following nonvoting, ex officio members, appointed by the Governor:

1. one member of the community who resides near Laurel Park Race Course;

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2. one member of the community who resides near Pimlico Race Course; and

3. one member of the community who resides near the Bowie Race Course Training Center property; and

(vii) one nonvoting, ex officio member of the State Racing Commission, designated by a majority of the members of the State Racing Commission.

(2) A majority of the members of the Authority may not have a direct interest in thoroughbred horse racing as an owner, trainer, or licensee.”;

after line 14, insert:

“9–111.

(F) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE AGENCY OFFER THE RACETRAX LOTTERY GAME AT A FREQUENCY THAT MAXIMIZES REVENUE FROM THE GAME.”;

and after line 22, insert:

“(xii) after June 30, 2023, into the Prince George’s County Blue Line Corridor Facility Fund established under § 10–657.6 of the Economic Development Article from the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i) through (xi) of this paragraph, an amount not to exceed \$27,000,000 to be paid in two installments not later than November 1 and June 1 of each fiscal year; [and]

(XIII) AFTER JUNE 30, 2024, A SUPPLEMENTAL LOCAL IMPACT GRANT OF \$3,000,000 EACH FISCAL YEAR TO THE COUNTY EXECUTIVE AND COUNTY COUNCIL OF PRINCE GEORGE’S COUNTY FROM THE MONEY THAT REMAINS IN THE STATE LOTTERY FUND FROM THE PROCEEDS OF ALL

LOTTERIES AFTER THE DISTRIBUTIONS UNDER SUBSECTION (A) OF THIS SECTION AND ITEMS (I) THROUGH (XII) OF THIS PARAGRAPH TO BE DISTRIBUTED IN PRINCE GEORGE'S COUNTY IN ACCORDANCE WITH § 9-1A-31 OF THIS TITLE; AND

[(xiii)] (XIV) into the General Fund of the State the money that remains in the State Lottery Fund from the proceeds of all lotteries after the distributions under subsection (a) of this section and items (i) through [(xii)] (XIII) of this paragraph.

9-1A-28.

(a) There is a Purse Dedication Account under the authority of the State Racing Commission.

(b) (1) The Account shall receive money as required under § 9-1A-27 of this subtitle.

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

(3) The Comptroller shall:

(i) account for the Account;

(ii) for fiscal year 2021, transfer \$5,000,000, from the portion of the proceeds in the Account allocated to thoroughbred purses under subsection (c)(1) of this section, to the Racing and Community Development Facilities Fund established under § 10-657.3 of the Economic Development Article;

(iii) for fiscal year 2022 and each fiscal year thereafter, on a properly approved transmittal prepared by the Maryland Stadium Authority, issue a warrant to pay out \$5,000,000, from the portion of the proceeds in the Account allocated to thoroughbred purses under subsection (c)(1) of this section, to the State Lottery Fund established under § 9-120 of this title until any bonds, debt, or other financial instruments issued or made available by the Maryland Stadium Authority for a racing

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facility under Title 10, Subtitle 6 of the Economic Development Article reach final maturity; [and]

(iv) BEGINNING WITH THE FIRST FULL YEAR OF THOROUGHBRED RACING OPERATIONS AT THE NEWLY CONSTRUCTED PIMLICO RACING FACILITY, FOR ANY FISCAL YEAR THAT THE MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY REPORTS AN OPERATING LOSS UNDER § 10-1003(C) OF THE ECONOMIC DEVELOPMENT ARTICLE, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE AUTHORITY, ISSUE A WARRANT TO PAY OUT THE AMOUNT OF THE OPERATING LOSS, FROM THE PORTION OF THE PROCEEDS IN THE ACCOUNT ALLOCATED TO THOROUGHBRED PURSES UNDER SUBSECTION (C)(1) OF THIS SECTION, TO THE AUTHORITY; AND

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

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

(5) Except as provided in paragraph (3)(ii) [and (iii)] THROUGH (IV) of this subsection, expenditures from the Account shall only be made on a properly approved transmittal prepared by the State Racing Commission as provided under subsection (c) of this section.”.

On pages 16 and 17, strike in their entirety the lines beginning with line 26 on page 16 through line 16 on page 17, inclusive, and substitute:

“(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, 80% to be deposited in the Racing and Community Development Facilities Fund established under § 10-657.3 of the Economic Development Article; and

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

(ii) subject to paragraph (2) of this subsection, 20% to Rosecroft Raceway and 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 to paragraph (3) of this subsection, for fiscal year 2021 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.”.

On page 17, in line 21, strike “[~~(2)(ii)~~] **(2)**” and substitute “(2)(ii)”; after line 25, insert:

“(4) FOR FISCAL YEAR 2026, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$4,500,000 TO THE RACETRACK FACILITY RENEWAL ACCOUNT TO BE MADE AVAILABLE TO ROSECROFT RACEWAY.

(g) Any unencumbered funds remaining in the Racetrack Facility Renewal Account after [a] THE LAST video lottery facility TO OPEN has been in operation for 16 years shall be paid to the Education Trust Fund established under § 9–1A–30 of this subtitle.”;

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in line 26, after “(h)” insert “**(1)**”; in line 27, strike the opening bracket; in line 28, strike “(1)】” and substitute “**(I)**”; in line 29, strike the opening bracket; in line 30, strike “(2)” and substitute “**(II)**”; in line 31, strike the closing bracket; and after line 31, insert:

“(2) IF ROSECROFT RACEWAY IS CLOSED AND NO LONGER USED FOR LIVE RACING THE UNENCUMBERED FUND BALANCE, INCLUDING ACCRUED INTEREST, OF THE AMOUNT AVAILABLE TO ROSECROFT RACEWAY FROM THE RACETRACK FACILITY RENEWAL ACCOUNT UNDER SUBSECTION (D)(1)(II) OF THIS SECTION SHALL BE MADE AVAILABLE TO OCEAN DOWNS RACE COURSE.

9-1A-31.

(a) (1) Except as provided in paragraph (8) of this subsection, the local impact grants provided under § 9-1A-27 of this subtitle shall be distributed as provided in this subsection.

(3) The remaining funds for local impact grants shall be distributed in the following manner:

(i) 82% to the local jurisdictions with video lottery facilities, based on each jurisdiction’s percentage of overall gross revenues from video lottery terminals; and

(ii) except as provided in paragraph (4) of this subsection, for operations at a video lottery facility starting in fiscal year 2012 and ending in fiscal year 2032, 18% to Baltimore City with the Pimlico Community Development Authority acting as the local development council in accordance with subsection (d) of this section, to be distributed primarily for capital projects benefiting economic and community development in the following manner:

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1. A. for fiscal years 2012 through 2023, at least 75% in a manner that is consistent with the Park Heights Master Plan; and

B. for fiscal years 2024 through 2032, 85% in a manner that is consistent with the Park Heights Master Plan; and

2. the remainder dedicated to the needs of:

A. any census blockgroup that Baltimore City identifies as being located partly or entirely within 1 mile of Pimlico Race Course but not within the boundaries of the Park Heights Master Plan in a manner that is consistent with adopted neighborhood priorities;

B. any neighborhood included in the Northwest Community Planning Forum Strategic Neighborhood Action Plan in a manner that is consistent with the adopted Northwest Community Planning Forum Strategic Neighborhood Action Plan priorities; and

C. beginning after a video lottery operation license is issued to a video lottery facility in Baltimore City, any neighborhood within an area bounded by Liberty Heights Avenue, Northern Parkway, Druid Park Drive, and Wabash Avenue in a manner that is consistent with adopted neighborhood priorities.

(4) (i) Of the amount specified under paragraph (3)(ii) of this subsection:

1. \$1,000,000 shall be provided annually to Prince George's County to be used for public safety projects in the community within 5 miles surrounding Rosecroft Raceway;

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2. \$500,000 shall be provided annually for impact aid to be distributed as provided under § 11–404(d) of the Business Regulation Article to help pay for facilities and services in communities within 3 miles of the Laurel Race Course;

3. for fiscal years 2022 through 2032, \$3,500,000 shall be provided annually to the State Lottery Fund established under § 9–120 of this title; and

4. for fiscal years 2021 through 2032, the greater of \$2,400,000 or 24% of the total amount distributed for the fiscal year under paragraph (3)(i) of this subsection shall be provided annually to Park Heights Renaissance, Inc.

(ii) The Legislative Policy Committee shall report its findings and recommendations concerning the advisability of the continuation of the distribution of funds after fiscal year 2032 to the Comptroller and, in accordance with § 2–1257 of this article, the General Assembly, on or before November 1, 2030.”.

On page 23, after line 14, insert:

“Chapter 344 of the Acts of 2022

Section 1(3)

ZA00

MISCELLANEOUS GRANT PROGRAMS

(MO) PARK HEIGHTS WORKFORCE HOUSING. PROVIDE A GRANT TO THE BOARD OF DIRECTORS OF PARK HEIGHTS RENAISSANCE TO BE USED, IN CONSULTATION WITH THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, THE MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY, AND THE GOVERNING BODY OF THE PIMLICO REDEVELOPMENT COMMUNITY COMPACT, FOR INVESTMENTS IN WORKFORCE HOUSING THAT ARE CONSISTENT

WITH THE PARK HEIGHTS MASTER PLAN AREA
.....\$10,000,000

Chapter 344 of the Acts of 2022, as amended by Chapter 111 of the Acts of 2023

Section 1(3)

SA25

DIVISION OF DEVELOPMENT FINANCE

(Statewide)

(B) Maryland Racing Operations Fund. Provide funds for the acquisition, construction, rehabilitation, or other capital expenditures for thoroughbred racetracks [10,000,000] 0”.