

HOUSE BILL 947

C6

2lr1137
CF SB 794

By: **Delegates F. Turner, Afzali, Boteler, Branch, Glass, Howard, Ivey, Luedtke, A. Miller, Stukes, Summers, and Walker**

Introduced and read first time: February 10, 2012

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 1, 2012

Returned to second reading: April 2, 2012

House action: Adopted with floor amendments

Read second time: April 2, 2012

CHAPTER _____

1 AN ACT concerning

2 **Horse Racing – Purse Dedication Account – Use of Funds for Operating**
3 **Assistance**

4 FOR the purpose of ~~repealing a restriction that limits to a certain calendar year~~
5 authorizing for certain calendar years the use of certain Purse Dedication
6 Account funds for operating assistance by the Ocean Downs Race Course and
7 Rosecroft Raceway to support a minimum of a certain number of live racing
8 days at each of these race courses; authorizing the use of certain revenues from
9 the Purse Dedication Account for certain operating expenses at certain
10 racetracks; placing certain conditions on the receipt of certain grants from the
11 Purse Dedication Account; requiring certain racing licensees to provide certain
12 information to the Secretary of Labor, Licensing, and Regulation under certain
13 circumstances; prohibiting certain funds from being used to contribute to a
14 campaign finance entity or make an independent expenditure; providing for the
15 effective date of certain provisions of this Act; providing for the termination of
16 certain provisions of this Act; and generally relating to the use of Purse
17 Dedication Account funds by the Ocean Downs Race Course and Rosecroft
18 Raceway for operating assistance.

19 BY repealing and reenacting, without amendments,
20 Article – State Government

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 9–1A–28(e), (f), and (h)
2 Annotated Code of Maryland
3 (2009 Replacement Volume and 2011 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – State Government
6 Section 9–1A–28(g)
7 Annotated Code of Maryland
8 (2009 Replacement Volume and 2011 Supplement)

9 BY renumbering
10 Article – State Government
11 Section 9–1A–28(g) and (h), respectively
12 to be Section 9–1A–28(i) and (j), respectively
13 Annotated Code of Maryland
14 (2009 Replacement Volume and 2011 Supplement)
15 (As enacted by Chapter 412 of the Acts of the General Assembly of 2011)

16 BY adding to
17 Article – State Government
18 Section 9–1A–28(g) and (h)
19 Annotated Code of Maryland
20 (2009 Replacement Volume and 2011 Supplement)
21 (As enacted by Chapter 412 of the Acts of the General Assembly of 2011)

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

24 **Article – State Government**

25 9–1A–28.

26 (e) The amount of funds allocated to standardbred purses and the
27 Standardbred Race Fund shall be allocated as follows:

28 (1) 89% to standardbred purses at Rosecroft Raceway, Ocean Downs
29 Race Course, and the racecourse in Allegany County, allocated based on the number of
30 live racing days at each track location; and

31 (2) 11% to the Standardbred Race Fund.

32 (f) From the amount provided to thoroughbred purses, the State Racing
33 Commission shall pay an annual grant of \$100,000 to Fair Hill, as defined under §
34 11–811 of the Business Regulation Article.

35 (g) **(1)** Of the amount provided from the Purse Dedication Account under
36 subsection (e)(1) of this section:

1 ~~(1)~~ **(I)** for Ocean Downs Race Course, up to \$1,200,000 ~~ANNUALLY~~
 2 **EACH YEAR FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015** may be used to
 3 provide operating assistance to support a minimum of 40 ANNUAL live racing days
 4 **[for calendar year 2012 only] FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015**
 5 **ONLY** unless the racing licensee is prevented by weather, acts of God, or other
 6 circumstances beyond the racing licensee's control; and

7 ~~(2)~~ **(II)** for Rosecroft Raceway, up to \$1,200,000 ~~ANNUALLY~~ **EACH**
 8 **YEAR FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015** may be used to provide
 9 operating assistance to support a minimum of 40 ANNUAL live racing days **[for**
 10 **calendar year 2012 only] FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015**
 11 **ONLY** unless the racing licensee is prevented by weather, acts of God, or other
 12 circumstances beyond the racing licensee's control.

13 **(2) FUNDS RECEIVED BY OCEAN DOWNS RACE COURSE OR**
 14 **ROSECROFT RACEWAY UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT**
 15 **BE USED TO CONTRIBUTE TO A CAMPAIGN FINANCE ENTITY UNDER TITLE 13 OF**
 16 **THE ELECTION LAW ARTICLE OR MAKE AN INDEPENDENT EXPENDITURE AS**
 17 **DEFINED IN § 1-101 OF THE ELECTION LAW ARTICLE.**

18 (h) (1) To obtain operating assistance under this section:

19 (i) a holder of a racing license to race at Ocean Downs Race
 20 Course or Rosecroft Raceway may apply to the Secretary of Labor, Licensing, and
 21 Regulation for the reimbursement of expenditures made by the racing licensee to
 22 conduct the annual live racing schedule; and

23 (ii) a holder of a racing license to race at Rosecroft Raceway
 24 shall:

25 1. agree to rehire workers employed at the facility prior
 26 to the end of live racing on June 27, 2008; and

27 2. recognize collective bargaining agreements that were
 28 in place as of June 1, 2008.

29 (2) (i) On the completion of the review of the application by a
 30 certified public accountant, the Secretary may authorize the reimbursement of
 31 expenditures by the racing licensee that are necessary to conduct the annual live
 32 racing schedule.

33 (ii) Expenditures eligible for reimbursement under
 34 subparagraph (i) of this paragraph shall include the ordinary and reasonable costs of
 35 conducting the race meetings, pari-mutuel wagering, and stabling activities of the
 36 racing licensee, net of ordinary income and receipts.

1 (iii) The reimbursement calculation under subparagraph (ii) of
2 this paragraph may not include:

- 3 1. extraordinary income and expense-related items,
4 including extraordinary litigation expenses;
- 5 2. lobbying fees;
- 6 3. capital investments, including predevelopment costs;
7 or
- 8 4. prior year adjustments and claims.

9 (3) All costs associated with the racing licensee's application shall be
10 paid by the racing licensee.

11 (4) In support of the racing licensee's application and request for
12 reimbursement submitted under paragraph (1) of this subsection, the racing licensee
13 shall provide to the Secretary:

- 14 (i) monthly financial information requested by the Secretary, in
15 a form satisfactory to the Secretary; and
- 16 (ii) an annual audited financial statement.

17 (5) A racing licensee may not receive assistance under this section
18 while the racing licensee is a party to a proceeding challenging the issuance or denial
19 of a video lottery operation license.

20 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 9-1A-28(g)
21 and (h), respectively, of Article – State Government of the Annotated Code of
22 Maryland be renumbered to be Section(s) 9-1A-28(i) and (j), respectively.

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

25 **Article – State Government**

26 9-1A-28.

27 (e) The amount of funds allocated to standardbred purses and the
28 Standardbred Race Fund shall be allocated as follows:

- 29 (1) 89% to standardbred purses at Rosecroft Raceway, Ocean Downs
30 Race Course, and the racecourse in Allegany County, allocated based on the number of
31 live racing days at each track location; and

1 (2) 11% to the Standardbred Race Fund.

2 (f) From the amount provided to thoroughbred purses, the State Racing
3 Commission shall pay an annual grant of \$100,000 to Fair Hill, as defined under §
4 11-811 of the Business Regulation Article.

5 (G) (1) OF THE AMOUNT PROVIDED FROM THE PURSE DEDICATION
6 ACCOUNT UNDER SUBSECTION (E)(1) OF THIS SECTION:

7 ~~(1)~~ (I) FOR OCEAN DOWNS RACE COURSE, UP TO \$1,200,000
8 ~~ANNUALLY EACH YEAR FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015~~ MAY
9 BE USED TO PROVIDE OPERATING ASSISTANCE TO SUPPORT A MINIMUM OF 40
10 ANNUAL LIVE RACING DAYS FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015
11 UNLESS THE RACING LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR
12 OTHER CIRCUMSTANCES BEYOND THE RACING LICENSEE'S CONTROL; AND

13 ~~(2)~~ (II) FOR ROSECROFT RACEWAY, UP TO \$1,200,000
14 ~~ANNUALLY EACH YEAR FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015~~ MAY
15 BE USED TO PROVIDE OPERATING ASSISTANCE TO SUPPORT A MINIMUM OF 40
16 ANNUAL LIVE RACING DAYS FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015
17 UNLESS THE RACING LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR
18 OTHER CIRCUMSTANCES BEYOND THE RACING LICENSEE'S CONTROL.

19 (2) FUNDS RECEIVED BY OCEAN DOWNS RACE COURSE OR
20 ROSECROFT RACEWAY UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT
21 BE USED TO CONTRIBUTE TO A CAMPAIGN FINANCE ENTITY UNDER TITLE 13 OF
22 THE ELECTION LAW ARTICLE OR MAKE AN INDEPENDENT EXPENDITURE AS
23 DEFINED IN § 1-101 OF THE ELECTION LAW ARTICLE.

24 (H) (1) TO OBTAIN OPERATING ASSISTANCE UNDER THIS SECTION:

25 (I) A HOLDER OF A RACING LICENSE TO RACE AT OCEAN
26 DOWNS RACE COURSE OR ROSECROFT RACEWAY MAY APPLY TO THE
27 SECRETARY OF LABOR, LICENSING, AND REGULATION FOR THE
28 REIMBURSEMENT OF EXPENDITURES MADE BY THE RACING LICENSEE TO
29 CONDUCT THE ANNUAL LIVE RACING SCHEDULE; AND

30 (II) A HOLDER OF A RACING LICENSE TO RACE AT
31 ROSECROFT RACEWAY SHALL:

32 1. AGREE TO REHIRE WORKERS EMPLOYED AT THE
33 FACILITY PRIOR TO THE END OF LIVE RACING ON JUNE 27, 2008; AND

1 **2. RECOGNIZE COLLECTIVE BARGAINING**
2 **AGREEMENTS THAT WERE IN PLACE AS OF JUNE 1, 2008.**

3 **(2) (I) ON THE COMPLETION OF THE REVIEW OF THE**
4 **APPLICATION BY A CERTIFIED PUBLIC ACCOUNTANT, THE SECRETARY MAY**
5 **AUTHORIZE THE REIMBURSEMENT OF EXPENDITURES BY THE RACING**
6 **LICENSEE THAT ARE NECESSARY TO CONDUCT THE ANNUAL LIVE RACING**
7 **SCHEDULE.**

8 **(II) EXPENDITURES ELIGIBLE FOR REIMBURSEMENT**
9 **UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE THE**
10 **ORDINARY AND REASONABLE COSTS OF CONDUCTING THE RACE MEETINGS,**
11 **PARI-MUTUEL WAGERING, AND STABLING ACTIVITIES OF THE RACING**
12 **LICENSEE, NET OF ORDINARY INCOME AND RECEIPTS.**

13 **(III) THE REIMBURSEMENT CALCULATION UNDER**
14 **SUBPARAGRAPH (II) OF THIS PARAGRAPH MAY NOT INCLUDE:**

15 **1. EXTRAORDINARY INCOME AND**
16 **EXPENSE-RELATED ITEMS, INCLUDING EXTRAORDINARY LITIGATION**
17 **EXPENSES;**

18 **2. LOBBYING FEES;**

19 **3. CAPITAL INVESTMENTS, INCLUDING**
20 **PREDEVELOPMENT COSTS; OR**

21 **4. PRIOR YEAR ADJUSTMENTS AND CLAIMS.**

22 **(3) ALL COSTS ASSOCIATED WITH THE RACING LICENSEE'S**
23 **APPLICATION SHALL BE PAID BY THE RACING LICENSEE.**

24 **(4) IN SUPPORT OF THE RACING LICENSEE'S APPLICATION AND**
25 **REQUEST FOR REIMBURSEMENT SUBMITTED UNDER PARAGRAPH (1) OF THIS**
26 **SUBSECTION, THE RACING LICENSEE SHALL PROVIDE TO THE SECRETARY:**

27 **(I) MONTHLY FINANCIAL INFORMATION REQUESTED BY**
28 **THE SECRETARY, IN A FORM SATISFACTORY TO THE SECRETARY; AND**

29 **(II) AN ANNUAL AUDITED FINANCIAL STATEMENT.**

30 **(5) A RACING LICENSEE MAY NOT RECEIVE ASSISTANCE UNDER**
31 **THIS SECTION WHILE THE RACING LICENSEE IS A PARTY TO A PROCEEDING**

1 CHALLENGING THE ISSUANCE OR DENIAL OF A VIDEO LOTTERY OPERATION
2 LICENSE.

3 SECTION 4. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this
4 Act shall take effect on the taking effect of the termination provision specified in
5 Section 5 of Chapter 412 of the Acts of the General Assembly of 2011. If that
6 termination provision takes effect, Section 1 of this Act shall be abrogated and of no
7 further force and effect. This Act may not be interpreted to have any effect on that
8 termination provision.

9 SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions
10 of Section 4 of this Act, this Act shall take effect October 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.