

SENATE BILL 523

C6, C7

11r1335
CF 11r1684

By: **Senators Astle, Glassman, and Klausmeier**

Introduced and read first time: February 4, 2011

Assigned to: Budget and Taxation and Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Video Lottery Terminals – Distribution of Proceeds – Purses and Bred Funds**

3 FOR the purpose of altering the percentage of certain video lottery terminal proceeds
4 distributed to the Purse Dedication Account; distributing certain video lottery
5 terminal proceeds directly to the Maryland–bred Race Fund and the
6 Standardbred Race Fund; altering the allocation of funds in the Purse
7 Dedication Account by the State Racing Commission; and generally relating to
8 video lottery terminal proceeds for horse racing purses and bred funds.

9 BY repealing and reenacting, with amendments,
10 Article – State Government
11 Section 9–1A–27(a)(4) and 9–1A–28
12 Annotated Code of Maryland
13 (2009 Replacement Volume and 2010 Supplement)

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

16 **Article – State Government**

17 9–1A–27.

18 (a) On a properly approved transmittal prepared by the Commission, the
19 Comptroller shall pay the following amounts from the proceeds of video lottery
20 terminals at each video lottery facility:

21 (4) **(I)** **[7%] 6.23%** to the Purse Dedication Account established
22 under § 9–1A–28 of this subtitle, not to exceed a total of **[\$100,000,000] \$89,000,000**
23 to the Account annually;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(II) 0.62% TO THE MARYLAND-BRED RACE FUND, NOT TO**
2 **EXCEED \$8,800,000 ANNUALLY; AND**

3 **(III) 0.15% TO THE STANDARD BRED RACE FUND, NOT TO**
4 **EXCEED \$2,200,000 ANNUALLY.**

5 9-1A-28.

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

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

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

12 (3) The Comptroller shall:

13 (i) account for the Account; and

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

17 (4) The Account is a special, nonlapsing fund that is not subject to §
18 7-302 of the State Finance and Procurement Article.

19 (5) Expenditures from the Account shall only be made on a properly
20 approved transmittal prepared by the State Racing Commission as provided under
21 subsection (c) of this section.

22 (c) [Subject to subsections (d) and (e) of this section,] **THE** State Racing
23 Commission shall allocate funds in the Account as follows:

24 (1) 80% to [the] thoroughbred [industry] **PURSES AT THE PIMLICO**
25 **RACE COURSE, LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND**
26 **THE RACECOURSE AT TIMONIUM; and**

27 (2) 20% to [the] standardbred [industry] **PURSES AT ROSECROFT**
28 **RACEWAY, OCEAN DOWNS RACE COURSE, AND THE RACECOURSE IN ALLEGANY**
29 **COUNTY, ALLOCATED BASED ON THE NUMBER OF LIVE RACING DAYS AT EACH**
30 **TRACK LOCATION.**

31 [(d) The amount of funds allocated to thoroughbred purses and the
32 Maryland-bred Race Fund shall be allocated as follows:

1 (1) 89% to thoroughbred purses at the Pimlico Race Course, Laurel
2 Park, the racecourse in Allegany County, and the racecourse at Timonium; and

3 (2) 11% to the Maryland–bred Race Fund.

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

6 (1) 89% to standardbred purses at Rosecroft Raceway, Ocean Downs
7 Race Course, and the racecourse in Allegany County, allocated based on the number of
8 live racing days at each track location; and

9 (2) 11% to the Standardbred Race Fund.]

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

13 [(g)] (E) The provisions of this section may not be construed to apply to the
14 racecourse in Allegany County until horse racing begins at that racecourse.

15 [(h)] (F) On or before December 1, 2014, the State Racing Commission
16 shall:

17 (1) conduct a study to determine the impact of the Purse Dedication
18 Account on the racing industry in the State; and

19 (2) make recommendations to the General Assembly regarding the
20 continuation of the Purse Dedication Account and the amount of money distributed to
21 the Purse Dedication Account.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2011.