

Chapter 410

(House Bill 1524)

AN ACT concerning

Horse Racing – Racing Facility Ownership and Construction – Racing Operations

FOR the purpose of altering the location, type, and ownership of horse racing facilities that the Maryland Stadium Authority is authorized to finance; authorizing the Maryland Stadium Authority, subject to certain requirements, to finance the planning, design, and construction of certain racing facilities on behalf of the Maryland Thoroughbred Racetrack Operating Authority; requiring the owner of a horse racing track to provide certain notice to certain local governments; authorizing the State Racing Commission to issue a license to hold a race meeting and award racing days to a certain nonprofit organization; altering the date by which the owner of the Bowie Race Course Training Center must convey the Center to the City of Bowie; authorizing the Preakness Stakes to be transferred to another track in the State during the reconstruction of Pimlico Race Course; increasing the amount of debt that the Maryland Stadium Authority may issue for certain purposes in connection with certain racing facilities; altering the requirements of certain agreements required before the issuance of certain bonds; 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; altering the amount of money from the State Lottery Fund that the Comptroller is required to deposit into the Racing and Community Development Financing Fund; 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; altering certain requirements that must be satisfied before the Maryland Thoroughbred Racetrack Operating Authority is authorized to manage and oversee certain racing activities; ~~altering the distribution and authorized uses of the Racetrack Facility Renewal Account~~; 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; exempting a certain horse racing licensee from the requirement to pay an application fee for a certain sports wagering facility license; requiring the Comptroller to distribute the sales and use tax revenue attributable to the purchase of certain racehorses to a certain fund; altering certain income tax subtraction

modifications, sales and use tax exemptions, property tax exemptions, transfer tax exemptions, and recordation tax exemptions related to horse racing; 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; extending the termination date of certain provisions of law related to the Maryland Thoroughbred Racetrack Operating Authority; and generally relating to horse racing in the State.

BY repealing

Article – Economic Development
Section 10–601(cc) and (dd)
Annotated Code of Maryland
(2018 Replacement Volume and 2023 Supplement)

BY renumbering

Article – Economic Development
Section 10–601(ee) through (iii)
to be Section 10–601(cc) through (ggg), respectively
Annotated Code of Maryland
(2018 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Article – Business Regulation
Section 11–317, 11–510(b), 11–519(d)(1)(i), and 11–520(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2023 Supplement)

BY adding to

Article – Business Regulation
Section 11–519(d)(6)
Annotated Code of Maryland
(2015 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, without amendments,

Article – Economic Development
Section 10–601(a), (b), and (d)
Annotated Code of Maryland
(2018 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development
Section 10–601(s), 10–628(c)(1)(vii), 10–646.1, ~~and 10–1003~~ 10–1003, and
10–1004(a)
Annotated Code of Maryland
(2018 Replacement Volume and 2023 Supplement)

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

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

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

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)

BY repealing and reenacting, with amendments,
 Article – State Government
 Section 9–120(b)(1)(iv), ~~(xii), and (xiii), 9–1A–28(b), 9–1A–29(d) and (h), 9–1A–29(d),~~
~~(g), and (h), 9–1E–01(d), and 9–1E–06(b) and (d)~~
 Annotated Code of Maryland
 (2021 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, without amendments,
 Article – State Government
 Section 9–1A–28(a), 9–1A–29(a), 9–1A–31(a)(1), (3), and (4), and 9–1E–01(a)
 Annotated Code of Maryland
 (2021 Replacement Volume and 2023 Supplement)

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

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 2–1303, 10–207(ii), 10–307(g), and 11–236

Annotated Code of Maryland

(2022 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, without amendments,

Article – Tax – General

Section 10–207(a) and 10–307(a)

Annotated Code of Maryland

(2022 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 7–246, 12–108(hh), 13–207(a)(26), and 13–410

Annotated Code of Maryland

(2019 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Chapter 590 of the Acts of the General Assembly of 2020

Section 9

BY adding toChapter 344 of the Acts of the General Assembly of 2022Section 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 2023Section 1(3) Item SA25(B)

BY repealing and reenacting, with amendments,

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

11-317.

(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.

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 OR SUBLEASES A RACING FACILITY OWNED BY FROM 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.

(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.**

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 successor, or a transferee of an MJC Entity.

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

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

(i) the clubhouse and events center;

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

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

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

(v) the trackside aprons; and

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

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

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

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

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

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

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

(uu) “Racing and Community Development Financing Fund” means the Fund 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 SITE FOR TRAINING FACILITY FOR THOROUGHBRED RACEHORSES SELECTED OR ACQUIRED 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 debt service for all prior outstanding bond issues for racing facilities; [and]

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

(6) **A JOINT PLAN BETWEEN THE MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY AND THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT THAT INCLUDES THE FOLLOWING INVESTMENTS ~~INVESTMENT IN WORKFORCE HOUSING~~ IN AND AROUND THE PIMLICO RACING FACILITY SITE:**

(I) RACETRACK WORKFORCE HOUSING;

(II) COMMUNITY COMMERCIAL REVITALIZATION;

(III) COMMUNITY SAFETY;

(IV) COMMUNITY WORKFORCE DEVELOPMENT AND JOB TRAINING;

(V) AFFORDABLE HOUSING;

(VI) HOMEOWNERSHIP AND HOME PRESERVATION;

(VII) REDEVELOPMENT OF VACANT AND BLIGHTED HOUSING;
AND

(VIII) COMMUNITY BEAUTIFICATION.

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

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

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

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

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

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

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

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

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

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

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

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

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

1. ensure the continuity of the Preakness Stakes at the Pimlico racing facility site;
2. [ensure the MJC Entities' sole, exclusive, and unconditional rights to:
 - A. manage and operate the Pimlico racing facility site subject to the exclusions and conditions in the long-term agreement;
 - B. conduct at the Pimlico racing facility site thoroughbred training and racing, satellite simulcast wagering, advanced deposit wagering, and any other lawful activities;
 - C. designate annually exclusive use periods for the conduct of live thoroughbred training and racing;
 - D. maintain the track surfaces;
 - E. operate satellite simulcast wagering, advanced deposit wagering, and any other lawful activities; and
 - F. an option to reacquire the Pimlico racing facility site at the termination or expiration of the long-term agreement on mutually agreeable terms and conditions, subject to the approval of the Board of Public Works;
- 3.] ~~require~~ **BE CONTINGENT ON** the conveyance or conveyances in fee simple of the Pimlico site, in whole or in part, to **THE MARYLAND THOROUGHBRED RACETRACK OPERATING AUTHORITY**, Baltimore City, the Baltimore Development Corporation or its successor or assigns, or any designated project entity, ~~at the time and on the conditions established in the long-term agreement and subject to the Authority securing all the necessary development approvals and funding for the racing and community development project costs; AND~~
- [4. establish the MJC Entities' rights to:
 - A. designate annually exclusive use periods for the conduct of live thoroughbred training and racing;
 - B. maintain the track surfaces; and
 - C. operate satellite simulcast wagering, advanced deposit wagering, and any other lawful activities;
5. preserve the MJC Entities' tangible, intangible, management, performance, distribution, intellectual property, advertising, concession,

merchandising, sponsorship, media, streaming, naming, licensing, and commercial development rights, and any other rights identified by the MJC Entities;

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

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

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

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

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

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

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

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

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

[(iii) The MJC Entities shall have:

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

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

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

~~1. ensure that the Maryland Million is run annually at Laurel Park except:~~

~~A. during periods of construction;~~

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

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

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

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

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

~~3. provide for the MJC Entities:~~

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

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

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

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

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

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

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

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

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

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

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

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

(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;

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;

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.

Article – State Government

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.

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;

(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 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.

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 RACING AND COMMUNITY DEVELOPMENT FACILITIES FUND IN ACCORDANCE WITH PARAGRAPH (1)(II) (1)(I) 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.~~

(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

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.

(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)~~ (2)(ii) 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.

(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.

(h) **(1)** The State Racing Commission shall adopt regulations to implement the provisions of this section, including regulations to~~§~~:

~~(1)~~ **(I)** address minimum criteria for the types of improvements to be made by the holder of a license~~§~~; and

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

(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:

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;

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)(ii) 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.

9-1E-01.

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

(d) “Horse racing licensee” means the holder of a license issued by the State Racing Commission under [Title 11, Subtitle 5] § 11-510 of the Business Regulation Article [to hold racing in Anne Arundel County].

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~~ any property located, or used, at or within the [Laurel Park site or] Pimlico site; and

~~¶~~2. any portion of the Bowie Race Course Training Center property; and~~¶~~

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

10–307.

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

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

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

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

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

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

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

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

11–236.

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

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

(ii) “Construction material” includes building materials, building 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]~~, **OR 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]~~, **OR 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 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 AREA10,000,000

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

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 or an affiliate 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 or an affiliate 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 facility site and Laurel Park in 2026;

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

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

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

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

- (i) all personal property and equipment at the Pimlico racing facility site necessary to operate year-round racing and to use the personal property and equipment at Laurel Park during the period that the Pimlico racing facility site is under construction;
- (ii) the Maryland Thoroughbred Purse Account; and
- (iii) on the agreement of the parties, material contracts, permits, and licenses applicable to the Pimlico Racetrack.

SECTION 5. AND BE IT FURTHER ENACTED, That:

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

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

SECTION 6. AND BE IT FURTHER ENACTED, That the Governor may transfer by budget amendment for fiscal year 2025 an amount not exceeding \$10,000,000 from the Racing and Community Development Financing Fund to the Maryland Racing Operations Fund established under § 10–1008 of the Economic Development Article to be used by the Maryland Thoroughbred Racetrack Operating Authority, or a nonprofit organization designated by the Authority, as working capital.

SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that this Act is consistent with the terms set forth in the executed Pimlico Redevelopment Community Compact.

SECTION 8. AND BE IT FURTHER ENACTED, That, prior to the expiration of the sunset provision under Chapter 111 of the Acts of 2023, as amended by Section 3 of this Act, the Maryland Thoroughbred Racetrack Operating Authority shall transfer or assign all obligations in accordance with the transaction agreements described under Section 4 of this Act.

SECTION ~~7~~ 9. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2024.

Approved by the Governor, May 9, 2024.