

HB1581/833521/1

BY: Budget and Taxation Committee

AMENDMENTS TO HOUSE BILL 1581
(Third Reading File Bill)

AMENDMENT NO. 1

On page 2, in line 2, after “County” insert “and Howard County”; in line 3, strike “grantee” and substitute “grantees”; in line 6, strike “horse racing” and substitute “economic development and transportation projects”; and in line 20, after “(xx)” insert “10-611(a)”.

On page 3, in line 6, strike “9-120(b)(1)(iv)” and substitute “9-120(a) and (b)(1)(iv)”; and after line 26, insert:

“BY repealing

Article - Economic Development
Section 10-611(e) and 10-612
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)

BY renumbering

Article - Economic Development
Section 10-612.1 and 10-612.2
to be Section 10-612 and 10-612.1, respectively
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)”;

AMENDMENT NO. 2

On page 5, in line 28, strike “\$450,000,000” and substitute “\$425,000,000”.

On page 8, in line 30, strike “\$31,000,000” and substitute “\$29,000,000”.

On page 9, after line 23, insert:

HB1581/833521/01 Budget and Taxation Committee
Amendments to HB 1581
Page 2 of 8

“(a) The Comptroller shall:

(1) distribute, or cause to be distributed, the State Lottery Fund to pay:

[(1)] (I) on a pro rata basis for the daily and nondaily State lottery games, the expenses of administering and operating the State lottery, as authorized under this subtitle and the State budget; and

[(2)] (II) then, except as provided in § 10–113.1 of the Family Law Article, § 11–618 of the Criminal Procedure Article, and § 3–307 of the State Finance and Procurement Article, the holder of each winning ticket or share; AND

(2) CAUSE TO BE DISTRIBUTED TO THE STATE LOTTERY FUND:

(I) BEGINNING IN FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, \$5,000,000 FROM THE PURSE DEDICATION ACCOUNT, IN ACCORDANCE WITH § 9–1A–28(B)(3)(II) OF THIS TITLE;

(II) BEGINNING IN FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, \$3,500,000 FROM THE FUNDS FOR LOCAL IMPACT GRANTS, IN ACCORDANCE WITH § 9–1A–31(A)(4)(I)3 AND (B)(3)(I)2 OF THIS TITLE; AND

(III) BEGINNING IN FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, 80% OF THE AMOUNT OF FUNDS FROM THE RACETRACK FACILITY RENEWAL ACCOUNT ALLOCATED TO THOROUGHBRED TRACK LICENSEES, IN ACCORDANCE WITH § 9–1A–29(D)(1)(I)2 OF THIS TITLE.”;

and in line 29, strike “\$27,000,000” and substitute “\$29,000,000”.

**HB1581/833521/01 Budget and Taxation Committee
Amendments to HB 1581
Page 3 of 8**

On page 10, in line 9, strike “**\$31,000,000**” and substitute “**\$29,000,000**”; and after line 32, insert:

“(III) FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR THEREAFTER, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION, ISSUE A WARRANT TO PAY OUT \$2,000,000, FROM THE PORTION OF THE PROCEEDS IN THE ACCOUNT ALLOCATED TO THOROUGHBRED PURSES UNDER SUBSECTION (C)(1) OF THIS SECTION, TO THE CORPORATION ESTABLISHED UNDER TITLE 10, SUBTITLE 1 OF THE ECONOMIC DEVELOPMENT ARTICLE UNTIL ANY BONDS, DEBT, OR OTHER FINANCIAL INSTRUMENTS ISSUED OR MADE AVAILABLE BY THE CORPORATION FOR A TRAINING FACILITY SITE AND OTHER IMPROVEMENTS UNDER TITLE 10, SUBTITLE 6 OF THE ECONOMIC DEVELOPMENT ARTICLE REACH FINAL MATURITY;”.

On page 11, in line 1, strike the brackets; in the same line, strike “**(III)**”; in line 12, strike the brackets; in the same line, strike “**(IV)**”; in line 17, strike the brackets; and in the same line, strike “**AND (III)**”.

On pages 11 and 12, strike beginning with the opening bracket in line 32 on page 11 down through the first closing bracket in line 1 on page 12 and substitute “**BEGINNING IN FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER,**”.

On page 12, in line 1, after “to” insert “:

(I)”;

in line 2, after “to” insert “**\$27,000,000; AND**”; strike beginning with the opening bracket in line 2 down through “**ARTICLE**” in line 6 and substitute:

(Over)

“(II) HOWARD COUNTY EQUAL TO \$2,000,000”;

and in line 25, after **“COUNTY”** insert **“AND HOWARD COUNTY”**.

On page 13, in lines 3, 5, 19, 21, and 23, in each instance, after **“COUNTY”** insert **“OR HOWARD COUNTY”**; and in line 29, after **“COUNTY”** insert **“OR HOWARD COUNTY”**.

On page 14, after line 20, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Economic Development

10–611.

(a) There is an office known as Maryland Sports in the Authority.

[(e) Maryland Sports is encouraged to promote private fund–raising by maintaining relationships with each affiliated foundation established under § 10–612 of this subtitle.]

[10–612.

(a) The Authority may establish one or more affiliated foundations to work with Maryland Sports, established under § 10–611 of this subtitle.

(b) The purposes of an affiliated foundation are to:

(1) support the State in:

HB1581/833521/01 Budget and Taxation Committee
Amendments to HB 1581
Page 5 of 8

- (i) sports bid development;
 - (ii) sporting event recruitment and retention;
 - (iii) economic analysis and research relating to sporting events;
 - (iv) sponsorship of sporting events; and
 - (v) development of partnerships with public and private entities designed to sponsor sporting events;
- (2) promote regional, national, and international sporting events to be held, in whole or in part, in the State; and
- (3) recruit, market, promote, work to retain, and manage sporting events that have a positive economic or cultural impact, or otherwise enhance the quality of life of the State's citizens.
- (c) (1) The Authority shall develop policies for the operation of each affiliated foundation the Authority establishes.
 - (2) The Attorney General shall review the policies the Authority develops under paragraph (1) of this subsection for form and legal sufficiency and, if appropriate, approve them to govern the affiliated foundation.
 - (3) The State Ethics Commission shall review the policies the Authority develops under paragraph (1) of this subsection that pertain to conflicts of interest and, if appropriate, approve them to govern an official or employee of the Authority also serving as a director or official of an affiliated foundation.

(Over)

HB1581/833521/01 Budget and Taxation Committee
Amendments to HB 1581
Page 6 of 8

(d) An affiliated foundation may solicit and receive contributions from businesses, governmental entities, nonprofit organizations, and individuals interested in the promotion of sports in the State.

(e) (1) An affiliated foundation established under this section may not be considered an agency or instrumentality of the State or a unit of the Executive Branch for any purpose.

(2) A financial obligation or liability of an affiliated foundation established and operated under this section may not be considered a debt or an obligation of the State, the Authority, or Maryland Sports.

(f) (1) Sections 5–501 through 5–504 of the General Provisions Article do not prohibit an official or employee of the Authority from also becoming a director or an official of an affiliated foundation organized under this section.

(2) An official or employee of the Authority who serves as a director or official of an affiliated foundation organized under this section:

(i) may not be compensated, directly or indirectly, by the affiliated foundation; and

(ii) may be reimbursed for bona fide expenses incurred in the performance of activities undertaken on behalf of the affiliated foundation as authorized by the board of directors of that affiliated foundation and by the Authority.

(3) (i) The Authority shall notify the State Ethics Commission in writing whenever the Authority permits an official or employee of the Authority to serve as a director or official of an affiliated foundation.

HB1581/833521/01 Budget and Taxation Committee
Amendments to HB 1581
Page 7 of 8

(ii) Within 30 days after receipt of the notice under subparagraph (i) of this paragraph, the State Ethics Commission shall notify the Authority of any objections or concerns pertaining to the joint service identified in the notice.

(iii) On receipt of a notice from the State Ethics Commission under subparagraph (ii) of this paragraph, the Authority shall reexamine the matter.

(4) The Authority shall report annually to the Governor, the Legislative Policy Committee of the General Assembly, in accordance with § 2–1257 of the State Government Article, and the State Ethics Commission:

(i) the names of the officials and employees serving as a director or official of an affiliated foundation; and

(ii) how the policies and procedures adopted under subsection (c) of this section have been implemented in the preceding year.

(g) An independent certified public accountant hired and paid by the Authority shall audit an affiliated foundation established under this section each year.

(h) In any fiscal year, after providing the budget committees of the General Assembly an opportunity for review and comment, the Authority may grant up to \$500,000 of the Authority’s available nonbudgeted money to affiliated foundations established under this section.]

SECTION 3. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 10–612.1 and 10–612.2 of Article – Economic Development of the Annotated Code of Maryland be renumbered to be Section(s) 10–612 and 10–612.1, respectively.”;

in line 21, strike “2.” and substitute “4.”; after line 28, insert:

(Over)

HB1581/833521/01 Budget and Taxation Committee
Amendments to HB 1581
Page 8 of 8

“SECTION 5. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this Act shall take effect July 1, 2027.”;

in line 29, strike “3.” and substitute “6.”; and in the same line, after “That” insert “, except as provided in Section 5 of this Act.”.