

# HOUSE BILL 1581

C6, C7, C8

(6lr0348)

## ENROLLED BILL

— Appropriations/Budget and Taxation —

Introduced by **Chair, Appropriations Committee (By Request – Departmental – Stadium Authority) and Delegates Beauchamp, Harrison, Ivey, D. Jones, Ruff, Shetty, and Toles**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Horse Racing – Facility Ownership, Development, Licensing, and Operations –~~  
3 **Economic Development – Horse Racing Facilities, Prince George’s County Blue**  
4 **Line Corridor Facilities, and Bus Rapid Transit – Alterations**

5 FOR the purpose of altering the entities to which the State Racing Commission may issue  
6 a license and award racing days for racing at mile tracks; altering the circumstances  
7 under which the Preakness Stakes may be transferred to another track in the State;  
8 altering the definitions of “Prince George’s County Blue Line Corridor” and “Prince  
9 George’s County Blue Line Corridor facility” for the purposes of expanding the  
10 location of the corridor and types of facilities that may be located in the corridor;  
11 altering certain requirements for the thoroughbred racetrack operator of and certain  
12 long-term agreements related to the Pimlico racing facility site; providing that the  
13 Maryland Stadium Authority is the successor of the Maryland Thoroughbred

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#### 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.

*Italics indicate opposite chamber/conference committee amendments.*



1 Racetrack Operating Authority for the operation of a certain racing and community  
 2 development project; requiring the thoroughbred racetrack operator to prepare  
 3 certain financial statements and provide those statements to the Maryland Stadium  
 4 Authority in a certain manner; requiring certain income of the thoroughbred  
 5 racetrack operator to be distributed in a certain manner; increasing the amount of  
 6 bonds that the Maryland Stadium Authority may issue for the Prince George's  
 7 County Blue Line Corridor; increasing the amount that the Comptroller is required  
 8 to distribute from the State Lottery Fund to certain funds; requiring the Governor  
 9 to include in the annual budget bill an appropriation to a certain fund for backstretch  
 10 housing facilities at Laurel Park; altering certain distributions from the Purse  
 11 Dedication Account; altering a grant program for certain bus rapid transit systems  
 12 to require that Montgomery County and Howard County, instead of other counties  
 13 or municipal corporations, be the ~~grantee~~ grantees under the program; providing for  
 14 the duration of a grant agreement under a certain bus rapid transit grant program;  
 15 increasing the amount of an appropriation that the Governor is required to include  
 16 in the annual budget bill each year for the Bus Rapid Transit Fund; and generally  
 17 relating to ~~horse racing~~ economic development and transportation projects in the  
 18 State.

19 BY repealing and reenacting, without amendments,  
 20 Article – Business Regulation  
 21 Section 11–510(a) and 11–520(a)  
 22 Annotated Code of Maryland  
 23 (2024 Replacement Volume and 2025 Supplement)

24 BY repealing and reenacting, with amendments,  
 25 Article – Business Regulation  
 26 Section 11–510(b) and 11–520(b)  
 27 Annotated Code of Maryland  
 28 (2024 Replacement Volume and 2025 Supplement)

29 BY repealing and reenacting, without amendments,  
 30 Article – Economic Development  
 31 Section ~~10–601(b)~~ 10–601(a) and (b), (vv)(1), and (xx), 10–611(a), and 10–657.3(a)  
 32 Annotated Code of Maryland  
 33 (2024 Replacement Volume and 2025 Supplement)

34 ~~BY adding to~~  
 35 ~~Article – Economic Development~~  
 36 ~~Section 10–601(hhh) and 10–646.1(j)~~  
 37 ~~Annotated Code of Maryland~~  
 38 ~~(2024 Replacement Volume and 2025 Supplement)~~

39 BY repealing and reenacting, with amendments,  
 40 Article – Economic Development  
 41 Section ~~10–601(hhh) and 10–646.1(d) and (i)~~ 10–601(mm), (nn), and (hhh),  
 42 10–628(c)(1)(xi), 10–646.1(d) and (i), 10–646.4(f), and 10–657.3(c)

1 Annotated Code of Maryland  
2 (2024 Replacement Volume and 2025 Supplement)

3 ~~BY repealing and reenacting, without amendments,~~  
4 ~~Article – State Government~~  
5 ~~Section 9–1A–28(a)~~  
6 ~~Annotated Code of Maryland~~  
7 ~~(2021 Replacement Volume and 2025 Supplement)~~

8 BY adding to  
9 Article – Economic Development  
10 Section 10–601(hhh), 10–646.1(j), and 10–657.3(g)  
11 Annotated Code of Maryland  
12 (2024 Replacement Volume and 2025 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – State Government  
15 Section ~~9–120(b)(1)(iv)~~ 9–120(a) and (b)(1)(iv) and (xii) and 9–1A–28(b)  
16 Annotated Code of Maryland  
17 (2021 Replacement Volume and 2025 Supplement)

18 BY repealing and reenacting, without amendments,  
19 Article – State Government  
20 Section 9–120(b)(1)(xi) and (xv) and 9–1A–28(a)  
21 Annotated Code of Maryland  
22 (2021 Replacement Volume and 2025 Supplement)

23 BY repealing and reenacting, with amendments,  
24 Article – Transportation  
25 Section 2–802, 2–802.1(c), and 7–205.1  
26 Annotated Code of Maryland  
27 (2020 Replacement Volume and 2025 Supplement)

28 BY repealing and reenacting, without amendments,  
29 Article – Transportation  
30 Section 2–802.1(a) and (b)  
31 Annotated Code of Maryland  
32 (2020 Replacement Volume and 2025 Supplement)

33 BY repealing and reenacting, with amendments,  
34 Chapter 604 of the Acts of the General Assembly of 2025  
35 Section 25

36 BY repealing  
37 Article – Economic Development  
38 Section 10–611(e) and 10–612  
39 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)*

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

### Article – Business Regulation

11–510.

(a) Except as provided in subsection (b) of this section, the Commission may not issue a license, or award racing days, for racing at a mile track.

(b) The Commission may issue a license and award racing days only to[:

(1) the Maryland Jockey Club [of Baltimore City], Inc.]; and

(2) the Laurel Racing Assoc., Inc.], **OR A SUCCESSOR THOROUGHBRED RACETRACK OPERATOR DESIGNATED BY THE MARYLAND STADIUM AUTHORITY UNDER § 10–646.1 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

11–520.

(a) The requirements of this section are established in recognition of the significance of the Preakness Stakes to the State.

(b) The Preakness Stakes may be **TEMPORARILY** 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] **MARYLAND STADIUM AUTHORITY.**

### Article – Economic Development

10–601.

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

1 (b) “Authority” means the Maryland Stadium Authority.

2 (mm) “Prince George’s County Blue Line Corridor” means an area[,]:

3 (1) the specific boundaries of which are designated by public local law, in  
 4 central Prince George’s County in the intersections of Maryland Route 704, Maryland  
 5 Route 214, and Maryland Route 202; OR

6 (2) THAT IS DESIGNATED AS AN ENTERPRISE ZONE IN PRINCE  
 7 GEORGE’S COUNTY UNDER § 5–704 OF THIS ARTICLE.

8 (nn) [(1)] “Prince George’s County Blue Line Corridor facility” means a facility  
 9 located within the Prince George’s County Blue Line Corridor that is:

10 [(i)] (1) a convention center;

11 [(ii)] (2) an arts and entertainment amphitheater; [and]

12 (3) A MARKET HALL;

13 (4) A SPORTS-RELATED FACILITY, INCLUDING A SPORTS  
 14 STADIUM, PRACTICE FIELD, OR TEAM HEADQUARTERS;

15 (5) A MIXED-USE DEVELOPMENT;

16 (6) A TECHNOLOGY INNOVATION CENTER;

17 (7) RELATED TO COMMERCIAL DEVELOPMENT AND  
 18 REVITALIZATION; AND

19 [(iii)] (8) any other functionally related structures,  
 20 improvements, infrastructure, furnishings, or equipment of the facility, including parking  
 21 garages.

22 [(2)] “Prince George’s County Blue Line Corridor facility” does not include a  
 23 sports facility.]

24 (vv) (1) “Racing and community development projects” means improvements to  
 25 the Pimlico racing facility site, Pimlico site, and training facility site.

26 (xx) “Racing facility” means the Pimlico site and the training facility site and any  
 27 facilities or other improvements on the Pimlico site or the training facility site.

1 (HHH) "THOROUGHBRED RACETRACK OPERATOR" MEANS THE  
 2 MARYLAND JOCKEY CLUB, INC., OR A SUCCESSOR BUSINESS ENTITY DESIGNATED  
 3 BY THE AUTHORITY IN ACCORDANCE WITH § 10-646.1 OF THIS SUBTITLE.

4 [(hhh)] (III) "Training facility site" means a site for training thoroughbred  
 5 racehorses selected or acquired by the [Maryland Thoroughbred Racetrack Operating]  
 6 Authority.

7 10-628.

8 (c) (1) Unless authorized by the General Assembly, the Board of Public Works  
 9 may not approve an issuance by the Authority of bonds, whether taxable or tax exempt,  
 10 that constitute tax supported debt or nontax supported debt if, after issuance, there would  
 11 be outstanding and unpaid more than the following face amounts of the bonds for the  
 12 purpose of financing acquisition, construction, renovation, and related expenses for  
 13 construction management, professional fees, and contingencies in connection with:

14 (xi) Prince George's County Blue Line Corridor facilities -  
 15 [\$400,000,000] ~~\$450,000,000~~ \$425,000,000.

16 10-646.1.

17 (d) (1) In this subsection, "long-term agreement" includes a lease, operating,  
 18 joint venture, or management agreement with a minimum term established by the  
 19 Authority.

20 (2) The Authority shall ensure that the following agreements are executed:

21 (i) subject to paragraph (3) of this subsection, a long-term  
 22 agreement regarding management and operations [at] OF the Pimlico racing facility site;  
 23 and

24 (ii) agreements between the Authority and project entities for the  
 25 planning, design, and construction of a racing facility.

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

28 1. ensure the continuity of the Preakness Stakes at the  
 29 Pimlico racing facility site **AFTER RECONSTRUCTION BY THE AUTHORITY; AND**

30 2. [be contingent on the conveyance or conveyances in fee  
 31 simple of the Pimlico site, in whole or in part, to the Maryland Thoroughbred Racetrack  
 32 Operating Authority, Baltimore City, the Baltimore Development Corporation or its  
 33 successor or assigns, or any designated project entity; and

1                   3.]    establish:

2                   A.    the right of the [Authority or an entity designated by the  
3 Authority] **THOROUGHBRED RACETRACK OPERATOR** to manage and operate the Pimlico  
4 [Clubhouse and Events Facility, grounds, and any] **RACING** facility **SITE**;

5                   B.    the obligation of the [Authority or an entity designated by  
6 the Authority] **THOROUGHBRED RACETRACK OPERATOR** to operate, maintain as a  
7 first-class facility, in good condition, repair, and secure the Pimlico racing facility site  
8 during periods identified in the long-term agreement; and

9                   C.    the obligation of the [Authority or an entity designated by  
10 the Authority] **THOROUGHBRED RACETRACK OPERATOR** to cooperate with respect to  
11 the provision of adequate parking and efficient transportation plans around the Pimlico  
12 racing facility site.

13                   (ii) 1.    If thoroughbred racing is no longer a lawful activity, or is  
14 otherwise rendered not commercially viable as a result of a change in law or regulation, the  
15 parties to the long-term agreement shall notify the Board of Public Works at least 180 days  
16 before the expiration or termination of the long-term agreement.

17                   2.    The notice required under subparagraph 1 of this  
18 subparagraph shall contain a [wind-down] plan **FOR ALTERNATIVE USES FOR THE**  
19 **PIMLICO RACING FACILITY SITE THAT PROVIDE A NECESSARY OR BENEFICIAL**  
20 **PUBLIC PURPOSE AND A PROCESS FOR COMMUNITY INPUT THAT IS FACILITATED BY**  
21 **THE PIMLICO COMMUNITY ADVISORY BOARD.**

22                   3.    The long-term agreement required under paragraph (2)(i)  
23 of this subsection shall [contain dispute resolution provisions, including expedited review,  
24 in the event that] **PROVIDE THAT IF** there is a dispute among the parties regarding the  
25 existence of the conditions described in subparagraph 1 of this subparagraph or the  
26 contents of the [wind-down] plan **FOR ALTERNATIVE USES, THE AUTHORITY IS**  
27 **AUTHORIZED TO ADJUDICATE THE DISPUTE AS A CONTESTED CASE UNDER TITLE**  
28 **10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE, INCLUDING**  
29 **AUTHORIZATION TO DELEGATE ALL OR A PORTION OF THE ADJUDICATION TO THE**  
30 **OFFICE OF ADMINISTRATIVE HEARINGS AS DETERMINED IN THE SOLE DISCRETION**  
31 **OF THE AUTHORITY.**

32                   (i)   (1)   For the purpose of the planning, design, construction, and ownership of  
33 a racing and community development project under this subtitle, the Authority is the  
34 successor entity to the Maryland Thoroughbred Racetrack Operating Authority.

35                   (2)   For the purpose of the operation of a racing and community  
36 development project under this subtitle, the [Maryland Economic Development

1 Corporation] **AUTHORITY** is the successor entity to the Maryland Thoroughbred Racetrack  
2 Operating Authority.

3 (3) The Authority [and the Maryland Economic Development Corporation]  
4 may enter into any agreements necessary to carry out the provisions of this section.

5 (4) [A nonprofit operator of a racing and community development project]  
6 **THE THOROUGHBRED RACETRACK OPERATOR:**

7 (i) **SHALL BE A NONSTOCK CORPORATION FORMED UNDER THE**  
8 **LAWS OF THE STATE AND NOT OPERATED FOR PROFIT;**

9 (ii) **(II)** may not be construed to be an agency or instrumentality of the  
10 State or a unit of the Executive Branch for any purpose;

11 [(ii)] **(III)** may be replaced with another business entity [with the  
12 concurrent approval of] **DESIGNATED BY** the Authority [and the Maryland Economic  
13 Development Corporation] **IN ACCORDANCE WITH THE TERMS OF THE**  
14 **LONG-TERM AGREEMENT;** and

15 [(iii)] **(IV)** shall reimburse the Authority for the cost of a full-time  
16 auditor responsible for overseeing the financial transactions and records relating to racing  
17 and community project costs and ongoing operations.

18 **(J) (1) THE THOROUGHBRED RACETRACK OPERATOR SHALL PREPARE**  
19 **ACCRUAL BASIS FINANCIAL STATEMENTS AT THE CLOSE OF EACH FISCAL YEAR AND**  
20 **PROVIDE A COPY OF THOSE FINANCIAL STATEMENTS TO THE AUTHORITY**  
21 **ANNUALLY.**

22 **(2) THE ACCRUAL BASIS FINANCIAL STATEMENTS REQUIRED UNDER**  
23 **PARAGRAPH (1) OF THIS SUBSECTION SHALL DESCRIBE THE CURRENT FINANCIAL**  
24 **CONDITIONS OF THE THOROUGHBRED RACETRACK OPERATOR AND INCLUDE A**  
25 **STATEMENT OF OPERATING PROFIT OR LOSS.**

26 **(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**  
27 **BEGINNING WITH THE FIRST FULL FISCAL YEAR OF THOROUGHBRED RACING**  
28 **OPERATIONS AT THE RECONSTRUCTED PIMLICO RACING FACILITY, 10% OF THE**  
29 **ANNUAL NET INCOME OF THE THOROUGHBRED RACETRACK OPERATOR SHALL BE**  
30 **DISTRIBUTED EACH YEAR ~~IN THE MANNER DESCRIBED UNDER § 9-1A-31(A)(3)(II)~~**  
31 **~~OF THE STATE GOVERNMENT ARTICLE AS LOCAL IMPACT GRANTS TO THE PIMLICO~~**  
32 **COMMUNITY DEVELOPMENT AUTHORITY TO BE DISTRIBUTED TO DESIGNATED**  
33 **COMMUNITY DEVELOPMENT ORGANIZATIONS ASSIGNED TO THE IMPACTED**  
34 **COMMUNITIES FOR COMMUNITY DEVELOPMENT ACTIVITIES OUTLINED IN THE**  
35 **ADOPTED PIMLICO AREA JOINT PLAN.**

1 (II) BEFORE CALCULATING THE AMOUNT TO BE DISTRIBUTED  
2 UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE ANNUAL NET INCOME OF THE  
3 THOROUGHbred RACETRACK OPERATOR SHALL BE REDUCED BY ~~ALL STATE~~  
4 ~~GRANTS~~, CONTRIBUTIONS FROM ANY THOROUGHbred PURSE ACCOUNT, AND THE  
5 CUMULATIVE OPERATING LOSSES CARRIED FORWARD, IF ANY, FROM THE PRIOR  
6 YEARS OF OPERATION.

7 10-646.4.

8 (f) For fiscal year [2024] 2027 and each fiscal year thereafter, until the bonds  
9 that have been issued to finance Prince George's County Blue Line Corridor facilities are  
10 no longer outstanding and unpaid, the Comptroller shall deposit into the Prince George's  
11 County Blue Line Corridor Facility Fund an amount not to exceed [\$27,000,000]  
12 ~~\$31,000,000~~ \$29,000,000 from the State Lottery Fund under § 9-120(b)(1)(xi) of the  
13 State Government Article.

14 10-657.3.

15 (a) There is a Racing and Community Development Facilities Fund.

16 (c) Subject to [subsection (f)] SUBSECTIONS (F) AND (G) of this section and to  
17 the extent considered appropriate by the Authority, the money in the Racing and  
18 Community Development Facilities Fund shall be used to pay the following costs relating  
19 to racing facilities projects:

20 (1) debt service on Authority bonds;

21 (2) design and construction costs relating to racing facilities projects;

22 (3) to the extent authorized by federal tax law, transition costs and  
23 reimbursements, costs of start-up, administration, overhead, and operations related to the  
24 management of improvements to racing facilities projects authorized under this subtitle  
25 and undertaken by the Authority; and

26 (4) all reasonable charges and expenses related to the Authority's  
27 administration of the Racing and Community Development Financing Fund and the Racing  
28 and Community Development Facilities Fund and the management of the Authority's  
29 obligations.

30 (G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, FOR FISCAL  
31 YEAR 2028, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN  
32 APPROPRIATION OF \$5,000,000 TO THE RACING AND COMMUNITY DEVELOPMENT  
33 FACILITIES FUND.



1                   (xi) after June 30, 2024, into the Bus Rapid Transit Fund established  
2 under § 2-802.1 of the Transportation Article for bus rapid transit system grants in  
3 accordance with § 2-802 of the Transportation Article from the money that remains in the  
4 State Lottery Fund from the proceeds of all lotteries after the distributions under  
5 subsection (a) of this section and items (i) through (x) of this paragraph:

6                   1. for fiscal year 2025, an amount equal to \$27,000,000 in  
7 each fiscal year; and

8                   2. for each fiscal year thereafter, an amount equal to  
9 \$17,000,000 in each fiscal year;

10                   (xii) after June 30, [2024] **2026**, into the Prince George's County Blue  
11 Line Corridor Facility Fund established under § 10-657.6 of the Economic Development  
12 Article from the money that remains in the State Lottery Fund from the proceeds of all  
13 lotteries after the distributions under subsection (a) of this section and items (i) through  
14 (xi) of this paragraph, [\$27,000,000] ~~\$31,000,000~~ **\$29,000,000;**

15                   (xv) into the General Fund of the State the money that remains in the  
16 State Lottery Fund from the proceeds of all lotteries after the distributions under  
17 subsection (a) of this section and items (i) through (xiv) of this paragraph.

18 9-1A-28.

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

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

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

25           (3) The Comptroller shall:

26                   (i) account for the Account;

27                   (ii) [for fiscal year 2021, transfer \$5,000,000, from the portion of the  
28 proceeds in the Account allocated to thoroughbred purses under subsection (c)(1) of this  
29 section, to the Racing and Community Development Facilities Fund established under §  
30 10-657.3 of the Economic Development Article;

31                   (iii)] for fiscal year 2022 and each fiscal year thereafter, on a properly  
32 approved transmittal prepared by the Maryland Stadium Authority, issue a warrant to pay  
33 out \$5,000,000, from the portion of the proceeds in the Account allocated to thoroughbred

1 purses under subsection (c)(1) of this section, to the State Lottery Fund established under  
 2 § 9–120 of this title until any bonds, debt, or other financial instruments issued or made  
 3 available by the Maryland Stadium Authority for a racing facility under Title 10, Subtitle  
 4 6 of the Economic Development Article reach final maturity;

5 **(III) FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR**  
 6 **THEREAFTER, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE**  
 7 **MARYLAND ECONOMIC DEVELOPMENT CORPORATION, ISSUE A WARRANT TO PAY**  
 8 **OUT \$2,000,000, FROM THE PORTION OF THE PROCEEDS IN THE ACCOUNT**  
 9 **ALLOCATED TO THOROUGHBRED PURSES UNDER SUBSECTION (C)(1) OF THIS**  
 10 **SECTION, TO THE CORPORATION ESTABLISHED UNDER TITLE 10, SUBTITLE 1 OF**  
 11 **THE ECONOMIC DEVELOPMENT ARTICLE UNTIL ANY BONDS, DEBT, OR OTHER**  
 12 **FINANCIAL INSTRUMENTS ISSUED OR MADE AVAILABLE BY THE CORPORATION FOR**  
 13 **A TRAINING FACILITY SITE AND OTHER IMPROVEMENTS UNDER TITLE 10, SUBTITLE**  
 14 **6 OF THE ECONOMIC DEVELOPMENT ARTICLE REACH FINAL MATURITY;**

15 ~~[(iv)] (III)~~ beginning with the first full FISCAL year of thoroughbred  
 16 racing operations at the [newly constructed] RECONSTRUCTED Pimlico racing facility, for  
 17 any fiscal year that the [Maryland Thoroughbred Racetrack Operating Authority]  
 18 THOROUGHBRED RACETRACK OPERATOR reports an operating loss [under § 10–1003(c)  
 19 of the Economic Development Article], ~~INCLUSIVE OF ALL STATE GRANTS AND~~  
 20 THOROUGHBRED PURSE ACCOUNT CONTRIBUTIONS, IN ACCORDANCE WITH §  
 21 10–646.1 OF THE ECONOMIC DEVELOPMENT ARTICLE, on a properly approved  
 22 transmittal prepared by the MARYLAND STADIUM Authority, issue a warrant to pay out  
 23 the amount of the operating loss, from the portion of the proceeds in the Account allocated  
 24 to thoroughbred purses under subsection (c)(1) of this section, to the [Authority]  
 25 THOROUGHBRED RACETRACK OPERATOR; and

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

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

31 (5) Except as provided in paragraph (3)(ii) ~~[(through (iv))] AND (III)~~ of this  
 32 subsection, expenditures from the Account shall only be made on a properly approved  
 33 transmittal prepared by the State Racing Commission as provided under subsection (c) of  
 34 this section.

### 35 Article – Transportation

36 2–802.

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

1           (2) “Bus], “BUS rapid transit system” means a bus line that operates on at  
 2 least some portion of roadway dedicated to buses and offers off-board fare collection or  
 3 another form of high efficiency fare collection if a fare is charged.

4           [(3) “Eligible grantee” means a county or municipal corporation that has:

5                   (i) A bus rapid transit system that operates in the county or  
 6 municipal corporation; and

7                   (ii) No ongoing or completed facility, as that term is defined in §  
 8 10-601(s)(1), (4), (9), (10), or (11) of the Economic Development Article.]

9           (b) (1) ~~[Subject to paragraph (2) of this subsection, when] WHEN a deposit or~~  
 10 ~~payment is made in accordance with § 9-120(b)(1)(xi) of the State Government Article into~~  
 11 ~~the Bus Rapid Transit Fund established under § 2-802.1 of this subtitle, [and there is only~~  
 12 ~~one eligible grantee, then] **BEGINNING IN FISCAL YEAR 2027 AND EACH FISCAL YEAR**~~  
 13 ~~**THEREAFTER,** the Department shall award a grant to:~~

14                   (I) [the eligible grantee] MONTGOMERY COUNTY equal to  
 15 **\$27,000,000; AND ~~the~~**

16                   ~~(I) THE amount distributed to the Department under §~~  
 17 ~~9-120(b)(1)(xi) of the State Government Article; AND~~

18                   ~~(II) THE AMOUNT APPROPRIATED UNDER § 7-205.1 OF THIS~~  
 19 ~~ARTICLE~~

20                   (II) **HOWARD COUNTY EQUAL TO \$2,000,000.**

21           (2) [(i) If there are two eligible grantees, and one eligible grantee is  
 22 Montgomery County, the Department shall distribute \$25,000,000 to Montgomery County  
 23 and the remaining amount of the deposit or payment under § 9-120(b)(1)(xi) of the State  
 24 Government Article to the remaining eligible grantee.

25                   (ii) If more than three counties or municipal corporations are eligible  
 26 grantees, and one eligible grantee is Montgomery County, then the Department shall  
 27 distribute:

28                           1. Not less than \$20,000,000 to Montgomery County if  
 29 Montgomery County remains an eligible county; and

30                           2. The total remaining amount of the deposit or payment  
 31 under § 9-120(b)(1)(xi) of the State Government Article to the remaining eligible grantees  
 32 based on each eligible grantee’s pro rata share of the statewide population.

1                   (iii) If Montgomery County is not an eligible grantee, and more than  
2 one county or municipal corporation are eligible grantees, then the Department shall  
3 distribute the total amount of the deposit payment under § 9–120(b)(1)(xi) of the State  
4 Government Article to the eligible grantees based on each eligible grantee’s pro rata share  
5 of the statewide population.

6                   (3) (i) [Eligible grantees receiving funds in accordance with this  
7 subsection and § 2–802.1 of this subtitle] **MONTGOMERY COUNTY AND HOWARD**  
8 **COUNTY** may use the grant funds for the:

9                   1. Financing and refinancing of the costs related to the  
10 **DESIGN, construction, acquisition, improvement, equipping, rehabilitation, and expansion**  
11 **of bus rapid transit system projects AND OTHER NECESSARY FACILITIES, EQUIPMENT,**  
12 **AND INFRASTRUCTURE FOR BUS RAPID TRANSIT SYSTEM PROJECTS;**

13                   2. Payment of debt service on bonds issued to finance bus  
14 rapid transit system projects;

15                   3. Payment of all reasonable expenses and charges related to  
16 bond issuance and borrowing; and

17                   4. Payment of costs relating to the management and  
18 operation of bus rapid transit system projects.

19                   (ii) If [an eligible grantee] **MONTGOMERY COUNTY OR HOWARD**  
20 **COUNTY** uses funds under this section for the payment of debt service on bonds issued to  
21 finance bus rapid transit system projects, [the eligible grantee] **MONTGOMERY COUNTY**  
22 **OR HOWARD COUNTY** shall issue bonds in accordance with an ordinance or resolution  
23 which may specify all matters relating to the advertisement, sale, issuance, delivery, and  
24 payment of the bonds, including:

25                   1. The forms, dates, and denominations of the bonds;

26                   2. The principal maturities;

27                   3. The methods to be used in determining interest payable  
28 on the bonds; and

29                   4. Any provisions for registration, redemption before stated  
30 maturity, or the use of facsimile signatures or seals.

31                   (c) The Department:

32                   (1) Shall [distribute grants]:

1                    **(I) DEVELOP AND IMPLEMENT A MULTI-YEAR GRANT**  
 2 **AGREEMENT TO ADMINISTER THE GRANT UNDER THIS SECTION WHICH SHALL**  
 3 **REMAIN IN EFFECT UNTIL THE PRINCIPAL OF AND INTEREST ON ANY BONDS ISSUED**  
 4 **BY MONTGOMERY COUNTY OR HOWARD COUNTY UNDER THIS SECTION ARE PAID IN**  
 5 **FULL; AND**

6                    **(II) DISTRIBUTE THE GRANT** under this section to [eligible  
 7 **grantees] MONTGOMERY COUNTY OR HOWARD COUNTY in a timely manner; and**

8                    **(2) May not impose any additional conditions on [an eligible grantee]**  
 9 **MONTGOMERY COUNTY OR HOWARD COUNTY** on receipt of a grant under this section.

10 **2-802.1.**

11            (a) **In this section, “Fund” means the Bus Rapid Transit Fund.**

12            (b) **There is a Bus Rapid Transit Fund.**

13            (c) **The purpose of the Fund is to:**

14                    **(1) Provide grants to [eligible grantees, as defined under § 2-802 of this**  
 15 **subtitle] MONTGOMERY COUNTY OR HOWARD COUNTY; and**

16                    **(2) Make funding commitments for the issuance of bus rapid transit bonds.**

17 **7-205.1.**

18            **[For fiscal year 2026 and each fiscal year thereafter, the] THE Governor shall**  
 19 **include in the State budget an appropriation [of \$10,000,000] from the Transportation**  
 20 **Trust Fund to the Bus Rapid Transit Fund established under § 2-802.1 of this article for**  
 21 **bus rapid transit system grants in accordance with § 2-802 of this article IN THE**  
 22 **FOLLOWING AMOUNTS:**

23                    **(1) FOR FISCAL YEAR 2026, \$10,000,000; AND**

24                    **(2) FOR FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER,**  
 25 **\$12,000,000.**

26                    **Chapter 604 of the Acts of 2025**

27            SECTION 25. AND BE IT FURTHER ENACTED, That, except as otherwise  
 28 provided by law, all existing laws, regulations, proposed regulations, standards and  
 29 guidelines, policies, orders and other directives, forms, plans, memberships, contracts,  
 30 property, investigations, administrative and judicial responsibilities, rights to sue and be  
 31 sued, and all other duties and responsibilities associated with the functions of Maryland

1 Thoroughbred Racetrack Operating Authority prior to the taking effect of the termination  
2 provision of Section 6 of Chapter 111 of 2023, as amended by Section 6 of this Act, shall  
3 continue in effect and, as appropriate, are legal and binding on the [Maryland Economic  
4 Development Corporation] **MARYLAND STADIUM AUTHORITY** until completed,  
5 withdrawn, canceled, modified, or otherwise changed under the law.

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

8 Article – Economic Development

9 10–611.

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

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

14 [10–612.

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

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

18 (1) support the State in:

19 (i) sports bid development;

20 (ii) sporting event recruitment and retention;

21 (iii) economic analysis and research relating to sporting events;

22 (iv) sponsorship of sporting events; and

23 (v) development of partnerships with public and private entities  
24 designed to sponsor sporting events;

25 (2) promote regional, national, and international sporting events to be held,  
26 in whole or in part, in the State; and

27 (3) recruit, market, promote, work to retain, and manage sporting events  
28 that have a positive economic or cultural impact, or otherwise enhance the quality of life of  
29 the State’s citizens.

1           (c)   (1)   The Authority shall develop policies for the operation of each affiliated  
2 foundation the Authority establishes.

3                   (2)   The Attorney General shall review the policies the Authority develops  
4 under paragraph (1) of this subsection for form and legal sufficiency and, if appropriate,  
5 approve them to govern the affiliated foundation.

6                   (3)   The State Ethics Commission shall review the policies the Authority  
7 develops under paragraph (1) of this subsection that pertain to conflicts of interest and, if  
8 appropriate, approve them to govern an official or employee of the Authority also serving as  
9 a director or official of an affiliated foundation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19                   SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That, within 45 days after the  
20 effective date of this Act, all of the functions, powers, duties, books and records (including  
21 electronic records), personal property, equipment, fixtures, assets, liabilities, obligations,  
22 credits, rights, agreements, and privileges previously held by the Maryland Thoroughbred  
23 Racetrack Operating Authority, including those related to the Maryland Jockey Club, Inc.,  
24 and transferred to the Maryland Economic Development Corporation under Section 23 of  
25 Chapter 604 of the Acts of the General Assembly of 2025, shall be transferred to the  
26 Maryland Stadium Authority.

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

29                   SECTION ~~3~~ 6. AND BE IT FURTHER ENACTED, That, except as provided in  
30 Section 5 of this Act, this Act shall take effect ~~June~~ July 1, 2026.