

HOUSE BILL 1581

C6, C7, C8

6lr0348

By: **Chair, Appropriations Committee (By Request – Departmental – Stadium Authority)**

Introduced and read first time: February 13, 2026

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Horse Racing – Facility Ownership, Development, Licensing, and Operations –**
3 **Alterations**

4 FOR the purpose of altering the entities to which the State Racing Commission may issue
5 a license and award racing days for racing at mile tracks; altering the circumstances
6 under which the Preakness Stakes may be transferred to another track in the State;
7 altering certain requirements for the thoroughbred racetrack operator of and certain
8 long-term agreements related to the Pimlico racing facility site; providing that the
9 Maryland Stadium Authority is the successor of the Maryland Thoroughbred
10 Racetrack Operating Authority for the operation of a certain racing and community
11 development project; requiring the thoroughbred racetrack operator to prepare
12 certain financial statements and provide those statements to the Maryland Stadium
13 Authority in a certain manner; requiring certain income of the thoroughbred
14 racetrack operator to be distributed in a certain manner; altering certain
15 distributions from the Purse Dedication Account; and generally relating to horse
16 racing in the State.

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

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

27 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Economic Development
2 Section 10–601(b), (vv)(1), and (xx)
3 Annotated Code of Maryland
4 (2024 Replacement Volume and 2025 Supplement)

5 BY adding to
6 Article – Economic Development
7 Section 10–601(hhh) and 10–646.1(j)
8 Annotated Code of Maryland
9 (2024 Replacement Volume and 2025 Supplement)

10 BY repealing and reenacting, with amendments,
11 Article – Economic Development
12 Section 10–601(hhh) and 10–646.1(d) and (i)
13 Annotated Code of Maryland
14 (2024 Replacement Volume and 2025 Supplement)

15 BY repealing and reenacting, without amendments,
16 Article – State Government
17 Section 9–1A–28(a)
18 Annotated Code of Maryland
19 (2021 Replacement Volume and 2025 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – State Government
22 Section 9–1A–28(b)
23 Annotated Code of Maryland
24 (2021 Replacement Volume and 2025 Supplement)

25 BY repealing and reenacting, with amendments,
26 Chapter 604 of the Acts of the General Assembly of 2025
27 Section 25

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

30 **Article – Business Regulation**

31 11–510.

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

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

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

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

4 11-520.

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

7 (b) The Preakness Stakes may be transferred to another track in the State only:

8 (1) as a result of a disaster or emergency; or

9 (2) during the reconstruction of Pimlico Race Course, subject to the
10 approval of the [Maryland Thoroughbred Racetrack Operating Authority] MARYLAND
11 STADIUM AUTHORITY.

12 Article – Economic Development

13 10-601.

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

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

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

19 (HHH) “THOROUGHBRED RACETRACK OPERATOR” MEANS THE
20 MARYLAND JOCKEY CLUB, INC., OR A SUCCESSOR BUSINESS ENTITY DESIGNATED
21 BY THE AUTHORITY IN ACCORDANCE WITH § 10-646.1 OF THIS SUBTITLE.

22 [(hhh)] (III) “Training facility site” means a site for training thoroughbred
23 racehorses selected or acquired by the [Maryland Thoroughbred Racetrack Operating]
24 Authority.

25 10-646.1.

26 (d) (1) In this subsection, “long-term agreement” includes a lease, operating,
27 joint venture, or management agreement with a minimum term established by the
28 Authority.

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

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

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

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

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

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

14 3.] establish:

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

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

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

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

30 2. The notice required under subparagraph 1 of this
31 subparagraph shall contain a [wind-down] plan **FOR ALTERNATIVE USES FOR THE**
32 **PIMLICO RACING FACILITY SITE THAT PROVIDE A NECESSARY OR BENEFICIAL**
33 **PUBLIC PURPOSE.**

34 3. The long-term agreement required under paragraph (2)(i)
35 of this subsection shall [contain dispute resolution provisions, including expedited review,

1 in the event that] **PROVIDE THAT IF** there is a dispute among the parties regarding the
2 existence of the conditions described in subparagraph 1 of this subparagraph or the
3 contents of the [wind-down] plan **FOR ALTERNATIVE USES, THE AUTHORITY IS**
4 **AUTHORIZED TO ADJUDICATE THE DISPUTE AS A CONTESTED CASE UNDER TITLE**
5 **10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE, INCLUDING**
6 **AUTHORIZATION TO DELEGATE ALL OR A PORTION OF THE ADJUDICATION TO THE**
7 **OFFICE OF ADMINISTRATIVE HEARINGS AS DETERMINED IN THE SOLE DISCRETION**
8 **OF THE AUTHORITY.**

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

12 (2) For the purpose of the operation of a racing and community
13 development project under this subtitle, the [Maryland Economic Development
14 Corporation] **AUTHORITY** is the successor entity to the Maryland Thoroughbred Racetrack
15 Operating Authority.

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

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

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

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

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

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

31 **(J) (1) THE THOROUGHBRED RACETRACK OPERATOR SHALL PREPARE**
32 **ACCRUAL BASIS FINANCIAL STATEMENTS AT THE CLOSE OF EACH FISCAL YEAR AND**
33 **PROVIDE A COPY OF THOSE FINANCIAL STATEMENTS TO THE AUTHORITY**
34 **ANNUALLY.**

1 § 9–120 of this title until any bonds, debt, or other financial instruments issued or made
2 available by the Maryland Stadium Authority for a racing facility under Title 10, Subtitle
3 6 of the Economic Development Article reach final maturity;

4 [(iv)] (III) beginning with the first full FISCAL year of thoroughbred
5 racing operations at the [newly constructed] RECONSTRUCTED Pimlico racing facility, for
6 any fiscal year that the [Maryland Thoroughbred Racetrack Operating Authority]
7 THOROUGHbred RACETRACK OPERATOR reports an operating loss [under § 10–1003(c)
8 of the Economic Development Article], INCLUSIVE OF ALL STATE GRANTS AND
9 THOROUGHbred PURSE ACCOUNT CONTRIBUTIONS, IN ACCORDANCE WITH §
10 10–646.1 OF THE ECONOMIC DEVELOPMENT ARTICLE, on a properly approved
11 transmittal prepared by the Authority, issue a warrant to pay out the amount of the
12 operating loss, from the portion of the proceeds in the Account allocated to thoroughbred
13 purses under subsection (c)(1) of this section, to the [Authority] THOROUGHbred
14 RACETRACK OPERATOR; and

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

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

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

24 Chapter 604 of the Acts of 2025

25 SECTION 25. AND BE IT FURTHER ENACTED, That, except as otherwise
26 provided by law, all existing laws, regulations, proposed regulations, standards and
27 guidelines, policies, orders and other directives, forms, plans, memberships, contracts,
28 property, investigations, administrative and judicial responsibilities, rights to sue and be
29 sued, and all other duties and responsibilities associated with the functions of Maryland
30 Thoroughbred Racetrack Operating Authority prior to the taking effect of the termination
31 provision of Section 6 of Chapter 111 of 2023, as amended by Section 6 of this Act, shall
32 continue in effect and, as appropriate, are legal and binding on the [Maryland Economic
33 Development Corporation] MARYLAND STADIUM AUTHORITY until completed,
34 withdrawn, canceled, modified, or otherwise changed under the law.

35 SECTION 2. AND BE IT FURTHER ENACTED, That, within 45 days after the
36 effective date of this Act, all of the functions, powers, duties, books and records (including
37 electronic records), personal property, equipment, fixtures, assets, liabilities, obligations,
38 credits, rights, agreements, and privileges previously held by the Maryland Thoroughbred
39 Racetrack Operating Authority, including those related to the Maryland Jockey Club, Inc.,

1 and transferred to the Maryland Economic Development Corporation under Section 23 of
2 Chapter 604 of the Acts of the General Assembly of 2025, shall be transferred to the
3 Maryland Stadium Authority.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
5 1, 2026.