

(b-4) (1) The increased funds retained by a licensee under subsection (b-2) of this section are provided so that the licensee shall improve the facilities and services of its track and increase its promotional and marketing activities, in order that attendance and wagering may be increased and the well-being of the standardbred racing industry enhanced.

(2) A licensee who retains additional funds under subsection (b-2) of this section, by October 1, 1988 and [October 1, 1989] OCTOBER 1 OF EACH YEAR THEREAFTER, shall submit to the Commission and the fiscal committees of the General Assembly a written report, based on audited financial statements, on the use of the increased funds retained by the licensee beginning July 1, 1985 under subsection (b-2) of this section.

(3) In no year shall the licensee's expenditure for capital improvements, marketing, public relations, promotions, and maintenance be less than the average expenditure of the licensee for the 3 fiscal years preceding the enactment of this legislation for each of the above listed areas. In calculating the minimum required expenditure, a licensee may not include in the calculation any allowance for income tax consequences resulting from the increased funds.

(4) The report submitted to the Commission and to the fiscal committees under paragraph (2) of this subsection shall be submitted under penalty of perjury.

SECTION 4. AND BE IT FURTHER ENACTED, That the terms of the members of the Commission as provided in this Act shall be as follows:

(1) 1 for a term of 3 years from the beginning of the member's term and until a successor shall qualify; and

(2) 1 for a term of 4 years from the beginning of the member's term and until a successor shall qualify.

SECTION 5. AND BE IT FURTHER ENACTED, That a licensee under Article 18B, § 7 of the Code that conducts races of Arabian breed horses as authorized under Section 2 of this Act, the Maryland Thoroughbred Horsemen's Association, Inc., and the Maryland Horse Breeders' Association, Inc. shall on or before January 1, 1990 submit a written report to the Senate Finance Committee and the House Ways and Means Committee on the impact on attendance, wagering, and purses and any other economic impact that is attributable to the passage of Section 2 of this Act and a recommendation on whether Section 2 of this Act should be continued.