

SENATE BILL 170

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C6  
SB 538/03 - FIN

2004 Regular Session  
4lr0363  
CF 4lr2324

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By: **Senators Hooper, Colburn, Greenip, Hafer, Middleton, and Stone**

Introduced and read first time: January 23, 2004

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 18, 2004

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CHAPTER 97

1 AN ACT concerning

2 **Racing Act of 2004**

3 FOR the purpose of repealing the Maryland Racing Facility Redevelopment Program,  
4 including the authority of the Maryland Economic Development Corporation to  
5 issue certain bonds; altering the termination date of certain changes to the  
6 allocations of certain amounts bet on certain thoroughbred and harness races;  
7 altering the termination date of certain provisions of law relating to the  
8 Maryland Racing Facility Redevelopment Bond Fund, including the distribution  
9 of funds resulting from uncashed pari-mutuel tickets; altering the amounts that  
10 certain licensees may deduct from certain pari-mutuel betting; altering the  
11 allocation of the amounts deducted from certain pari-mutuel betting; allowing  
12 the allocation of certain moneys to be made in accordance with a certain  
13 agreement; and generally relating to horse racing in the State.

14 BY repealing

15 Article - Business Regulation

16 Section 11-1201 through 11-1208, inclusive, and the subtitle "Subtitle 12.

17 Maryland Racing Facility Redevelopment Program"

18 Annotated Code of Maryland

19 (1998 Replacement Volume and 2003 Supplement)

20 BY repealing and reenacting, with amendments,

21 Chapter 309 of the Acts of the General Assembly of 2000

22 Section 5

23 BY repealing and reenacting, with amendments,

24 Article - Business Regulation

1 Section 11-514, 11-515, 11-613(c), and 11-616  
2 Annotated Code of Maryland  
3 (1998 Replacement Volume and 2003 Supplement)  
4 (As enacted by Chapter 309 of the Acts of the General Assembly of 2000)

5 BY repealing and reenacting, with amendments,  
6 Article - Business Regulation  
7 Section 11-515.1(b)  
8 Annotated Code of Maryland  
9 (1998 Replacement Volume and 2003 Supplement)

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
11 MARYLAND, That Section(s) 11-1201 through 11-1208, inclusive, and the subtitle  
12 "Subtitle 12. Maryland Racing Facility Redevelopment Program" of Article - Business  
13 Regulation of the Annotated Code of Maryland be repealed.

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

16 **Chapter 309 of the Acts of 2000**

17 SECTION 5. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this  
18 Act shall remain effective [until the bonds issued by the Maryland Economic  
19 Development Corporation for the purposes of this Act, and the obligations thereunder,  
20 have been fully satisfied and are expired,] UNTIL JUNE 30, 2004, and, AT THE END OF  
21 JUNE 30, 2004, with no further action required by the General Assembly, Sections 2  
22 and 3 of this Act shall be abrogated and of no further force and effect.

23 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
24 read as follows:

25 **Article - Business Regulation**

26 11-514.

27 (a) A licensee shall deduct from the handle:

28 (1) all the breakage;

29 (2) NOT MORE THAN ~~47%~~ 18% from each regular mutuel pool;

30 (3) NOT MORE THAN ~~49%~~ 21% from each multiple mutuel pool on 2  
31 horses; and

32 (4) NOT MORE THAN ~~25%~~ 25.75% from each multiple mutuel pool on 3 or  
33 more horses.

1 (b) Money that remains after deductions are made under subsection (a) of this  
2 section shall be returned as winnings to successful bettors.

3 (C) (1) THE AMOUNT DEDUCTED BY THE LICENSEE UNDER SUBSECTION (A)  
4 OF THIS SECTION SHALL BE THE SUM OF THE ALLOCATIONS PROVIDED IN § 11-515 OF  
5 THIS SUBTITLE, UNLESS OTHERWISE PROVIDED IN A WRITTEN AGREEMENT SIGNED  
6 BY THE AUTHORIZED REPRESENTATIVES OF:

7 (I) THE LICENSEE;

8 (II) THE GROUP THAT REPRESENTS A MAJORITY OF THE OWNERS  
9 AND TRAINERS LICENSED IN THE STATE AT THE TIME THE AGREEMENT IS SIGNED;  
10 AND

11 (III) THE GROUP THAT REPRESENTS A MAJORITY OF THE BREEDERS  
12 IN THE STATE AT THE TIME THE AGREEMENT IS SIGNED.

13 (2) NOTHING IN THIS SUBSECTION MAY BE CONSTRUED TO PERMIT THE  
14 LICENSEE TO IN ANY WAY ALTER THE MANDATORY TAKEOUT ALLOCATED TO THE  
15 COMMISSION FOR THE STATE TAX.

16 11-515.

17 (a) Except as provided in § 11-516 of this subtitle, the takeout that a licensee  
18 deducts from the handle of a race shall be allocated in accordance with this section.

19 (b) A licensee shall:

20 (1) keep 50% of the breakage;

21 (2) allocate 45% of the breakage for purses; and

22 (3) allocate 5% of the breakage to the Maryland-Bred Race Fund.

23 (c) From the [17%] AMOUNT that a licensee deducts from each regular  
24 mutuel pool, the licensee shall:

25 (1) keep 7.70% of each regular mutuel pool, from which the licensee shall  
26 pay 0.25% of each regular mutuel pool to the Maryland Race Track Employees  
27 Pension Fund;

28 (2) allocate [0.50%] 0.32% of each regular mutuel pool to the  
29 Commission for State tax;

30 (3) allocate 1.10% of each regular mutuel pool to the Maryland-Bred  
31 Race Fund; [and]

32 (4) allocate 7.70% of each regular mutuel pool for purses; ~~AND~~

33 (5) ALLOCATE 0.18% OF EACH REGULAR MUTUEL POOL AS AN  
34 ADDITIONAL AMOUNT FOR PURSES; AND

1           (6)     ALLOCATE 1% OF EACH REGULAR MUTUEL POOL PAID TO THE  
2 MARYLAND MILLION, LTD., FOR PURSES OF MARYLAND MILLION RACES.

3       (d)     From the [19%] AMOUNT that a licensee deducts from each multiple  
4 mutuel pool on 2 horses, the licensee shall:

5           (1)     keep 8.70% of each multiple mutuel pool, from which the licensee  
6 shall pay 0.25% of each multiple mutuel pool to the Maryland Race Track Employees  
7 Pension Fund;

8           (2)     allocate [0.50%] 0.32% of each multiple mutuel pool to the  
9 Commission for State tax;

10          (3)     allocate 1.10% of each multiple mutuel pool to the Maryland-Bred  
11 Race Fund; [and]

12          (4)     allocate 8.70% of each multiple mutuel pool for purses; ~~AND~~

13          (5)     ALLOCATE 0.18% OF EACH MULTIPLE MUTUEL POOL AS AN  
14 ADDITIONAL AMOUNT FOR PURSES; AND

15          (6)     ALLOCATE 2% OF EACH MULTIPLE MUTUEL POOL PAID TO THE  
16 MARYLAND MILLION, LTD., FOR PURSES OF MARYLAND MILLION RACES.

17       (e)     From the [25%] AMOUNT that a licensee deducts from each multiple  
18 mutuel pool on 3 or more horses, the licensee shall:

19          (1)     keep 11.70% of each multiple mutuel pool, from which the licensee  
20 shall pay 0.25% of each multiple mutuel pool to the Maryland Race Track Employees  
21 Pension Fund;

22          (2)     allocate [0.50%] 0.32% of each multiple mutuel pool to the  
23 Commission for State tax;

24          (3)     allocate 1.10% of each multiple mutuel pool to the Maryland-Bred  
25 Race Fund; [and]

26          (4)     allocate 11.70% of each multiple mutuel pool for purses; ~~AND~~

27          (5)     ALLOCATE 0.18% OF EACH MULTIPLE MUTUEL POOL AS AN  
28 ADDITIONAL AMOUNT FOR PURSES; AND

29          (6)     ALLOCATED 0.75% OF EACH MULTIPLE MUTUEL POOL PAID TO THE  
30 MARYLAND MILLION, LTD., FOR PURSES OF MARYLAND MILLION RACES.

31 11-515.1.

32       (b)     Nothing in this section may be construed to permit the licensee to in any  
33 way alter the mandatory takeout allocated to the Commission for[:

34           (1)]     the State tax[; or

1 (2) the payment to the Racing Facility Redevelopment Bond Fund for the  
2 Maryland Economic Development Corporation].

3 11-613.

4 (c) If the average handle is \$600,000 or less, the takeout shall be:

5 (1) NOT MORE THAN 18.75% from each regular mutuel pool;

6 (2) NOT MORE THAN 20.75% from each multiple mutuel pool on 2 horses;  
7 and

8 (3) NOT MORE THAN 26.75% from each multiple mutuel pool on 3 or  
9 more horses.

10 11-616.

11 A licensee whose average handle is \$600,000 or less shall:

12 (1) allocate [0.50%] 0.32% of each mutuel pool to the Commission as  
13 State tax;

14 (2) subject to § 11-618 of this subtitle, allocate 0.25% of each mutuel pool  
15 to the Maryland Harness Track Employees Pension Fund;

16 (3) ALLOCATE FOR PURSES 0.18% OF EACH MUTUEL POOL, OR AN  
17 AMOUNT THAT IS OTHERWISE AGREED TO BY THE LICENSEE AND THE  
18 ORGANIZATION REPRESENTING A MAJORITY OF THE HARNESS OWNERS AND  
19 TRAINERS IN THE STATE, WHICH SHALL PROVIDE REVENUE IN ADDITION TO ANY  
20 OTHER FUNDS SET ASIDE FOR PURSES BY PRIVATE PARTIES;

21 [(3)] (4) keep 18.00% of each regular mutuel pool;

22 [(4)] (5) keep 20.00% of each multiple mutuel pool on 2 horses; and

23 [(5)] (6) keep 26.00% of each multiple mutuel pool on 3 or more horses.

24 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 July 1, 2004.