

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 491

(Senator Peters)

Finance

Ways and Means

Horse Racing - Bowie Race Course Training Center - Ownership Transfer

This bill authorizes the owner of the Bowie Race Course Training Center to convey the property associated with the training center to the State, Prince George's County, or the City of Bowie.

The bill states that it may not be construed to require the State, Prince George's County, or the City of Bowie to operate the training center as a thoroughbred training facility.

Fiscal Summary

State Effect: None. The bill is authorizing in nature.

Local Effect: None. The bill is authorizing in nature.

Small Business Effect: Potential meaningful. To the extent the training center is no longer operated, trainers and other workers may have to relocate to another facility, depending on the future use of the training center facility.

Analysis

Current Law: The owner of the Bowie Race Course Training Center must operate the center as a thoroughbred training facility to provide more stall space for a race meeting that a licensee holds. The owner of the center is responsible for the cost to improve, maintain, and operate the center.

As long as the center is used for its specified purposes, the State Racing Commission has general regulatory jurisdiction over the center to (1) provide enough stalls; (2) maintain

safe operating conditions; (3) require the owner of the center to submit an annual operating financial statement; and (4) order reasonable improvements.

Background: The Bowie Race Course Training Center is jointly owned by the Maryland Jockey Club and Laurel Racing Association, which are jointly owned by Magna International Development (MID) (51%) and Penn National Gaming (49%). The reported operating costs of the training center are between \$2.0 million and \$2.5 million per year. MID and Penn National also own Pimlico Race Course in Baltimore City and Laurel Park in Anne Arundel County, which are operated by the Maryland Jockey Club and Laurel Racing Association, respectively.

There are approximately 600 horses currently stabled at the center with between 150 and 200 individuals taking care of them. At this time, there are no known plans to sell the training center.

Horse racing is financed by the receipts from controlled legalized gambling on horses and is subject to extensive regulation. Since 1920, the State Racing Commission has regulated horse racing in the State and sought to protect and promote the public interest in all matters pertaining to horse racing and wagering.

The commission is responsible for regulating, with few exceptions, the conduct of all pari-mutuel wagering and other aspects of horse racing in the State. The commission (1) approves racing dates; (2) approves specific types of wagering and collects wagering taxes; (3) regulates the size of the purse and stake and the price of admission; (4) regulates the charge made for an article or service sold at the meets; and (5) operates a drug testing laboratory to protect the integrity of horse racing for the benefit of the betting public and competing jockeys.

Each individual, association, or corporation involved with horse racing must be licensed by the commission. The commission may suspend or revoke the license of a person engaged in racing within the State who violates the racing laws or commission rules and regulations.

The commission licenses owners, trainers, assistant trainers, jockeys, veterinarians, farriers, stable employees, mutuel employees, track employees, vendors, caterer employees, and maintenance employees. Any person engaged in racing in Maryland under an assumed name must register with the commission for permission to use the name.

Additional Information

Prior Introductions: None.

Cross File: HB 557 (Delegates Hubbard and Valentino-Smith) - Ways and Means.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Natural Resources; City of Bowie; Department of Legislative Services

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