

# HOUSE BILL 1176

C6  
HB 1426/14 – W&M

5lr2942

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By: **Delegates Knotts and Luedtke**

Introduced and read first time: February 23, 2015

Assigned to: Rules and Executive Nominations

Re-referred to: Ways and Means, March 9, 2015

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 16, 2015

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

1 AN ACT concerning

### 2 **Harness Racing – Purses – Deductions Paid to an Organization**

3 FOR the purpose of ~~requiring that~~ authorizing a certain organization representing certain  
4 standardbred owners and trainers to ~~set~~ deduct a certain amount ~~to be deducted~~  
5 from certain purses ~~and paid to a certain organization~~ to be used for its operations  
6 under certain circumstances; requiring a certain organization to obtain State Racing  
7 Commission approval prior to making certain expenditures; providing that certain  
8 expenditures may not be considered eligible expenditures; requiring a certain  
9 organization to submit certain financial statements to the State Racing Commission;  
10 defining a certain term; and generally relating to standardbred racing purses.

11 BY adding to

12 Article – Business Regulation

13 Section 11–607

14 Annotated Code of Maryland

15 (2010 Replacement Volume and 2014 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

17 That the Laws of Maryland read as follows:

### 18 **Article – Business Regulation**

19 **11–607.**

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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.



1 (A) IN THIS SECTION, "OPEN PURSE" MEANS ANY PURSE, EXCEPT FOR ONE  
2 OFFERED IN A RACE FUNDED BY THE MARYLAND STANDARDBRED RACE FUND.

3 (B) (1) ~~THE SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE~~  
4 ~~ORGANIZATION THAT REPRESENTS A MAJORITY OF THE STANDARDBRED OWNERS~~  
5 ~~AND TRAINERS IN THE STATE SHALL SET AN AMOUNT NOT LESS THAN 1% BUT NOT~~  
6 ~~MORE THAN 2% THAT SHALL BE DEDUCTED FROM ALL OPEN PURSES AND PAID TO~~  
7 ~~THE ORGANIZATION~~ MAY DEDUCT AN AMOUNT FROM ALL OPEN PURSES TO BE USED  
8 FOR ITS OPERATIONS, IN ADDITION TO ANY AMOUNT TO BE DEDUCTED UNDER A  
9 CONTRACTUAL ARRANGEMENT WITH TRACK LICENSEES.

10 (2) THE TOTAL COMBINED AMOUNT THAT MAY BE DEDUCTED FROM  
11 ALL OPEN PURSES UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT EXCEED  
12 2% OF ALL OPEN PURSES.

13 (C) (1) THE ORGANIZATION THAT REPRESENTS THE MAJORITY OF THE  
14 STANDARDBRED OWNERS AND TRAINERS IN THE STATE SHALL OBTAIN APPROVAL  
15 FROM THE COMMISSION PRIOR TO THE EXPENDITURE OF ANY FUNDS RECEIVED  
16 UNDER SUBSECTION (B) OF THIS SECTION.

17 (2) ELIGIBLE EXPENDITURES UNDER SUBSECTION (B) OF THIS  
18 SECTION MAY NOT INCLUDE:

19 (I) EXTRAORDINARY INCOME AND EXPENSE-RELATED ITEMS,  
20 INCLUDING EXTRAORDINARY LITIGATION EXPENSES; OR

21 (II) LOBBYING FEES.

22 (D) ON OR BEFORE THE 90TH DAY FOLLOWING THE END OF THE  
23 ORGANIZATION'S FISCAL YEAR, THE ORGANIZATION SHALL SUBMIT TO THE  
24 COMMISSION IN THE FORM THAT THE COMMISSION REQUIRES:

25 (1) AN ITEMIZED STATEMENT UNDER OATH FOR THE PRECEDING  
26 FISCAL YEAR OF RECEIPTS FROM ALL SOURCES AND OF ALL DISBURSEMENTS,  
27 INCLUDING SALARIES OF ALL OFFICERS, ATTORNEY FEES, AND LOBBYING  
28 EXPENSES; AND

29 (2) A CERTIFIED AUDIT BY A CERTIFIED PUBLIC ACCOUNTANT OF THE  
30 FINANCIAL RECORDS OF THE ORGANIZATION FOR THE PRECEDING FISCAL YEAR.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
32 1, 2015.