

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 851

(Senator Klausmeier, *et al.*)

Finance

Economic Matters

**Maryland Jockey Injury Compensation Fund, Inc. – Designation as Employer
and Membership**

This bill requires the membership of the Maryland Jockey Injury Compensation Fund, Inc. (jockey fund) to consist of each licensed owner and trainer of a thoroughbred horse who is subject to an assessment. When a jockey is injured or killed while live thoroughbred racing or training if the principal earnings of the jockey are based on money earned as a jockey during live racing and not as an exercise rider, the jockey fund is the employer responsible for providing workers' compensation benefits. Other provisions related to applications for benefits and actions against the licensed owner or trainer are repealed.

Fiscal Summary

State Effect: None. The bill pertains exclusively to private-sector activities.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law/Background: The Maryland Racing Commission (MRC) manages the jockey fund, which was established in 1986. The purpose of the fund is to purchase a blanket workers' compensation insurance policy for all jockeys licensed by MRC and participating at Maryland racetracks. MRC must assess each licensed owner and licensed trainer of a thoroughbred horse an amount sufficient to pay the cost of workers' compensation insurance that the jockey fund gets. MRC must pay each assessment that it receives to the jockey fund. MRC must suspend or revoke the license of each owner or

trainer who fails to pay the assessment, and MRC may not reinstate or renew the license while the owner or trainer is in default.

When a jockey is injured or killed while performing a service in connection with racing, the joint employers are the jockey fund and each licensed owner or trainer who is subject to assessment.

However, when a jockey is injured or killed while training, the trainer is the employer responsible for providing workers' compensation benefits. If the trainer is in default on a workers' compensation claim, the injured jockey or his or her dependents, as appropriate, may apply to the jockey fund for benefit payments. The jockey fund must pay the award and then may take certain actions against the trainer, as specified.

For compensable injuries, workers' compensation benefits include wage replacement, medical treatment, death and funeral costs, and vocational rehabilitation expenses. The medical care and treatment must be provided for an appropriate time period, depending on the nature and type of personal injury, compensable hernia, or occupational disease. Wage replacement benefits are based on the employee's average weekly wage and on the type of injury, as prescribed in statute; however, in all cases, an employee's weekly benefits may not exceed a certain percentage of the State average weekly wage.

The [Department of Legislative Services](#) (DLS) conducted a sunset review of the Maryland Racing Commission in 2013. As part of the sunset review, DLS examined the incidence of jockey injuries and the rising costs of coverage for the jockey fund.

Additional Information

Prior Introductions: None.

Cross File: HB 1592 (Delegate Valderrama, *et al.*) - Economic Matters.

Information Source(s): Department of Labor, Licensing, and Regulation; Chesapeake Employers' Insurance Company; Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2018
mm/jrb Third Reader - March 23, 2018
Revised - Amendment(s) - March 23, 2018

Analysis by: Heather N. Ruby and
Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510