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1997 Regular Session
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CF 7lr2550

By: Delegates Bozman and C. Davis

Introduced and read first time: January 22, 1997

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 26, 1997

CHAPTER ____

1 AN ACT concerning

2 **Horse Racing - Taxes - Purses**

3 FOR the purpose of ~~repealing~~ altering the taxes on certain amounts bet on certain
4 thoroughbred and harness races; requiring certain licensees to alter the percentage
5 of money that is allocated to purses from certain amounts bet on certain races;
6 providing for the allocation for harness racing purses; and generally relating to taxes
7 and purses allocated from amounts bet on certain thoroughbred and harness races.

8 BY repealing and reenacting, with amendments,
9 Article - Business Regulation
10 Section 11-515, 11-614, and 11-616
11 Annotated Code of Maryland
12 (1992 Volume and 1996 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Business Regulation**

16 11-515.

17 (a) Except as provided in §§ 11-515.1 and 11-516 of this subtitle, the takeout that
18 a licensee deducts from the handle of a race shall be allocated in accordance with this
19 section.

20 (b) A licensee shall:

21 (1) keep 50% of the breakage;

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

2

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

2 (c) From the 17% that a licensee deducts from each regular mutuel pool, the
3 licensee shall:

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

7 (2) ~~+~~ allocate ~~0.50%~~ 0.14% of each regular mutuel pool to the Commission
8 for State tax;

9 (3) ~~+~~ allocate 1.10% of each regular mutuel pool to the Maryland-Bred Race
10 Fund; and

11 ~~+(4) - (3)~~ allocate [7.70%] ~~8.2%~~ 8.06% of each regular mutuel pool for
12 purses.

13 (d) From the 19% that a licensee deducts from each multiple mutuel pool on 2
14 horses, the licensee shall:

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

18 (2) ~~+~~ allocate ~~0.50%~~ 0.14% of each multiple mutuel pool to the Commission
19 for State tax;

20 (3) ~~+~~ allocate 1.10% of each multiple mutuel pool to the Maryland-Bred Race
21 Fund; and

22 ~~+(4) - (3)~~ allocate [8.70%] ~~9.2%~~ 9.06% of each multiple mutuel pool for
23 purses.

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

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

29 (2) ~~+~~ allocate ~~0.50%~~ 0.14% of each multiple mutuel pool to the Commission
30 for State tax;

31 (3) ~~+~~ allocate 1.10% of each multiple mutuel pool to the Maryland-Bred Race
32 Fund; and

33 ~~+(4) - (3)~~ allocate [11.70%] ~~12.2%~~ 12.06% of each multiple mutuel pool for
34 purses.

35 11-614.

36 Except as provided in § 11-614.1 of this subtitle, a licensee whose average handle is
37 over \$600,000 shall:

3

1 (1) allocate ~~FOR PURSES 0.50%~~ 0.14% of each mutuel pool ~~+~~ to the
 2 Commission as State tax~~+~~;

3 (2) ALLOCATE FOR PURSES 0.36% OF EACH MUTUEL POOL, OR AN
 4 AMOUNT THAT IS OTHERWISE AGREED TO BY THE LICENSEE AND THE
 5 ORGANIZATION REPRESENTING A MAJORITY OF THE HARNESS OWNERS AND
 6 TRAINERS IN THE STATE, WHICH SHALL PROVIDE REVENUE IN ADDITION TO ANY
 7 OTHER FUNDS SET ASIDE FOR PURSES BY PRIVATE PARTIES;

8 ~~(2)~~ (3) allocate 0.25% of each mutuel pool to the Maryland Harness Track
 9 Employees Pension Fund;

10 ~~(3)~~ (4) keep 16.25% of each regular mutuel pool;

11 ~~(4)~~ (5) keep 18.25% of each multiple mutuel pool on 2 horses; and

12 ~~(5)~~ (6) keep 24.25% of each multiple mutuel pool on 3 or more horses.

13 11-616.

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

15 (1) allocate ~~FOR PURSES 0.50%~~ 0.14% of each mutuel pool ~~+~~ to the
 16 Commission as State tax~~+~~;

17 (2) ALLOCATE FOR PURSES 0.36% OF EACH MUTUEL POOL, OR AN
 18 AMOUNT THAT IS OTHERWISE AGREED TO BY THE LICENSEE AND THE
 19 ORGANIZATION REPRESENTING A MAJORITY OF THE HARNESS OWNERS AND
 20 TRAINERS IN THE STATE, WHICH SHALL PROVIDE REVENUE IN ADDITION TO ANY
 21 OTHER FUNDS SET ASIDE FOR PURSES BY PRIVATE PURSES;

22 ~~(2)~~ (3) subject to § 11-618 of this subtitle, allocate 0.25% of each mutuel
 23 pool to the Maryland Harness Track Employees Pension Fund;

24 ~~(3)~~ (4) keep 18.00% of each regular mutuel pool;

25 ~~(4)~~ (5) keep 20.00% of each multiple mutuel pool on 2 horses; and

26 ~~(5)~~ (6) keep 26.00% of each multiple mutuel pool on 3 or more horses.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 28 July 1, 1997.