

HOUSE BILL 1110

Unofficial Copy
C6
HB 465/98 - W&M

1999 Regular Session
9lr2396

By: **Delegate C. Davis**
Introduced and read first time: February 24, 1999
Assigned to: Rules and Executive Nominations
Re-referred to: Ways and Means, March 1, 1999

Committee Report: Favorable
House action: Adopted
Read second time: March 22, 1999

CHAPTER _____

1 AN ACT concerning

2 **Horse Racing - Special Fund - Taxes**

3 FOR the purpose of altering the termination provision relating to the allocation of
4 certain moneys from the Special Fund to the Maryland-Bred Race Fund and to
5 the Maryland Standardbred Race Fund; altering the termination provision
6 relating to the allocation of certain amounts bet on certain thoroughbred and
7 harness races to certain taxes and purses; and generally relating to horse racing
8 in the State.

9 BY repealing and reenacting, without amendments,
10 Article - Business Regulation
11 Section 11-402, 11-406, 11-515, 11-614, and 11-616
12 Annotated Code of Maryland
13 (1998 Replacement Volume)

14 BY repealing and reenacting, with amendments,
15 Chapter 477 of the Acts of the General Assembly of 1998
16 Section 3

17 BY repealing and reenacting, with amendments,
18 Chapter 750 of the Acts of the General Assembly of 1997, as amended by
19 Chapter 477 of the Acts of the General Assembly of 1998
20 Section 5

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

1

Article - Business Regulation

2 11-402.

3 The Special Fund consists of:

- 4 (1) the State share of daily licensee fees;
- 5 (2) pari-mutuel taxes;
- 6 (3) the impact aid under § 11-812 of this title;
- 7 (4) except as provided in § 11-521 of this title, money from uncashed
8 pari-mutuel tickets that are from bets made into the betting pools of nonharness
9 licensees; and
- 10 (5) any permit fees under §§ 11-820 and 11-832 of this title.

11 11-406.

12 After all deductions from the Special Fund are made, money that remains in the
13 Special Fund shall be allocated in the following way:

- 14 (1) 70% to the Maryland-Bred Race Fund; and
- 15 (2) 30% to the Maryland Standardbred Race Fund, to be divided equally
16 between the Sires Stakes Program and the Foaled Stakes Program.

17 11-515.

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

20 (b) A licensee shall:

- 21 (1) keep 50% of the breakage;
- 22 (2) allocate 45% of the breakage for purses; and
- 23 (3) allocate 5% of the breakage to the Maryland-Bred Race Fund.

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

- 26 (1) keep 7.70% of each regular mutuel pool, from which the licensee shall
27 pay 0.25% of each regular mutuel pool to the Maryland Race Track Employees
28 Pension Fund;
- 29 (2) allocate 0.32% of each regular mutuel pool to the Commission for
30 State tax;

1 (3) allocate 1.10% of each regular mutuel pool to the Maryland-Bred
2 Race Fund; and

3 (4) allocate 7.88% of each regular mutuel pool for purses.

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

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

9 (2) allocate 0.32% of each multiple mutuel pool to the Commission for
10 State tax;

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

13 (4) allocate 8.88% of each multiple mutuel pool for purses.

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

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

19 (2) allocate 0.32% of each multiple mutuel pool to the Commission for
20 State tax;

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

23 (4) allocate 11.88% of each multiple mutuel pool for purses.

24 11-614.

25 A licensee whose average handle is over \$600,000 shall:

26 (1) allocate 0.32% of each mutuel pool to the Commission as State tax;

27 (2) allocate for purses 0.18% of each mutuel pool, or an amount that is
28 otherwise agreed to by the licensee and the organization representing a majority of
29 the harness owners and trainers in the State, which shall provide revenue in addition
30 to any other funds set aside for purses by private parties;

31 (3) allocate 0.25% of each mutuel pool to the Maryland Harness Track
32 Employees Pension Fund;

33 (4) keep 16.25% of each regular mutuel pool;

- 1 (5) keep 18.25% of each multiple mutuel pool on 2 horses; and
2 (6) keep 24.25% of each multiple mutuel pool on 3 or more horses.
3 11-616.

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

- 5 (1) allocate 0.32% of each mutuel pool to the Commission as State tax;
6 (2) allocate for purses 0.18% of each mutuel pool, or an amount that is
7 otherwise agreed to by the licensee and the organization representing a majority of
8 the harness owners and trainers in the State, which shall provide revenue in addition
9 to any other funds set aside for purses by private parties;
10 (3) subject to § 11-618 of this subtitle, allocate 0.25% of each mutuel pool
11 to the Maryland Harness Track Employees Pension Fund;
12 (4) keep 18.00% of each regular mutuel pool;
13 (5) keep 20.00% of each multiple mutuel pool on 2 horses; and
14 (6) keep 26.00% of each multiple mutuel pool on 3 or more horses.

15 **Chapter 477 of the Acts of 1998**

16 SECTION 3. AND BE IT FURTHER ENACTED, That the changes to § 11-406
17 of the Business Regulation Article, as enacted by Section 1 of this Act, shall remain
18 effective until [June 30, 1999] JUNE 30, 2000, and, at the end of [June 30, 1999]
19 JUNE 30, 2000, with no further action required by the General Assembly, the changes
20 to § 11-406 shall be abrogated and of no further force and effect.

21 **Chapter 750 of the Acts of 1997, as amended by Chapter 477 of the Acts of**
22 **1998**

23 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 June 1, 1997. It shall remain effective for a period of [2 years] 3 YEARS and 1 month
25 and, at the end of [June 30, 1999] JUNE 30, 2000, with no further action required by
26 the General Assembly, this Act shall be abrogated and of no further force and effect.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 June 1, 1999.

