

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE

House Bill 1018 (Delegate Busch. *et al.*)

Ways and Means

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Thoroughbred Racing - Racing Times - Restrictions

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This bill prohibits a thoroughbred licensee from holding racing after 11:00 p.m. unless: (1) circumstances beyond the control of the licensee cause a delay; or (2) the racing consists of betting on races held at an out-of-state track and the racing is authorized under the provision of current law governing betting on out-of-state races.

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Fiscal Summary

**State Effect:** Potential increase in expenditures beginning in FY 2001 related to paying State Racing Commission employees night-shift subsidies. The maximum increase in expenditures would be approximately \$40,000 annually. No effect on revenues is anticipated.

**Local Effect:** Minimal.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** A thoroughbred licensee may not hold racing after 6:15 p.m. unless: (1) circumstances beyond the control of the licensee cause a delay; (2) the racing day is of national prominence; or (3) the racing consists of betting on races held at an out-of-state track and the racing is (a) authorized by current law; and (b) approved by the harness track licensee whose track is closest to the licensee's track, the group that represents a majority of the owners and trainers who race horses at that harness track, and the group that represents a majority of the harness breeders in the State.

**Background:** Pursuant to its interpretation of current law, the harness industry has attempted to conduct betting on imported thoroughbred races at night. The State Racing

Commission, however, did not allow the industry to do so (in part because of the 6:15 p.m. restriction on thoroughbred racing). According to the commission, the harness industry appealed to the circuit court where it prevailed; the commission then took the matter to the Court of Special Appeals, where it prevailed. Under a revenue-sharing agreement, the harness industry and thoroughbred industry have agreed by contract that all the proceeds from every bet placed in Maryland would be distributed as follows: 80% to the thoroughbred industry; 20% to the harness industry.

**State Fiscal Effect:** Some employees of the State Racing Commission perform vital functions in the regulatory process at the tracks. If a thoroughbred track takes advantage of the bill's flexibility by starting racing times later in the day, the commission could incur increased expenditures relating to paying those employees a night-shift subsidy of \$5 per day. At a maximum, 22 employees would be eligible for a night-shift subsidy. If thoroughbred races are held each day of the year, the maximum increase in expenditures associated with the subsidy would be approximately \$40,000 annually.

It is assumed that the bill will not significantly affect the total money wagered on thoroughbred races; accordingly, revenues are not anticipated to be affected.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation (State Racing Commission); Department of Legislative Services

**Fiscal Note History:** First Reader - March 13, 2000  
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