

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE**

**Revised**

Senate Bill 391 (Senator Astle)

Finance and Judicial Proceedings

Ways and Means

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**Racing - Horsemen - Standardbred and Thoroughbred Assistance Funds**

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This bill repeals the provisions of law applying to the Maryland Horsemen's Assistance Fund, Inc. and in its place establishes the Maryland Horsemen's Assistance Fund, Inc. and the Maryland Standardbred Horsemen's Assistance Fund, Inc.

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**Fiscal Summary**

**State Effect:** None. Overall revenues and expenditures generated from fines or overpayments would remain the same.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The clerk of the course at each thoroughbred track and at each harness track is required to: (1) collect each overpayment on a tote machine and each fine and penalty that is imposed on any person employed at a race track who is regulated by the Racing Commission, but who is not a track owner; and (2) pay that money to the Racing Commission within ten days after the close of each race meeting. The Racing Commission is required to pay the money collected from each harness track to the Maryland Standardbred Horsemen's Assistance Fund, Inc., and the money collected from each thoroughbred track to the Maryland Horsemen's Assistance Fund, Inc., on or before December 31 of each year, if the commission is satisfied that: (1) the recipient fund is operated entirely for charitable purposes consistent with the interests of racing; and (2)

money that the commission sends to a recipient fund or net earnings of a recipient fund is not used for the benefit of a director, member, or officer of that fund, or for the benefit of any private individual who is not an object of the charitable purposes of that fund.

The bill also requires that any money remaining in the Standardbred Account of the Maryland Horsemen's Assistance Fund, Inc. and the Thoroughbred Account of the Maryland Horsemen's Assistance Fund, Inc. on October 1, 2001, shall be paid over to the Maryland Standardbred Horsemen's Assistance Fund and the Maryland Horsemen's Assistance Fund, Inc., respectively.

**Current Law:** The clerk of the course is required to collect each overpayment on a tote machine and each fine and penalty that is not imposed on a licensee (track owner) and pay that money to the Racing Commission within ten days after the close of each race meeting. The commission is required to pay the money collected to the Maryland Horsemen's Assistance Fund, Inc. on or before December 31 of each year, if the commission is satisfied that: (1) the horsemen's fund is operated entirely for charitable purposes; and (2) money that the commission sends to the horsemen's fund or net earnings of the horsemen's fund is not used for the benefit of a director, member, or officer of the horsemen's fund, or for the benefit of any private individual who is not an object of those charitable purposes.

**Background:** Currently, the Maryland Horseman's Assistance Fund, Inc. is divided into two accounts -- one for thoroughbred tracks and one for standardbred (harness) tracks. Money collected from fines incurred from the different tracks is deposited in the fund and then distributed to the different accounts depending on where the fine revenue came from. The purpose of the fund is to provide charitable or benevolent benefits for those who work at the different tracks. For example, the Thoroughbred Assistance Account provides funds for drug counseling as well as for medical and dental expenses.

**State Fiscal Effect:** The Maryland Racing Commission advises that fines generated at standardbred tracks averaged \$25,000 in fiscal 1999 and 2000; fines generated at thoroughbred tracks averaged \$20,000 for the same period. Private donations may also be made to the fund. There have not been overpayments on tote machines in many years.

It is expected that these revenues and corresponding expenditures would continue with the creation of the two new funds.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1269 (Delegate C. Davis) – Ways and Means.

**Information Source(s):** Maryland Racing Commission, Department of Legislative Services

**Fiscal Note History:** First Reader – March 1, 2001  
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