

**Department of Legislative Services**  
Maryland General Assembly  
2002 Session

**FISCAL NOTE**

House Bill 1260

(Chairman, Ways and Means Committee)

(Departmental – Labor, Licensing and Regulation)

Ways and Means

Finance

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**Harness Racing - Takeout - Purses and Maryland Standardbred Race Fund**

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This departmental bill authorizes representatives of the harness racing industry (representatives of a licensee, a group that represents a majority of the owners and trainers, and a group that represents a majority of breeders in the State when the agreement is signed) to allocate the takeout for purses and the Maryland Standardbred Race Fund in a way other than that specified under current law, if a written agreement is signed by all.

The bill prohibits a track licensee from altering the mandatory takeout amount allocated to the Racing Commission for State tax or payment to the Racing Facility Redevelopment Bond Fund for the Maryland Economic Development Corporation.

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**Fiscal Summary**

**State Effect:** The bill would not materially affect State operations or finances.

**Local Effect:** None.

**Small Business Effect:** The Department of Labor, Licensing, and Regulation has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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## Analysis

**Current Law:** The manner in which takeout that is retained by a harness track licensee is specified in statute under Section 11-617 of the Business Regulation Article. The statute provides for the allocation of a track licensee's share of the takeout to specified funds and mutual pools depending on the licensee's average handle.

**Background:** Two thoroughbred race tracks, Laurel and Pimlico, and one harness race track operate under a revenue sharing agreement where all the money that is bet at the tracks and at satellite simulcast facilities are placed into one pool. Both the thoroughbred and harness industries sought a means of allocating takeout other than by the means prescribed in statute.

The Racing Act of 2000 (Chapter 309) allowed representatives of the thoroughbred racing industry to alter the distribution of takeout in a way other than that specified under statute.

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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 12, 2002  
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