

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 538
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike in its entirety line 2 and substitute "Racing Act of 2003".

AMENDMENT NO. 2

On page 1, strike beginning with "altering" in line 3 down through "racing" in line 7 and substitute "repealing the Maryland Racing Facility Redevelopment Program, including the authority of the Maryland Economic Development Corporation to issue certain bonds; altering the termination date of certain changes to the allocations of certain amounts bet on certain thoroughbred and harness races; altering the termination date of certain provisions of law relating to the Maryland Racing Facility Development Fund, including the distribution of funds resulting from uncashed pari-mutuel tickets; altering the amounts that certain licensees may deduct from certain pari-mutuel betting; altering the allocation of the amounts deducted from certain pari-mutuel betting; allowing the allocation of certain moneys to be made in accordance with a certain agreement; providing for the delayed effective date of certain provisions of this Act; and generally relating to horse racing in the State"; strike in their entirety lines 8 through 12, inclusive; and after line 12, insert:

"BY repealing

Article - Business Regulation

Section 11-1201 through 11-1208, inclusive, and the subtitle "Subtitle 12. Maryland Racing Facility Redevelopment Program"

Annotated Code of Maryland

(1998 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Chapter 309 of the Acts of the General Assembly of 2000

Section 5

(Over)

BY repealing and reenacting, with amendments,

Article - Business Regulation

Section 11-514, 11-515, 11-613(c), and 11-616

Annotated Code of Maryland

(1998 Replacement Volume and 2001 Supplement)

(As enacted by Chapter 309 of the Acts of the General Assembly of 2000)

BY repealing and reenacting, with amendments,

Article - Business Regulation

Section 11-515.1(b)

Annotated Code of Maryland

(1998 Replacement Volume and 2001 Supplement)”.

AMENDMENT NO. 3

On page 1, before line 13, insert:

“SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 11-1201 through 11-1208 and the subtitle “Subtitle 12. Maryland Racing Facility Redevelopment Program” of Article - Business Regulation of the Annotated Code of Maryland be repealed.”;

in line 13, strike “1.” and substitute “2.”; and strike beginning with “BE” in line 13 down through “MARYLAND” in line 14 and substitute “AND BE IT FURTHER ENACTED”.

AMENDMENT NO. 4

On pages 1 through 6, strike in their entirety the lines beginning with line 16 on page 1 through line 8 on page 6, inclusive.

AMENDMENT NO. 5

On page 6, after line 8, insert:

“Chapter 309 of the Acts of 2000

SECTION 5. AND BE IT FURTHER ENACTED, That SECTION 2 of this Act shall remain effective [until the bonds issued by the Maryland Economic Development Corporation for the purposes of this Act, and the obligations thereunder, have been fully satisfied and are expired,] THROUGH JUNE 30, 2004 and, AT THE END OF JUNE 30, 2004, with no further action required

by the General Assembly, Sections 2 and 3 of this Act shall be abrogated and of no further force and effect.”.

AMENDMENT NO. 6

On page 6, before line 9, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Business Regulation

11-514.

(a) A licensee shall deduct from the handle:

(1) all the breakage;

(2) NOT MORE THAN 17% from each regular mutuel pool;

(3) NOT MORE THAN 19% from each multiple mutuel pool on 2 horses; and

(4) NOT MORE THAN 25% from each multiple mutuel pool on 3 or more

horses.

(b) Money that remains after deductions are made under subsection (a) of this section shall be returned as winnings to successful bettors.

(C) (1) THE AMOUNT DEDUCTED BY THE LICENSEE UNDER SUBSECTION (A) OF THIS SECTION SHALL BE THE SUM OF THE ALLOCATIONS PROVIDED IN § 11-515 OF THIS SUBTITLE, UNLESS OTHERWISE PROVIDED IN A WRITTEN AGREEMENT SIGNED BY THE AUTHORIZED REPRESENTATIVES OF:

(I) THE LICENSEE;

(Over)

(II) THE GROUP THAT REPRESENTS A MAJORITY OF THE OWNERS AND TRAINERS LICENSED IN THE STATE AT THE TIME THE AGREEMENT IS SIGNED; AND

(III) THE GROUP THAT REPRESENTS A MAJORITY OF THE BREEDERS IN THE STATE AT THE TIME THE AGREEMENT IS SIGNED.

(2) NOTHING IN THIS SUBSECTION MAY BE CONSTRUED TO PERMIT THE LICENSEE TO IN ANY WAY ALTER THE MANDATORY TAKEOUT ALLOCATED TO THE COMMISSION FOR THE STATE TAX.

11-515.

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

(b) A licensee shall:

(1) keep 50% of the breakage;

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

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

(c) From the [17%] AMOUNT that a licensee deducts from each regular mutuel pool, the licensee shall:

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

(2) allocate [0.50%] 0.32% of each regular mutuel pool to the Commission for State tax;

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

(4) allocate 7.70% of each regular mutuel pool for purses; AND

(5) ALLOCATE 0.18% OF EACH REGULAR MUTUEL POOL AS AN ADDITIONAL AMOUNT FOR PURSES.

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

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

(2) allocate [0.50%] 0.32% of each multiple mutuel pool to the Commission for State tax;

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

(4) allocate 8.70% of each multiple mutuel pool for purses; AND

(5) ALLOCATE 0.18% OF EACH MULTIPLE MUTUEL POOL AS AN ADDITIONAL AMOUNT FOR PURSES.

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

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

(2) allocate [0.50%] 0.32% of each multiple mutuel pool to the Commission for State tax;

(Over)

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

(4) allocate 11.70% of each multiple mutuel pool for purses; AND

(5) ALLOCATE 0.18% OF EACH MULTIPLE MUTUEL POOL AS AN
ADDITIONAL AMOUNT FOR PURSES.

11-515.1.

(b) Nothing in this section may be construed to permit the licensee to in any way alter the
mandatory takeout allocated to the Commission for[:

(1)] the State tax[; or

(2) the payment to the Racing Facility Redevelopment Bond Fund for the
Maryland Economic Development Corporation].

11-613.

(c) If the average handle is \$600,000 or less, the takeout shall be:

(1) NOT MORE THAN 18.75% from each regular mutuel pool;

(2) NOT MORE THAN 20.75% from each multiple mutuel pool on 2 horses; and

(3) NOT MORE THAN 26.75% from each multiple mutuel pool on 3 or more
horses.

11-616.

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

(1) allocate [0.50%] 0.32% of each mutuel pool to the Commission as State tax;

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

(3) ALLOCATE FOR PURSES 0.18% OF EACH MUTUEL POOL, OR AN AMOUNT THAT IS OTHERWISE AGREED TO BY THE LICENSEE AND THE ORGANIZATION REPRESENTING A MAJORITY OF THE HARNESS OWNERS AND TRAINERS IN THE STATE, WHICH SHALL PROVIDE REVENUE IN ADDITION TO ANY OTHER FUNDS SET ASIDE FOR PURSES BY PRIVATE PARTIES;

[(3)] (4) keep 18.00% of each regular mutuel pool;

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

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

SECTION 4. AND BE IT FURTHER ENACTED, That Sections 1 and 3 of this Act shall take effect July 1, 2004.”;

in line 9, strike “2.” and substitute “5.”; and in the same line, after “That” insert “, except as provided in Section 4 of this Act,”.