

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 111 (Chairman, Finance Committee)
(By Request – Departmental – Labor, Licensing and Regulation)
Finance Ways and Means

Harness Racing - Licensees - Takeout Allocation

This departmental bill authorizes the harness racing industry to allocate the takeout for purses and the Maryland Standardbred Race Fund from the share retained by a harness track licensee in a way other than that specified under current law, if a written agreement is signed by all. The harness racing industry includes: a licensee; a group that represents a majority of the standardbred owners and trainers; and a group that represents a majority of the standardbred breeders in the State when the agreement is signed.

The bill does not permit a track licensee to alter 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.

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.

Analysis

Current Law: The manner in which takeout that is retained by a harness track licensee is specified in statute. 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.

Additional Information

Prior Introductions: A similar bill was introduced as HB 1260 in the 2002 session. It was amended by the Senate Finance Committee and passed third reading with amendments, but no further action was taken.

Cross File: None.

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

Fiscal Note History: First Reader - February 18, 2003
mam/jr

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