

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 644 (Delegate Glassman)
Ways and Means

Racing - Takeouts - Licensee's Portion

This bill reduces the licensee's portion of specified takeouts for both thoroughbred and harness racing to the percentages prior to the enactment of the Racing Act of 2000 (Chapter 309). The bill also repeals the requirement that thoroughbred and harness track licensees make specified allocations to the Racing Facility Redevelopment Bond Fund, as required by the Racing Act of 2000.

Fiscal Summary

State Effect: None. Since no funds have been paid into the Racing Facility Redevelopment Bond Fund, the bill does not effect payments to the bond fund.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill reduces the amount that a licensee is required to deduct from the handle: from not more than 18% to 17% from each regular mutuel pool; from not more than 21% to 19% from each multiple mutuel pool on two horses; and from not more than 25.75% to 25% from each multiple mutuel pool on three or more horses.

If an average handle is over \$600,000, the takeout is reduced from: 17% to 16% from each regular mutuel pool; 19% to 18% from each multiple mutuel pool for two horses; and 25% to 24% from each multiple mutuel pool on three or more horses.

If the average handle is \$600,000 or less, the takeout is reduced from: not more than 18.75% to 17.75% from each regular mutuel pool; not more than 20.75% to 19.25% from each multiple mutuel pool on two horses; and not more than 26.75% to 25.25% from each multiple mutuel pool on three or more horses.

The percentage a licensee whose average handle is over \$600,000 is required to keep is reduced from: 16.25% to 15.25% of each regular mutuel pool; 18.25% to 17.25% of each multiple mutuel pool on two horses; and 24.25% to 23.25% of each multiple mutuel pool on three or more horses.

The percentage a licensee whose average handle is more than \$200,000 but not more than \$600,000 is required to keep is reduced from: 16.5% to 15.5% of each regular mutuel pool; 18.5% to 17.5% of each multiple mutuel pool on two horses; and 24.5% to 23.5% of each multiple mutuel pool on three or more horses.

The percentage a licensee whose average handle is \$200,000 or less is required to keep is reduced from: 18% to 17% of each regular mutuel pool; 20% to 19% of each multiple mutuel pool on two horses; and 26% to 25% of each multiple mutuel pool on three or more horses.

Current Law: Thoroughbred and harness licensees are required to pay a specified percentage of the takeout, depending on the size of each mutuel pool, to the Racing Commission for payment into the Racing Facility Redevelopment Bond Fund.

Additional Information

Prior Introductions: None.

Cross File: SB 538 (Senators Hooper and Colburn) – Ways and Means.

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

Fiscal Note History: First Reader - February 27, 2003
ncs/jr

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