

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 538

(Senators Hooper and Colburn)

Finance

Ways and Means

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**Racing Act of 2003**

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This bill repeals the Maryland Racing Facility Redevelopment Program that was enacted as part of the Racing Act of 2000 (Chapter 309). In addition, provisions of the Racing Act of 2000 that were scheduled to sunset upon repayment of bonds issued are changed to reflect status prior to passage of the Racing Act of 2000.

The bill authorizes representatives of thoroughbred racing tracks, owners and trainers, and breeders, to agree to allocate the takeout for purses in a way other than that specified under current law, as authorized by the Racing Act of 2000. The bill also clarifies that the State racing tax rate is .32% of each mutuel pool, provides that a portion of the “take-out” be used for purses as authorized by the Racing Act of 2000, and dedicates uncashed pari-mutuel tickets to the horse racing special fund.

The bill takes effect October 1, 2003, except for Sections 1 and 3, which take effect July 1, 2004.

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**Fiscal Summary**

**State Effect:** None. Since no bonds have been issued for track improvements, payments to the bond fund for debt service are no longer necessary. The percentage of the takeout allocated for payment of the State tax does not change.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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## Analysis

**Bill Summary:** The bill requires a thoroughbred licensee to deduct from the handle: all the breakage; not more than 17% from each regular mutuel pool; not more than 19% from each multiple mutuel pool on two horses; and not more than 25% from each multiple mutuel pool on three or more horses.

If the average handle is \$600,000 or less for a harness race, the takeout is: not more than 18.75% from each regular mutuel pool; not more than 20.75% from each multiple mutuel pool for two horses; and not more than 26.75% from 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 to be used for debt service on bonds issued for race track improvements.

Uncashed pari-mutuel tickets are deposited in the Racing Facility Redevelopment Bond Fund.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** HB 644 (Delegate Glassman) – Ways and Means.

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

**Fiscal Note History:** First Reader - February 19, 2003  
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Analysis by: Michael Sanelli

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510