

HOUSE BILL 637

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C6
SB 538/03 - FIN

2004 Regular Session
4r2324
CF SB 170

By: **Delegate Glassman**

Introduced and read first time: February 4, 2004

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Racing Act of 2004**

3 FOR the purpose of repealing the Maryland Racing Facility Redevelopment Program,
4 including the authority of the Maryland Economic Development Corporation to
5 issue certain bonds; altering the termination date of certain changes to the
6 allocations of certain amounts bet on certain thoroughbred and harness races;
7 altering the termination date of certain provisions of law relating to the
8 Maryland Racing Facility Redevelopment Bond Fund, including the distribution
9 of funds resulting from uncashed pari-mutuel tickets; altering the amounts that
10 certain licensees may deduct from certain pari-mutuel betting; altering the
11 allocation of the amounts deducted from certain pari-mutuel betting; allowing
12 the allocation of certain moneys to be made in accordance with a certain
13 agreement; and generally relating to horse racing in the State.

14 BY repealing

15 Article - Business Regulation

16 Section 11-1201 through 11-1208, inclusive, and the subtitle "Subtitle 12.

17 Maryland Racing Facility Redevelopment Program"

18 Annotated Code of Maryland

19 (1998 Replacement Volume and 2003 Supplement)

20 BY repealing and reenacting, with amendments,

21 Chapter 309 of the Acts of the General Assembly of 2000

22 Section 5

23 BY repealing and reenacting, with amendments,

24 Article - Business Regulation

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

26 Annotated Code of Maryland

27 (1998 Replacement Volume and 2003 Supplement)

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

29 BY repealing and reenacting, with amendments,

1 Article - Business Regulation
2 Section 11-515.1(b)
3 Annotated Code of Maryland
4 (1998 Replacement Volume and 2003 Supplement)

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8 Regulation of the Annotated Code of Maryland be repealed.

9 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
10 read as follows:

11 **Chapter 309 of the Acts of 2000**

12 SECTION 5. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this
13 Act shall remain effective [until the bonds issued by the Maryland Economic
14 Development Corporation for the purposes of this Act, and the obligations thereunder,
15 have been fully satisfied and are expired,] UNTIL JUNE 30, 2004, and, AT THE END OF
16 JUNE 30, 2004, with no further action required by the General Assembly, Sections 2
17 and 3 of this Act shall be abrogated and of no further force and effect.

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

20 **Article - Business Regulation**

21 11-514.

22 (a) A licensee shall deduct from the handle:

23 (1) all the breakage;

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

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

26 and

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

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

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

1 (I) THE LICENSEE;

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

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

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

10 11-515.

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

13 (b) A licensee shall:

14 (1) keep 50% of the breakage;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 11-515.1.

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

23 (1)] the State tax[; or

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

26 11-613.

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

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

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

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

1 11-616.

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

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

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

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

12 [(3)] (4) keep 18.00% of each regular mutuel pool;

13 [(4)] (5) keep 20.00% of each multiple mutuel pool on 2 horses; and

14 [(5)] (6) keep 26.00% of each multiple mutuel pool on 3 or more horses.

15 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2004.