

SENATE BILL 170

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SB 538/03 - FIN

2004 Regular Session  
4r0363

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By: **Senators Hooper, Colburn, Greenip, Hafer, Middleton, and Stone**  
Introduced and read first time: January 23, 2004  
Assigned to: Finance

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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8 Regulation of the Annotated Code of Maryland be repealed.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.