

(PRE-FILED)

By: **Senator Lawlah**
Requested: November 15, 2005
Introduced and read first time: January 11, 2006
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Horse Racing Reform Act of 2006**

3 FOR the purpose of repealing a certain restriction on holding live thoroughbred
4 racing after a certain time of day; clarifying that, on approval by the Racing
5 Commission, mile thoroughbred racing licensees and harness racing licensees
6 may contract to hold pari-mutuel betting on certain racing held at certain
7 out-of-state tracks; prohibiting the Commission under certain circumstances
8 from withholding its approval to licensees seeking to hold a certain kind of
9 pari-mutuel betting; requiring the licensee of the track where pari-mutuel
10 betting occurs to retain the proceeds of the betting; prohibiting the Commission
11 from requiring a licensee to pay a premium to another licensee or contribute the
12 takeout to any other licensee or entity; and generally relating to pari-mutuel
13 betting on mile thoroughbred racing and harness racing.

14 BY repealing and reenacting, with amendments,
15 Article - Business Regulation
16 Section 11-504 and 11-804
17 Annotated Code of Maryland
18 (2004 Replacement Volume and 2005 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Business Regulation**

22 11-504.

23 [(a) (1) A licensee may hold live racing after 6:15 p.m. but not later than 9:00
24 p.m. if:

25 (i) circumstances beyond the control of the licensee cause a delay;

26 (ii) the racing day is of national prominence; or

1 (iii) the racing is approved by the harness track licensee whose
2 track is closest to the licensee's track, the group that represents a majority of the
3 owners and trainers who race horses at that harness track, and the group that
4 represents a majority of the harness breeders in this State.

5 (2) A licensee may hold racing after 6:15 p.m. that consists of betting on
6 races held at an out-of-state track, if the racing is:

7 (i) authorized under § 11-804 of this title; and

8 (ii) approved by the harness track licensee whose track is closest to
9 the licensee's track, the group that represents a majority of the owners and trainers
10 who race horses at that harness track, and the group that represents a majority of the
11 harness breeders in this State.

12 (3) Notwithstanding any approval for racing after 6:15 p.m., electrical or
13 artificial illumination, necessary for the purpose of holding live racing, may not be
14 permitted at Pimlico Race Course.

15 (4) Notwithstanding the provisions of paragraph (1) or (2) of this
16 subsection, a licensee in Allegany County may hold live or simulcast racing after 6:15
17 p.m., but not later than 11:30 p.m., unless circumstances beyond the control of the
18 licensee cause a delay.]

19 [(b)] (A) [(1)] Mile thoroughbred racing may not be held on a Sunday unless:

20 [(i)] (1) the Commission approves; and

21 [(ii)] (2) the racing begins at noon or later.

22 [(2)] (B) The Maryland State Fair and Agricultural Society, Inc., may not
23 hold a race on a Sunday except during the Maryland State Fair.

24 11-804.

25 (a) The intent of this section is similar to that of the Interstate Horseracing
26 Act of 1978, 15 U.S.C. §§ 3001 through 3007.

27 (b) (1) If the Commission approves, [a licensee] MILE THOROUGHBRED
28 RACING LICENSEES AND HARNESS RACING LICENSEES may contract to hold
29 pari-mutuel betting on [a race that is] THOROUGHBRED RACING AND HARNESS
30 RACING held at [an] out-of-state [track] TRACKS where betting on racing is lawful.

31 (2) IF THE COMMISSION GRANTS ITS APPROVAL TO ANY LICENSEE
32 UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION MAY NOT WITHHOLD
33 ITS APPROVAL TO ANY OTHER LICENSEE THAT REQUESTS TO HOLD PARI-MUTUEL
34 BETTING ON THOROUGHBRED RACING OR HARNESS RACING HELD AT
35 OUT-OF-STATE TRACKS WHERE BETTING ON RACING IS LAWFUL.

36 (c) Pari-mutuel betting under this section may only occur:

1 (1) on a racing day when the Commission has authorized the licensee to
2 hold racing; and

3 (2) (i) at the track of the licensee;

4 (ii) at any track where pari-mutuel betting on races on the racing
5 program of the licensee for that day is authorized; or

6 (iii) at a satellite simulcast facility.

7 (d) (1) (I) THE LICENSEE OF THE TRACK WHERE PARI-MUTUEL BETTING
8 OCCURS SHALL RETAIN THE PROCEEDS OF THE BETTING.

9 (II) The breakage and takeout for pari-mutuel betting under this
10 section shall be computed in the way normally applicable to pari-mutuel betting on
11 racing the licensee holds.

12 (2) From the takeout the licensee shall deduct:

13 (i) the State tax on all mutuel pools;

14 (ii) the amount to be paid under the contract to the out-of-state
15 track; and

16 (iii) the cost of transmission.

17 (3) The licensee shall then allocate the rest of the takeout in the way
18 applicable to the racing that the licensee holds.

19 (4) THE COMMISSION MAY NOT REQUIRE A LICENSEE TO:

20 (I) PAY A PREMIUM TO ANOTHER LICENSEE; OR

21 (II) CONTRIBUTE THE TAKEOUT TO ANY OTHER LICENSEE OR
22 ENTITY.

23 (e) A contract with an out-of-state track under this section is subject to the
24 approval of the group that represents a majority of the owners and trainers who race
25 horses at that track and the group that represents a majority of the applicable
26 breeders in this State.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2006.