

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 130
Finance

(Senator Della)

Mile Thoroughbred Racing - Allocation of Takeout - Improvement of Facilities
and Marketing

This bill alters the allocation of the takeout share that a mile thoroughbred racing licensee keeps from specified pari-mutuel races by requiring that 0.25% from each regular and multiple mutuel pool be used to improve the facilities and services of the track and to increase marketing activity, so as to promote: (1) increased attendance and pari-mutuel betting; and (2) enhanced well-being of the mile thoroughbred racing industry.

Fiscal Summary

State Effect: None. The bill does not alter the allocation of State wagering taxes and therefore would not directly affect State operations of finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Thoroughbred licensees are not required to allocate a portion of the amount they are authorized to deduct from pari-mutuel races for marketing of facility improvement purposes. Licensees are required to pay 0.25% from pari-mutuel pools to the Maryland Race Track Employees Pension Fund and 0.32% to the State for taxes.

Background: The Racing Act of 2000 (Chapter 309) established the Maryland Racing Facility Redevelopment Program. The program authorized a portion of the takeout be

used to finance facility improvements at tracks. No bonds were ever issued under the program, and the program was repealed by Chapter 97 of 2004.

Chapter 97 also (1) clarified that the State racing tax rate is 0.32% of each mutuel pool; (2) provided that a portion of the takeout be used for purses as authorized by the Racing Act of 2000, including specified amounts of specified mutuel pools to the Maryland Million, Ltd., for purses of Maryland Million races; and (3) rededicated uncashed pari-mutuel tickets to the horse racing special fund as a result of the repeal of the racing redevelopment program. Under the racing redevelopment program, uncashed tickets were dedicated to pay debt service on bonds (though no bonds were ever issued).

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 24, 2006
mll/rhh

Analysis by: Michael Sanelli

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