

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 1048

(Senator Muse)

Finance

State Racing Commission - Expansion of Membership

This bill expands the membership of the State Racing Commission from 9 to 13 members.

The bill takes effect June 1, 2010.

Fiscal Summary

State Effect: None. Expenditures associated with the four additional members will be absorbed within the currently budgeted resources of the State Racing Commission.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: By increasing the membership of the State Racing Commission, the bill: (1) increases the number of members that must be knowledgeable or experienced in an aspect of harness racing from three to six; (2) specifies that no more than five members may have a financial interest in racing in the State; (3) increases the number of members who may be in the same political party from six to eight; and (4) requires at least three members be residents of Prince George's County.

The bill specifies that terms of members of the State Racing Commission serving on July 1, 2010 end as follows: (1) three on June 30, 2011; (2) four on June 30, 2012; (3) three on June 30, 2013; and (4) three on June 30, 2014.

Current Law: The State Racing Commission is comprised of nine members appointed by the Governor with the advice and consent of the Senate. Of the nine commission members, statute requires that at least three members have a background in thoroughbred racing and three members have a background in harness racing. In addition, no more than four members may have a financial interest in Maryland horse racing and no more than six members may belong to the same political party. Commissioners serve four-year terms and receive compensation and reimbursement for travel expenses as provided in the annual State budget.

The State Racing Commission is housed within the Division of Racing in the Department of Labor, Licensing, and Regulation (DLLR). The commission is one of two budgeted programs within the Division of Racing. The other budgeted program is Racetrack Operation Reimbursement.

Background: Prior to 1920, local jurisdictions regulated race tracks. In response to growing public concerns about the potential for wrong-doing within the horse racing industry, the General Assembly, in 1920, established the State Racing Commission to serve as a statewide regulatory and licensing body for the industry. The State Racing Commission regulates both harness and thoroughbred racing, as well as any steeplechase race at which pari-mutuel wagering is held. In this regulatory role, the commission is vested with the authority to prescribe the conditions under which all horse races are conducted within the State. The commission is authorized to:

- adopt regulations and conditions to govern racing and pari-mutuel betting in the State;
- approve specific types of betting and admission charges;
- operate a testing laboratory;
- assign racing dates;
- regulate satellite simulcast betting;
- license individuals employed at or connected with the race tracks;
- audit and supervise race track financial operations;
- administer and approve the activities of the Maryland-Bred Race Fund and the Standardbred Race Fund;
- administer the Maryland Jockey Injury Compensation Fund; and
- collect taxes and fees imposed under the Code of Maryland Regulations.

Most of the commission's activities are carried out by an executive director and staff operating in the Division of Racing. Staff employed by the State Racing Commission include stewards, judges, veterinarians, licensing officials, and laboratory employees.

The Executive Director of the Division of Racing serves at the pleasure of the Secretary of Labor, Licensing, and Regulation and is responsible for:

- keeping the records and papers of the commission;
- administering the licensing of individuals connected with racing;
- the daily operations of the commission; and
- preparing, issuing, and submitting commission reports.

In addition to its regulatory activities, the State Racing Commission administers the Maryland-Bred Race Fund and the Maryland Standardbred Race Fund. The Maryland-Bred Race Fund was created in 1962 as an incentive program to encourage the improvement of thoroughbred horse breeding and racing in Maryland. The Standardbred Race Fund, created in 1971, serves as an incentive program to promote the breeding and racing of standardbred horses in Maryland.

The State Racing Commission administers the two bred funds with the assistance and advice of separate advisory committees. Each advisory committee recommends to the State Racing Commission the number, date, distance, and purse amount of fund races and the amounts of breeders' awards.

The proposed fiscal 2011 State budget includes \$1.2 million in operating expenses for the State Racing Commission.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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