

SENATE BILL 657

C6

2lr2050

By: **Senator Muse**

Introduced and read first time: February 3, 2012

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 24, 2012

CHAPTER _____

1 AN ACT concerning

2 **Horse Racing – Maryland Foaled Stakes Program – ~~Termination~~ and Sires**
3 **Stakes Program – Revisions**

4 FOR the purpose of terminating the Maryland Foaled Stakes Program; specifying that
5 certain money be allocated only to the Maryland Sire Stakes Program;
6 specifying that the Maryland Standardbred Race Fund consists only of the Sire
7 Stakes Program; repealing a requirement that the Maryland Racing
8 Commission set a certain breeder's award under certain circumstances;
9 establishing a breeder's award for certain horses under a certain program;
10 providing for the distribution of certain breeder's awards to certain horses
11 under certain circumstances; providing for a delayed effective date; making
12 certain technical changes; and generally relating to horse racing in the State.

13 BY repealing and reenacting, with amendments,

14 Article – Business Regulation

15 Section 11-404.1, 11-406, 11-615(a), 11-617(b) and (c), 11-624, ~~and 11-633~~

16 11-633, and 11-634(b)

17 Annotated Code of Maryland

18 (2010 Replacement Volume and 2011 Supplement)

19 BY repealing

20 Article – Business Regulation

21 Section 11-632

22 Annotated Code of Maryland

23 (2010 Replacement Volume and 2011 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to
2 Article – Business Regulation
3 Section 11–634.1
4 Annotated Code of Maryland
5 (2010 Replacement Volume and 2011 Supplement)

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

8 **Article – Business Regulation**

9 11–404.1.

10 After all deductions from the Special Fund as required under §§ 11–403 and
11 11–404 of this subtitle are made, the Comptroller shall pay from the Special Fund an
12 annual grant of:

13 (1) \$300,000 to be allocated in the following way:

14 (i) 70% to the Maryland–Bred Race Fund; and

15 (ii) 30% to the Maryland Standardbred Race Fund[, to be
16 divided equally between] **FOR** the Sire Stakes Program [and the Foaled Stakes
17 Program]; and

18 (2) \$260,000 to the Maryland Agricultural Education and Rural
19 Development Assistance Fund established under § 2–206 of the State Finance and
20 Procurement Article, with \$130,000 to be allocated to support the operations of the
21 Rural Maryland Council.

22 11–406.

23 After all deductions from the Special Fund as required by §§ 11–403, 11–404,
24 and 11–404.1 of this subtitle are made, money that remains in the Special Fund shall
25 be allocated in the following way:

26 (1) 50% to the Maryland Agricultural Education and Rural
27 Development Assistance Fund established under § 2–206 of the State Finance and
28 Procurement Article, with one–third of these funds to be allocated to support the
29 operations of the Rural Maryland Council; and

30 (2) 50% to be allocated in the following way:

31 (i) 70% to the Maryland–Bred Race Fund; and

- 1 (ii) 1% of each multiple mutuel pool on 2 horses; and
2 (iii) 1.5% of each multiple mutuel pool on 3 or more horses.

3 (c) A licensee whose average handle is \$150,000 or less shall allocate
4 [equally] to the [Sires] **SIRE** Stakes Program [and the Foaled Stakes Program] of the
5 Maryland Standardbred Race Fund:

- 6 (1) 0.50% of each regular mutuel pool;
7 (2) 0.50% of each multiple mutuel pool for 2 horses; and
8 (3) 1% of each multiple mutuel pool for 3 or more horses.

9 11-624.

10 There is a Maryland Standardbred Race Fund consisting of the [Foaled Stakes
11 Program and the Sires] **SIRE** Stakes Program.

12 [11-632.

13 (a) A horse shall be registered with the Advisory Committee before the horse
14 may start in a race of the Foaled Stakes Program.

15 (b) A horse may be registered with the Advisory Committee only if the horse
16 was foaled in Maryland as shown by a foal certificate from the United States Trotting
17 Association and:

18 (1) the breeder of the horse has maintained a place of abode in
19 Maryland for more than 9 months immediately before registration;

20 (2) the breeder of the horse keeps breeding stock continually in
21 Maryland;

22 (3) the horse was conceived in Maryland during the previous season;
23 or

24 (4) the horse's dam was sent to Maryland to foal and after foaling was
25 covered by a Maryland stallion during the season of the horse's birth.]

26 11-633.

27 The offspring of a standardbred sire is eligible for the [Sires] **SIRE** Stakes
28 Program if:

1 (1) the sire is registered with the United States Trotting Association
2 and with the Advisory Committee;

3 (2) the sire was at stud in the State for a full breeding season; and

4 (3) the offspring was conceived during that breeding season.

5 11-634.

6 (b) On recommendation of the Advisory Committee, the Commission shall
7 set:

8 (1) the number of Fund Races;

9 (2) the amount of each purse and bonus;

10 (3) the date of each Fund Race;

11 (4) the distance of each Fund Race;

12 (5) [each breeder's award;

13 (6)] nomination and registration procedures; and

14 [(7)] (6) any other condition needed to carry out the purpose of a
15 Fund Race.

16 **11-634.1.**

17 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A STANDARD BRED**
18 **SIRE AND DAM MAY BE ELIGIBLE FOR A BREEDER'S AWARD UNDER THE SIRE**
19 **STAKES PROGRAM.**

20 **(B) (1) BREEDER'S AWARD OF 8%, BASED ON THE AMOUNT OF THE**
21 **PURSE DISTRIBUTED IN A SIRES STAKES PROGRAM RACE THAT IS THE FINAL**
22 **RACE, SHALL BE DIVIDED BETWEEN THE DAM AND SIRE OF A HORSE, IF THE**
23 **HORSE:**

24 **(I) RECEIVES PURSE MONEY FROM A SIRES STAKES FINAL**
25 **RACE; AND**

26 **(II) WAS FOALED IN MARYLAND, AS SHOWN BY A**
27 **REGISTRATION CERTIFICATE FROM THE UNITED STATES TROTTING**
28 **ASSOCIATION.**

29 **(2) OF THE AWARD UNDER PARAGRAPH (1) OF THIS SUBSECTION:**

1 (I) 6.4% SHALL BE AWARDED TO THE DAM OF THE HORSE;
2 AND

3 (II) 1.6% SHALL BE AWARDED TO THE SIRE OF THE HORSE.

4 (3) THE AWARDS, AS APPORTIONED UNDER PARAGRAPH (1) OF
5 THIS SUBSECTION, SHALL BE PAID TO THE:

6 (I) INDIVIDUAL OR ENTITY WHO WAS THE OWNER OF
7 RECORD WITH THE UNITED STATES TROTting ASSOCIATION OF THE DAM OR
8 SIRE AT THE TIME THE HORSE WAS BRED; OR

9 (II) LESSEE OF THE HORSE, RATHER THAN THE OWNER, IF
10 THE:

11 1. DAM OR SIRE WAS LEASED AT THE TIME THE
12 BREEDING TOOK PLACE; AND

13 2. THE LEASE WAS ON RECORD WITH THE UNITED
14 STATES TROTting ASSOCIATION AT THAT TIME.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 January 1, ~~2013~~ 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.