

**EIGHTY - EIGHTH
ANNUAL REPORT**

2007

STATE OF MARYLAND



MARYLAND RACING COMMISSION

MARTIN O'MALLEY
Governor of Maryland

ANTHONY G. BROWN
Lt. Governor of Maryland

Thomas E. Perez
Secretary
Department of Labor, Licensing
and Regulation



MARTIN O'MALLEY, Governor
ANTHONY G. BROWN, Lt. Governor
THOMAS E. PEREZ, Secretary
Maryland Racing Commission
J. Michael Hopkins, Executive Director

DLLR Home Page • <http://www.dllr.state.md.us>
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Thomas E. Perez, Secretary
Department of Labor, Licensing and Regulation
500 N. Calvert Street
Baltimore, Maryland 21202

Dear Secretary Perez:

The Maryland Racing Commission is pleased to present you with the annual report for calendar year 2007.

A review of this report will give you an overview of the horse racing industry in Maryland.

Sincerely,

A handwritten signature in black ink that reads "J. Michael Hopkins". The signature is written in a cursive style.

J. Michael Hopkins
Executive Director

300 East Towsontown Blvd.
Towson, MD 21286



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Keeping Maryland Working and Safe

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The Commission during the year 2007 consisted of:

Chairman.....Thomas F. McDonough
John B. Franzone

MembersAlvin Akman
Gregory H. Barnhill
P. David Bramble
John B. Franzone
John P. McDaniel
David R. Clogg
Wm. A. Gerweck
Jacqui Nigh

The Commission Staff:

Executive DirectorJ. Michael W. Hopkins
Deputy DirectorRobert Cassidy
Fiscal Accounts Manager.....Doreen K. Piquett
Fiscal Accts. Supvr.....Francine J. Patterson
Fiscal Clerk IIVurley M. Johnson
Elizabeth Robinson
Chief InvestigatorJoseph M. Poag
Investigators.....Robert Mullins
Administrative AssistantJosette V. Edwards

Stewards:

Administrative Steward.....William J. Passmore
Associate Stewards Philip E. Grove
John J. Burke II

Judges:

Presiding Judge.....Daniel Kazmaier
Associate Judges Wendell A. Wathen
Theresa Shahan

Veterinarians:

Chief Veterinarian.....David G. Zipf
Veterinarians Lawrence E. Atkinson
John F. Peacock
Thomas C. Jett
James Tibbs

Chemists:

Director.....Richie Hickman
Assistant Chemist Dawson Wood
Shaoyun Zhu
Ninotchka Sylvester

MEETINGS and HEARINGS STATISTICS - 2007

Commission Meetings

In 2007, the Commission met to conduct business on ten (10) occasions.

2007 HIGHLIGHTS

REVENUE:

\$4,944,764 was collected by the State in 2007. This amount represents an increase from the amount of revenue collected in 2006.

ATTENDANCE:

Attendance at Maryland tracks was 1,726,205 in 2007. Since attendance is not kept for patronage at Satellite Simulcast Betting Facilities and at remote tracks, recorded attendance alone is not a good measure of activity.

RACING REVENUE:

The State obtains revenue from a tax on pari-mutuel wagering, licenses, registrations and track license fees. The Mile Tracks were the largest producers of revenue. They provided:

Mile Tracks	56.95% of revenue with	54.60 % of days
Harness Tracks	27.38% of revenue with	42.73 % of days
County Fair Tracks	1.95% of revenue with	2.37 % of days
Steeplechase*	.04% of revenue with	0.30 % of days
SSB	13.68% of revenue	

*Not a tax but a fee payable to the Department of Natural Resources for the FairHill Improvement Fund.

** % of days is on live racing days only

LEGISLATION and OTHER MAJOR EVENTS

Regular Session

SB 817 – Repealed the prohibition of conducting racing after 6:15pm at thoroughbred track and added a provision that would not allow Pimlico to conduct a live race after 10:00pm.

Special Session:

HB 4 – Requires a referendum be placed on the November ballot to add a constitutional amendment to all video lottery terminals at specific geographical locations in the state.

SB 3 – Enabling Legislation contingent on the passage of the constitutional amendment by the votes of the state.

2007 RACING DATES

MILE TRACKS:

Laurel	January 1 – April 15 Simulcast Only Days	71+ <u>33</u> 104 Days*
Pimlico	April 16 – June 09 Simulcast Only Days	31+ <u>24</u> 55 Days
Colonial Downs	June 10 – August 09 Simulcast Only (61)	
Laurel	August 10 – August 23 Simulcast Only Days	10+ <u>5</u> 15 Days*
Laurel	September 4 – December 31 Simulcast Only Days	67+ <u>49</u> 116 Days
Total		290 Days

COUNTY FAIR TRACKS:

Timonium	August 24 – September 3 Simulcast Only Days	7 <u>3</u>
Total		10 Days

STEEPLECHASE :

Fair Hill	May 26	<u>1</u>
Total		1 Day

TOTAL LIVE:	187DAYS
TOTAL SIMULCAST ONLY:	<u>114 DAYS</u>
THOROUGHBRED TOTAL:	301 DAYS

2007 RACING DATES
(Continued)

HARNESS TRACKS:

Rosecroft	January 1 – December 31 Simulcast Only Nights	96+ <u>262</u> 358 Nights
Ocean Downs	January 1 – December 31 Simulcast Only Nights	40+ <u>323</u> 363Nights

TOTAL LIVE:	136 NIGHTS
TOTAL SIMULCAST ONLY:	<u>585 NIGHTS</u>
HARNESS TOTAL:	721 NIGHTS

TOTAL LIVE RACING DAYS AND NIGHTS	323
TOTAL SIMULCAST ONLY	<u>699</u>
GRAND TOTAL	1,022

RACE YEAR SUMMARY:

During the year 2007, there were 1,022 days and nights of licensed racing in the State, consisting of the following:

There were 301 days of licensed racing at the Mile Tracks - Pimlico 55 days and Laurel 235 days; 10 days at the county Fair Track, Timonium; and 1 day raced at Fair Hill. There were also 721 nights of licensed racing at the Harness Tracks - Rosecroft 358 nights and Ocean Downs 363 nights.

ATTENDANCE FOR CALENDAR YEARS 2005 - 2007

	2005	2006	2007
Laurel	769,814	798,795	688,623
Pimlico	470,514	395,994	524,994
Timonium	<u>37,548**</u>	<u>27,548</u>	<u>26,107</u>
TOTAL:	1,277,876	1,222,337	1,239,724
Rosecroft	484,701	404,191	339,579
Ocean Downs	<u>140,264</u>	<u>212,969</u>	<u>132,902</u>
TOTAL:	624,965	617,160	472,481
Fair Hill	15,000	15,000	14,000
TOTAL ATTENDANCE - THOROUGHBRED AND HARNESS:			
	<u>1,917,841</u>	<u>1,854,497</u>	<u>1,726,205</u>

**Includes attendance from State Fair

WAGERING HISTORY IN MARYLAND
of
THOROUGHBRED AND HARNESS RACING

THOROUGHBRED STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
1993	284	403,881,788
1994	309	477,245,662
1995	322	490,693,266
1996	309	474,630,499
1997	321	465,225,433
1998	314	476,034,935
1999	314	480,988,981
2000	319	344,843,621
2001	348	337,652,117
2002	344	329,705,940
2003	346	306,261,175
2004	312	293,795,752
2005	303	298,722,053
2006	297	279,978,363
2007	301	259,549,867

HARNESS STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
1993	341	128,932,935
1994	325	125,823,007
1995	282	105,185,308
1996	349	88,620,663
1997	307	82,462,587
1998	305	87,101,030
1999	622	86,191,188
2000*	600	151,566,620*
2001	705	156,777,856
2002	749	155,892,827
2003	742	144,598,813
2004	749	131,111,243
2005	721	140,789,276
2006	724	130,058,639
2007	721	117,815,100

SSB FACILITIES STATISTICS:

YEAR	AMOUNT WAGERED
2000	52,791,482*
2001	64,393,587
2002	65,580,391
2003	68,972,477
2004	67,351,515
2005	65,745,234
2006	64,961,268
2007	69,206,967

COMBINED TOTALS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
1993	625	532,814,723
1994	634	603,068,669
1995	604	595,878,574
1996	658	563,251,162
1997	628	547,688,020
1998	619	563,347,127
1999	936	567,181,246
2000	919	549,201,723
2001	1,053	558,823,560
2002	1,093	555,179,158
2003	1,088	519,832,465
2004	1,061	492,258,510
2005	1,024	505,256,563
2006	1,021	474,998,270
2007	1022	446,571,934

* Indicates amount bet at facility on all racing including Thoroughbred and Harness, whereas prior years figures were for bets on the type of racing for which the association was licensed.

AMOUNT WAGERED

	<u>2006</u>	<u>2007</u>
<u>MILE TRACKS:</u>		
Laurel	\$161,263,384	149,097,927
Pimlico	<u>109,261,151</u>	<u>100,959,730</u>
TOTAL	<u>\$270,524,535</u>	<u>250,057,657</u>
<u>COUNTY FAIR TRACKS:</u>		
Timonium	<u>\$ 9,285,322</u>	9,370,773
TOTAL	<u>\$ 9,285,322</u>	<u>9,370,773</u>
<u>HARNESS TRACKS:</u>		
Rosecroft	\$110,294,135	97,478,955
Ocean Downs	<u>19,764,504</u>	<u>20,336,145</u>
TOTAL	<u>\$130,058,639</u>	<u>117,815,100</u>
<u>STEEPLECHASE:</u>		
Fair Hill	<u>\$ 168,506</u>	<u>121,437</u>
TOTAL	<u>\$ 168,506</u>	<u>121,437</u>
<u>SSB FACILITIES</u>	<u>\$ 64,961,268</u>	<u>69,206,967</u>
SUMMARY		
Mile Tracks	\$270,524,535	250,057,657
County Fair Tracks	9,285,322	9,370,773
Harness Tracks	130,058,639	117,815,100
Steeplechase	168,506	121,437
SSB Facilities	<u>64,961,268</u>	<u>69,206,967</u>
TOTAL	<u>\$474,998,270</u>	<u>446,571,934</u>

SATELLITE SIMULCAST BETTING

The amounts bet at the Satellite Simulcast Betting Facilities in calendar year 2007 are reflected in the following table.

Maryland Satellite Simulcast Betting Facilities

Bet At:	Cracked Claw	NorthEast	Cambridge	Riverboat
Bets on:				
MD Thoroughbred Races	2,986,566	1,500,853	395,657	927,530
MD Harness Races	34,724	85,573	40,692	57,212
Out-of-State Races	38,887,156	14,686,280	5,126,409	10,451,446
TOTAL	<u>41,908,446</u>	<u>16,272,706</u>	<u>5,562,758</u>	<u>11,436,188</u>

In 2007, SSB facilities met the prescribed food and service standards and provide a convenience to the horse racing public.

FIVE YEAR ASSESSMENT OF LAUREL

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Attendance</u> (* includes Pimlico @ Laurel) Live & Simulcast	688,623	798,795	769,814	651,644	825,530
<u>Purses</u>	28,973,185	30,306,075	23,392,376	9,286,091	23,811,771
<u>Number of days of live racing</u> (includes Pimlico @ Laurel)	148	153	134	62	138
<u>Betting on its live racing at:</u>					
Laurel	21,768,715	26,246,235	23,627,369	10,938,015	25,118,717
Other MD tracks	10,872,535	13,673,820	12,523,758	6,582,749	14,221,020
Satellite Simulcast Facilities in MD	3,815,983	3,984,733	3,342,447	1,597,632	3,914,672
Out-of-state	331,599,434	364,575,990	253,167,819	130,676,881	232,248,055
<u>Betting on other in-State races</u>	4,400,788	5,057,840	7,402,127	13,842,841	8,420,028
<u>Betting on out-of-State races</u>	127,312,028	134,049,952	144,432,586	135,939,778	143,542,225
<u>Total betting at this location on all racing</u>	153,482,531	165,354,027	175,462,082	160,720,634	177,080,970

FIVE YEAR ASSESSMENT OF PIMLICO

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Attendance</u> (* Live & Simulcast)	524,994	395,994	470,514	792,342	749,230
<u>Purses</u>	8,481,554	8,922,813	11,293,851	22,705,429	15,701,370
<u>Number of days of live racing</u>	31	31	61	135	71
<u>Betting on its live racing at:</u>					
Pimlico	12,343,805	13,288,969	15,686,999	25,838,130	16,878,035
Other MD tracks	5,249,571	9,171,465	9,159,040	16,554,254	10,526,786
Satellite Simulcast Facilities in MD	1,515,430	2,373,764	2,087,276	6,060,101	2,629,790
Out-of-state	146,373,605	168,447,887	180,089,980	290,544,974	177,781,900
<u>Betting on other in-State races</u>	7,387,080	9,171,465	8,234,603	4,557,944	9,565,405
<u>Betting on out-of-State races</u>	84,131,719	89,598,639	96,488,167	99,701,935	102,250,300
<u>Total betting at this location on all racing</u>	103,862,604	112,059,073	120,409,760	130,098,009	128,693,740

FIVE YEAR ASSESSMENT OF TIMONIUM

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Attendance</u>	26,107	27,548	27,548	489,711*	420,997*
<u>Purses</u>	739,170	929,235	935,975	955,675	906,820
<u>Number of days of live racing</u>	7	8	8	8	8
<u>Betting on its live racing at:</u>					
Timonium	1,199,084	1,458,227	1,666,393	1,807,906	1,884,451
Other MD tracks	489,132	660,401	881,765	915,401	1,030,186
Satellite Simulcast Facilities in MD	83,536	116,707	137,240	156,428	395,626
Out-of-state	1,885,528	3,073,144	3,902,559	3,389,773	3,090,766
<u>Betting on other in-State races</u>	0	0	0	0	0
<u>Betting on out-of-State races</u>	885,211	938,530	1,033,381	1,028,237	1,066,316
<u>Total betting at this location on all racing</u>	2,084,295	2,396,757	2,699,774	2,836,143	2,950,767

*Fair attendance included.

FIVE YEAR ASSESSMENT OF ROSECROFT

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Attendance</u>	339,579	404,191	484,701	489,536	579,255
<u>Purses</u>	4,592,400	5,392,600	4,184,330	4,874,030	6,472,340
<u>Number of days of live racing</u>	86	106	97	117	122
<u>Betting on its live racing at:</u>					
Rosecroft	3,504,514	4,498,952	4,767,933	6,266,855	8,222,275
Other MD tracks	470,349	663,941	551,568	541,237	1,179,454
Satellite Simulcast Facilities in MD	177,509	170,241	266,234	322,153	540,573
Out-of-state		12,242,000	3,641,000	6,290,000	9,688,543
<u>Betting on other in-State races</u>	5,293,719	6,880,223	7,479,401	6,192,856	8,908,287
<u>Betting on out-of-State races</u>	88,680,723	98,914,952	107,588,715	97,078,458	104,727,836
<u>Total betting at this location on all racing</u>	97,478,956	110,294,127	119,836,049	109,538,169	121,858,398

FIVE YEAR ASSESSMENT OF OCEAN DOWNS

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Attendance</u>	132,902	212,969	140,264	141,229	142,830
<u>Purses</u>	902,500	820,265	974,810	923,680	663,630
<u>Number of days of live racing</u>	40	40	40	39	40
<u>Betting on its live racing at:</u>					
Ocean Downs	2,018,446	2,051,340	2,056,739	2,057,361	2,056,640
Other MD tracks	273,554	430,465	280,883	369,444	338,920
MD Satellite Simulcast Facilities	64,092	84,235	65,320	89,330	101,914
Out-of-state	2,910,231	3,231,842	2,533,569	2,200,334	860,632
<u>Betting on other in-State races</u>	1,454,496	1,476,983	1,479,526	1,552,797	1,821,482
<u>Betting on out-of-State races</u>	16,674,221	16,443,698	17,416,963	17,962,924	20,683,776
<u>Total betting at this location on all racing</u>	20,147,163	19,764,504	20,953,228	21,573,082	22,740,416

METHOD OF TAXATION

TAKEOUT AT MARYLAND THOROUGHBRED RACETRACKS

Effective July 1, 2005

	<u>Regular Pool%</u>	<u>2-Horse Multiple</u>	<u>3-Horse Multiple 1st Race</u>
State Tax	.32	.32	.32
Purses	7.88 (1)	8.88 (1)	11.88 (1)
Track	7.70 (2)	8.70 (2)	11.70 (2)
Maryland Million	1.00	2.0	.75
Bred Fund	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>
Total Takeout	18.00	21.00	25.75
Returned to Public	<u>82.00</u>	<u>79.00</u>	<u>74.25</u>
 Total Handle	 100.00 %	 100.00 %	 100.00 %

Timonium

State Tax	0 (3)	0 (3)	0 (3)
Purses	5.00	7.00	13.00
Track	10.50 (2)	10.50 (2)	10.50 (2)
Bred Fund	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
Total Takeout	17.00	19.00	25.00
Returned to Public	<u>83.00</u>	<u>81.00</u>	<u>75.00</u>
 Total Handle	 100.00 %	 100.00 %	 100.00 %

Fair Hill

State Tax (Fair Hill Improvement Fund)	9.00		
Track	<u>16.00</u>		
Total Takeout	25.00		
Returned to Public	<u>75.00</u>		
 Total Handle	 100.00 %		

(1) Includes .18 for purses.

(2) Includes .25 for Pension Fund.

(3) No State tax paid during the State Fair.

METHOD OF TAXATION

(Continued)

TAKEOUT AT MARYLAND HARNESS RACETRACKS

Effective October 1, 1995

I. If the daily average for the year is over \$600,000:

	1-Horse <u>Pool %</u>	2-Horse <u>Pool %</u>	Over 2-Horse <u>Pool %</u>
State Tax	.50	.50	.50
Purses	-	.50	3.25
Track Maintenance, Improvements, debt & Personnel	-		
Track	14.50	15.50	15.50
Standardbred Fund	1.00(4)	1.00(4)	1.50 (4)
Track Pensions	.25(5)	.25(5)	.25 (5)
Service, Facilities, Promotion and Marketing	.25	.25	.25
Purses, Maintenance, Improvements, Debt, Personnel & Backstretch living conditions (on the amount over 150,000 daily average)	<u>.50</u>	<u>.50</u>	<u>.50</u>
Total Takeout	17.00	19.00	25.00
Returned to Public	<u>83.00</u>	<u>81.00</u>	<u>75.00</u>
Total Handle	100.00 %	100.00 %	100.00 %

(4) The amount deducted is .5 and 1.00 respectively of the first \$125,000 daily average. Percentages are as stated for amounts in excess of \$125,000.

(5) If daily average for the year exceeds \$125,000, .25% of the handle is deducted from all pools for track employee pensions.

METHOD OF TAXATION

(Continued)

II. If the daily average for the year is over \$150,000 but less than \$600,000:

	1-Horse <u>Pool %</u>	2-Horse <u>Pool %</u>	Over 2-Horse <u>Pool %</u>
State Tax	.50	.50	.50
Purses	1.75	2.25	5.00
Track Maintenance, Improvements, debt & Personnel	-	.50	3.25
Track	13.00	14.00	14.00
Bond Fund	1.50	1.50	1.50
Standardbred Fund	1.00(4)	1.50(4)	1.50(4)
Track Pensions	.25(5)	.25(5)	.25(5)
Service, Facilities, Promotion and Marketing	.25	.25	.25
Purses, Maintenance, Improvements, Debt, Personnel & Backstretch living conditions (on the amount over 150,000 daily average)	<u>.50</u>	<u>.50</u>	<u>.50</u>
Total Takeout	18.75	20.75	26.75
Returned to Public	<u>81.25</u>	<u>79.25</u>	<u>73.25</u>
Total Handle	100.00%	100.00%	100.00%

III. If the daily average for the year is less than \$150,000:

	1-Horse <u>Pool %</u>	2-Horse <u>Pool %</u>	Over 2-Horse <u>Pool %</u>
State Tax	.50	.50	.50
Purses	1.75	2.25	5.00
Track Maintenance, Improvements, debt & Personnel	-	.50	3.25
Track	15.50	16.50	16.50
Standardbred Fund	.50(4)	.50(4)	1.00(4)
Track Pensions	.25(5)	.25(5)	.25(5)
Service, Facilities, Promotion and Marketing	<u>.25</u>	<u>.25</u>	<u>.25</u>
Total Takeout	18.75	20.75	26.75
Returned to Public	<u>81.25</u>	<u>79.25</u>	<u>73.25</u>
Total Handle	100.00%	100.00%	100.00%

See footnotes on Page 17.

REVENUE TO THE STATE: THOROUGHBRED

TOTAL FOR ALL MEETS	2006	2007
LAUREL		
Race Days	361*	361**
Tax to the State	516,043	773,113
License Fee	<u>6,150</u>	<u>5,925</u>
	522,193	779,038
PIMLICO		
Race Days	330*	361**
Tax to the State	349,635	378,071
License Fee	<u>2,650</u>	<u>2,125</u>
	352,285	380,196
TOTAL THOROUGHBRED	<u>874,478</u>	<u>1,159,234</u>
COUNTY FAIR: TIMONIUM		
Race Days	10	10
Tax to the State	\$ - 0 -	-0-
License Fee	<u>- 0 -</u>	<u>-0-</u>
	\$ - 0 -	-0-
TOTAL COUNTY FAIR	<u>\$ - 0 -</u>	<u>-0-</u>
STEEPLECHASE: FAIR HILL		
Race Days	1	1
Tax to the State	<u>15,166</u>	<u>10,929</u>
TOTAL STEEPLECHASE	<u>15,166</u>	<u>10,929</u>

* Included 65 Simulcast days from Colonial Downs

** Included 61 Simulcast days from Colonial Downs

REVENUE TO THE STATE: HARNESS

	2006	2007
ROSECROFT		
Race Days	361	358
Tax to the State	344,935	304,349
License Fee	<u>9,000</u>	<u>9,050</u>
	353,935	313,399
OCEAN DOWNS		
Race Days	363	363
Tax to the State	63,246	64,541
License Fee	<u>9,050</u>	<u>9,025</u>
	72,296	386,965
TOTAL HARNESS	<u>426,231</u>	<u>700,364</u>

(Race days include live and simulcast only days)

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

2007

THOROUGHBRED LICENSES:

480	Original Owner	@ \$50.00	\$ 24,000
1,800	Renewal Owner	25.00	45,000
42	Original Trainer	50.00	2,100
206	Renewal Trainer	25.00	5,150
104	Assistant Trainer	25.00	2,600
365	Owner / Trainer	50.00	18,250
205	Jockey	25.00	5,125
41	Apprentice Jockey	25.00	1,025
29	Jockey Agent	25.00	725
31	Veterinarian	25.00	775
30	Farrier	10.00	300
1,081	Stable Employee& Ex. Rider	5.00	5,405
531	Mutuel Employee	5.00	2,655
159	Vendor	5.00	795
281	Exercise Rider	5.00	1,405
405	Track Employee	5.00	2,025
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5,790	TOTAL LICENSES		<u>\$117,335</u>

THOROUGHBRED REGISTRATIONS:

45	Authorized Agent	@ \$10.00	\$ 450
775	Assumed Name	75.00	58,125
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820	TOTAL REGISTRATIONS		<u>\$ 58,575</u>

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

(Continued)

HARNESS LICENSES:

187	Original Owner	@ \$50.00	\$ 9,350
673	Renewal Owner	25.00	16,825
12	Original Trainer	25.00	300
61	Renewal Trainer	25.00	1,525
50	Driver	25.00	1,250
52	Trainer / Driver	50.00	2,600
194	Owner / Trainer	50.00	9,700
181	Owner / Trainer / Driver	75.00	13,575
22	Owner / Driver	50.00	1,100
13	Veterinarian	25.00	325
263	Stable Employee	5.00	1,315
99	Mutuel Employee	5.00	495
157	Track Employee	5.00	785
14	Vendor	5.00	70
4	Farrier	5.00	20
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1,982	TOTAL LICENSES		<u>\$ 59,235</u>

HARNESS REGISTRATIONS:

1	Authorized Agent	10.00	10
50	Assumed Name	75.00	3,750
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51	TOTAL REGISTRATIONS		<u>\$ 3,760</u>

THOROUGHBRED AND HARNESS

TOTAL RECEIPTS FOR LICENSES & REGISTRATIONS ISSUED: \$ 238,905

UNCASHED PARI-MUTUEL TICKETS

If any winning ticket is not redeemed for a period of one (1) year from the date of issue, the amount necessary to redeem the ticket shall be paid to a special fund of the State. The following receipts are from race meetings conducted in the year prior to that indicated by the columnar heading.

	2006	2007
Mile Tracks	1,547,222	1,562,613
Harness Tracks	638,894	589,247
County Fair Track	0*	0*
Steeplechase	<u>3,336</u>	2,452
SSB	<u>0**</u>	<u>0**</u>
TOTAL UNCASHED PARI-MUTUEL TICKETS	2,189,452	2,154,312

*County Fair uncashed monies included with mile tracks.

**SSB's uncashed monies included with racetracks uncashed tickets.

STATEMENT OF RECEIPTS

DISBURSED TO THE STATE COMPTROLLER

	2006	2007
<u>MILE TRACKS:</u>		
Track License Fees	\$8,800	8,050
Tax on Betting	865,678	1,151,184
Licensing Fees	134,255	117,335
Registration Fees	61,940	58,575
Uncashed Pari-Mutuels	<u>1,547,222</u>	<u>1,562,613</u>
TOTAL DISBURSEMENTS MILE TRACKS	<u>\$2,617,895</u>	<u>2,897,757</u>
 <u>COUNTY FAIR TRACKS:</u>		
Tax on Betting (6)	-0-	-0-
Uncashed Pari-Mutuels	*	*
TOTAL DISBURSEMENTS COUNTY FAIR TRACKS	<u>-</u>	<u>-</u>
 <u>HARNES TRACKS:</u>		
Track License Fees	\$18,050	18,075
Tax on Betting	408,181	368,890
Licensing Fees	68,000	59,235
Registration Fees	6,825	3,760
Uncashed Pari-Mutuels	<u>638,894</u>	<u>589,247</u>
TOTAL DISBURSEMENTS HARNES TRACKS	<u>\$1,139,950</u>	<u>1,039,207</u>
 <u>STEEPLECHASE:</u>		
Tax on Betting	\$15,166	10,929
Uncashed Pari-Mutuels	<u>3,336</u>	<u>2,452</u>
TOTAL DISBURSEMENTS STEEPLECHASE	<u>\$18,502</u>	<u>13,381</u>
 <u>OTB'S:</u>		
PERMIT FEE		
Uncashed Pari-Mutuels	\$2,000	<u>2,500</u>
TOTAL DISBURSEMENTS O.T.B.	<u>2,000</u>	<u>2,500</u> **
 <u>TOTAL ALL DISBURSEMENTS</u>	 <u>\$3,778,347</u>	 <u>3,966,226</u>

(6) No State tax is payable when racing is conducted during the State Fair.

*County Fair uncashed monies included with mile tracks.

**OTB's uncashed monies included with racetracks uncashed tickets.

STATEMENT OF RECEIPTS

DISBURSED TO THE STATE COMPTROLLER (Continued)

DIRECT DISBURSEMENTS TO STATE COMPTROLLER:

	2006	2007
Tax on Badges & Admissions at the Racing Associations	555,510	555,302
Sales Tax on Horses Claimed by the Racing Associations in Maryland	<u>525,999</u>	<u>423,236</u>
TOTAL DIRECT DISBURSEMENTS TO STATE	1,081,509	978,538
<u>TOTAL ALL DISBURSEMENTS TO STATE COMPTROLLER</u>	<u>4,859,856</u>	<u>4,944,764</u>

STATEMENT OF ACTUAL EXPENDITURES

JANUARY 1 TO DECEMBER 31, 2006

SALARIES & BENEFITS

Commission Personnel	\$ 306,207
Total Salary Expenses	<u>\$ 306,207</u>

OFFICE EXPENDITURES:

Telephone and Postage	23,365
Travel Expense	15,848
Motor Vehicle Operation	5,628
Contractual Services, i.e., Printing, Repairs, Equipment and Leasing, Court Expenses, Transcript of Hearings	35,594
Office Supplies	14,677
Office Equipment Additional	8,893
Fixed Charges, i.e., Rent, Insurance, Subscriptions and Dues	49,211
Total Office Expenses	<u>\$153,232</u>
TOTAL EXPENDITURES AND DISBURSEMENTS (7)	<u>\$ 459,439</u>

OTHER DISBURSEMENTS:

Grants	\$ 1,610,000
Impact Aid	1,160,600
Subsidies:	
Maryland Million	500,000
Maryland Standardbred Race Fund	350,000
Total Subsidies	<u>\$ 850 000</u>
TOTAL OTHER DISBURSEMENTS	<u>\$ 3,620,600</u>

(7) Does not include salaries of Stewards and Judges, nor salaries of personnel and expenses reimbursed by the associations.

MARYLAND RACING COMMISSION LABORATORY

The Maryland Racing Commission Laboratory provides horse and human drug testing to protect the State of Maryland, competing horsemen and the wagering public. Located within the Virginia-Maryland Regional College of Veterinary Medicine building at University of Maryland-College Park Campus, we enjoy a close working relationship with the college faculty and staff along with the Maryland Department of Agriculture and extension personnel and extension personnel.

The Racing Commission Laboratory has provided testing services to Maryland Department of Agriculture personnel during the animal expositions at both state and county fairs.

Over the past year, the laboratory has continued its aggressive methods to protect the racing industry against the illegal use of drugs and medications. We continue to expand the scope of testing performed in the United States and as such, believe that the program is second to none. Through Maryland's medication meetings with horsemen, private practitioners and Racing Commission personnel, dialog has enabled the Commission to allow competing horsemen to employ certain therapeutic medications without fear of purse redistribution and disqualification. Subsequently, the number of positive findings has reduced over the past twelve months, but is seen more as evidence of compliance by participants.

In addition, the laboratory has continued testing official samples for the horse racing industry in the State of West Virginia and the Commonwealth of Virginia. Official samples are analyzed as a 'fee for service' which has provided a method of supporting the laboratory staff and instrumentation without placing the additional monetary burden on state racetracks.

The following table and list represent the findings of the laboratory during calendar year 2007

ASSOCIATION OF OFFICIAL RACING CHEMISTS OFFICIAL SAMPLES ANALYZED DURING CALENDAR YEAR 2007

Maryland Racing Commission Laboratory Submitted by Richie Hickman

NUMBER OF OFFICIAL SAMPLES ANALYZED

<u>SOURCE</u>	<u>URINE</u>	<u>BLOOD</u>	<u>TOTAL</u>	<u>POSITIVE</u>
Thoroughbred	3,108	3,356	6,464	42
Standardbred	1,500	1,650	3,150	8
Human	<u>38</u>	<u>0</u>	<u>38</u>	<u>5</u>
2007 Totals	4,646	5,006	9,652	55

THE MARYLAND JOCKEY INJURY COMPENSATION FUND

The Maryland Jockey Injury Compensation Fund, Inc. was established by legislative action during the 1985 session of the General Assembly and became effective January 1, 1986.

The purpose of this fund is to purchase a blanket workmen's compensation insurance policy for all jockeys licensed by the Maryland Racing Commission and participating at the Maryland race tracks.

POLICY COST

1993	\$506,118.00
1994	\$444,853.00
1995	\$396,629.00
1996	\$390,462.00
1997	\$318,181.00
1998	\$312,093.00
1999	\$346,367.00
2000	\$355,966.00
2001	\$378,578.00
2002	\$388,877.00
2003	\$586,640.00
2004	\$611,533.00
2005	\$655,311.00
2006	\$741,868.00
2007	\$977,423.00

The above costs were funded by an assessment on all licensed owners and trainers levied and collected by the Maryland Racing Commission at the time of licensure.

The assessment per licensee for 2007 was \$ 375.00

MARYLAND-BRED FUND REPORT

MARYLAND-BRED FUND DISTRIBUTION IS EXPLAINED

The Maryland-Bred Fund was created by the General Assembly in 1962. Maryland was the first state to develop an incentive program to encourage the improvement of Thoroughbred breeding and racing. Since that time, more than 30 other states have instituted incentive programs of one kind or another.

In Maryland, there are six categories through which monies from the Fund are made available: 1) **purse money** for stakes races for registered Maryland-breds, 2) **awards for owners** of winning Maryland-breds, 3) **awards for breeders** of winning and stakes-placed Maryland-breds, 4) **awards for the owners of stallions** which sire Maryland-bred winners and stakes-placed horses, 5) **yearling show bonus awards** of \$40,000 (\$20,000 for the four highest-earning 2-year-olds and \$20,000 for the four highest earning 3-year-olds, based on North American earnings, shown at the annual MHBA show), and 6) **Maryland Million allocation** of 5 percent for purses. The Maryland Fund receives slightly less than 1 percent of the total mutuel handle and breakage from Laurel and Pimlico (the State's two mile tracks) and 1.5 percent of the mutuel handle and 5.0 percent of the breakage at Timonium (a 5/8's mile track) . (These allocations are subject to adjustments for expenses of operating OTB, simulcasts and intertrack betting.)

In 2007, revenue for the Maryland-Bred Fund totaled over \$3.8 million (includes approximately \$2.8 million from pari-mutuel wagering funds and \$1.0 million from other sources). After eligible deductions were taken, this money was divided 55 percent to purse money and owner awards and 45 percent to breeder and stallion awards - or about \$1.8 million to purses and owner awards and \$1.5 million to breeder and stallion awards.

Fifty-five percent of the Fund is designated for purses and owner awards, of which 66-2/3 percent was allocated to purses and 33-1/3 percent was allocated to owner awards. The remaining 45 percent funds breeder and stallion awards. Since 1982, owner awards have been paid in lieu of any restricted races other than stakes and Maryland Million races for horses sired by Maryland Stallions. The quality of Maryland-breds has improved to such an extent since the Fund was initiated more than 40 years ago that the shelter of restricted races has ceased to be the most effective use of Fund monies. Owner awards benefit more people and provide a greater incentive to race in Maryland.

Owner awards are paid to the owners of all registered Maryland-breds when they win any race (including all maiden claiming races) other than stakes, starter races or claiming races in which the winner runs for a claiming price of less than \$20,000. These awards usually amount to 10 to 15 percent of the winner's share of the purse with the exact percentage for bonus calculation being determined bi-annually by the Maryland Racing Commission with the advice of the Maryland Bred Fund Advisory Committee.

Breeder and stallion awards are paid for the registered Maryland-bred which wins any race or finishes second, third or fourth in any stakes race in Maryland. Maryland Million Day, breeder awards have historically amounted to 10 to 15 percent of the winner's share of the purse, and stallion awards have varied between 5 and 7.5 percent of the winner's share of the purse. The exact percentages for bonus calculation are determined bi-annually by the Maryland Racing Commission, with the advice of the Maryland Bred Fund Advisory Committee. In stake races, the award is based on the first \$100,000 of the gross purse.

In order to earn a breeder award, the winning (or stakes-placed) horse must be registered as a Maryland-bred. In order to earn a stallion award, the winning (or stakes-placed) horse must be registered as a Maryland-bred and the sire must be registered with the MHBA in addition to having stood in Maryland at the time the winner was conceived.

The Maryland-Bred Fund program is administered by the Maryland Racing Commission with the assistance and advice of the Maryland-Bred Fund Advisory Committee chaired by John Franzone, a member of the Maryland Racing Commission. Other members of the Maryland Fund Advisory Committee are Georganne Hale, (Representing the mile tracks), John H. Mosner, Jr., (minor track), Ann Merryman and William K. Boniface (MHBA). Under the direction of the Commission, the actual administration of the Fund, including maintaining the Maryland-bred registry and computing and distributing all bonus awards, is performed by the MHBA for which it receives compensation in the amount of 5 percent of the total receipts of the Fund.

The stakes program is planned on an annual basis and is based on projected track handles for the coming year.

MARYLAND STANDARDBRED RACE FUND

Total purses for the year were \$1,436,950, an decrease from 2006 purses. The Maryland Sire Stakes (MSS) and Maryland Standardbred Fund (MSF) combined totals for the program in each year from 1990 through 2007 are shown below:

<u>YEAR</u>	<u>MSS</u>	<u>MSF</u>	<u>TOTAL</u>
1990	1,306,383	1,399,830	2,706,213
1991	1,383,910	1,056,288	2,440,198
1992	1,316,150	933,140	2,249,290
1993	1,392,940	889,352	2,282,292
1994	1,459,520	885,000	2,344,520
1995	1,736,050	1,018,100	2,754,150
1996	1,736,050	1,017,270	2,723,370
1997	1,209,660	793,775	2,003,435
1998	1,152,040	909,190	2,061,230
1999	1,171,750	967,620	2,139,370
2000	1,215,690	1,132,700	2,348,390
2001	1,142,780	1,039,960	2,182,740
2002	970,360	900,690	1,871,050
2003	947,550	833,250	1,780,800
2004	784,000	537,127	1,321,127
2005	779,104	627,761	1,406,865
2006	859,650	687,860	1,547,510
2007	816,750	620,200	1,436,950