

NINETY-SEVENTH
ANNUAL REPORT
2016

STATE OF MARYLAND



MARYLAND RACING COMMISSION

LARRY HOGAN
Governor of Maryland

BOYD K. RUTHERFORD
Lt. Governor of Maryland

KELLY M. SCHULZ
Secretary
Department of Labor

August 1, 2017

Kelly M. Schulz, Secretary
Department of Labor, Licensing and Regulation
500 N. Calvert Street
Baltimore, Maryland 21202

Dear Secretary Schulz:

The Maryland Racing Commission is pleased to present you with the annual report for calendar year 2016.

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

Sincerely,



J. Michael Hopkins
Executive Director

PHONE: 410-296-9682 - FAX: 410.-296-9687. TTY Users, Call via The Maryland Relay Service

INTERNET: www.dllr.state.md.us . Email: racing @dllr.state.md.us

LARRY HOGAN, GOVERNOR . BOYD K. RUTHERFORD, LT. GOVERNOR . KELLY M. SCHULZ, SECRETARY

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The Commission during the year 2016 consisted of:

Chairman**John P. McDaniel**

MembersMary Louise Preis
Charles G. Tildon III
David Hayden
Ernest R. Grecco
Tammy Lafferty
Tom Winebrener
Dr. Tom Bowman
Bruce Quade

The Commission Staff:

Executive DirectorJ. Michael W. Hopkins
Admin. Program Manager.....Doreen K. Munday
Fiscal Accts. Supvr.Ursula Suber
Fiscal Clerk IIAretha Jordan
Chief Investigator.....Joseph M. Poag

Stewards:

Administrative Steward.....Adam Campola
Associate Stewards.....Ross Pearce
Russell Derderian

Veterinarians:

Chief Veterinarian.....David G. Zipf
Veterinarians
Thomas C. Jett
Kelly Walsh

MEETING STATISTICS - 2016

Commission Meetings

In 2016, the Commission met to conduct business on eleven (11) occasions.

2016 HIGHLIGHTS

REVENUE:

\$ 2,806,536 was collected by the State in 2016. This amount represents an increase from the amount of revenue collected in 2015.

ATTENDANCE:

Attendance at Maryland tracks was 549,271 in 2016. 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.

LEGISLATION and OTHER MAJOR EVENTS

HB 727– Increased The amount of time a notice of a public hearing would be held from 15 days to 30 days before the Racing Commission would be considering an application for a Satellite Simulcast Betting Facility and required notice of such meeting be posted on the Commission web site and have a sign posted in a conspicuous place also advertising the public hearing.

HB 815 – Allows Arabian races to be held at the Fair Hill Natural Resources Management area.

HB 965 – Provides for a bonus for a Maryland Bred or Maryland sired horse that participates in the Preakness; provides a grant of \$500,000 for a Grade 1 race called the Maryland International; and provides for a grant to the Maryland Office of Sports Marketing and the Maryland Humanities Council. The legislation is effective through June 30, 2019.

2016 RACING DATES

MILE TRACKS:

Laurel	January 1 – December 31 Simulcast Days	125 + <u>237</u> 362 Days
Pimlico	January 1 - December 31 Simulcast Days	28 + <u>334</u> 362 Days
	Total	<u>724</u>

COUNTY FAIR TRACKS:

Timonium	August 28 – September 7 Simulcast Days	7 <u>3</u>
	Total	<u>10 Days</u>

STEEPLECHASE :

Fair Hill	May 23	<u>1</u>
	Total	1 Days

TOTAL LIVE:	161 DAYS
TOTAL SIMULCAST ONLY:	<u>574 DAYS</u>
THOROUGHBRED TOTAL:	<u><u>735 DAYS</u></u>

2016 RACING DATES (Continued)

HARNESS TRACKS:

		+	
Rosecroft	January 1 – December 31	54	
	ITW	306	
		360	Nights
Ocean Downs	January 1 – December 31	47	+
	ITW	317	
		364	Nights
	TOTAL LIVE:	101	NIGHTS
	TOTAL SIMULCAST ONLY:	623	NIGHTS
	HARNESS TOTAL:	724	NIGHTS

TOTAL LIVE RACING DAYS AND NIGHTS	262
TOTAL SIMULCAST ONLY	1,197
GRAND TOTAL	1,459

RACE YEAR SUMMARY:

During the year 2016, there were 1,459 days and nights of licensed racing in the State, consisting of the following:

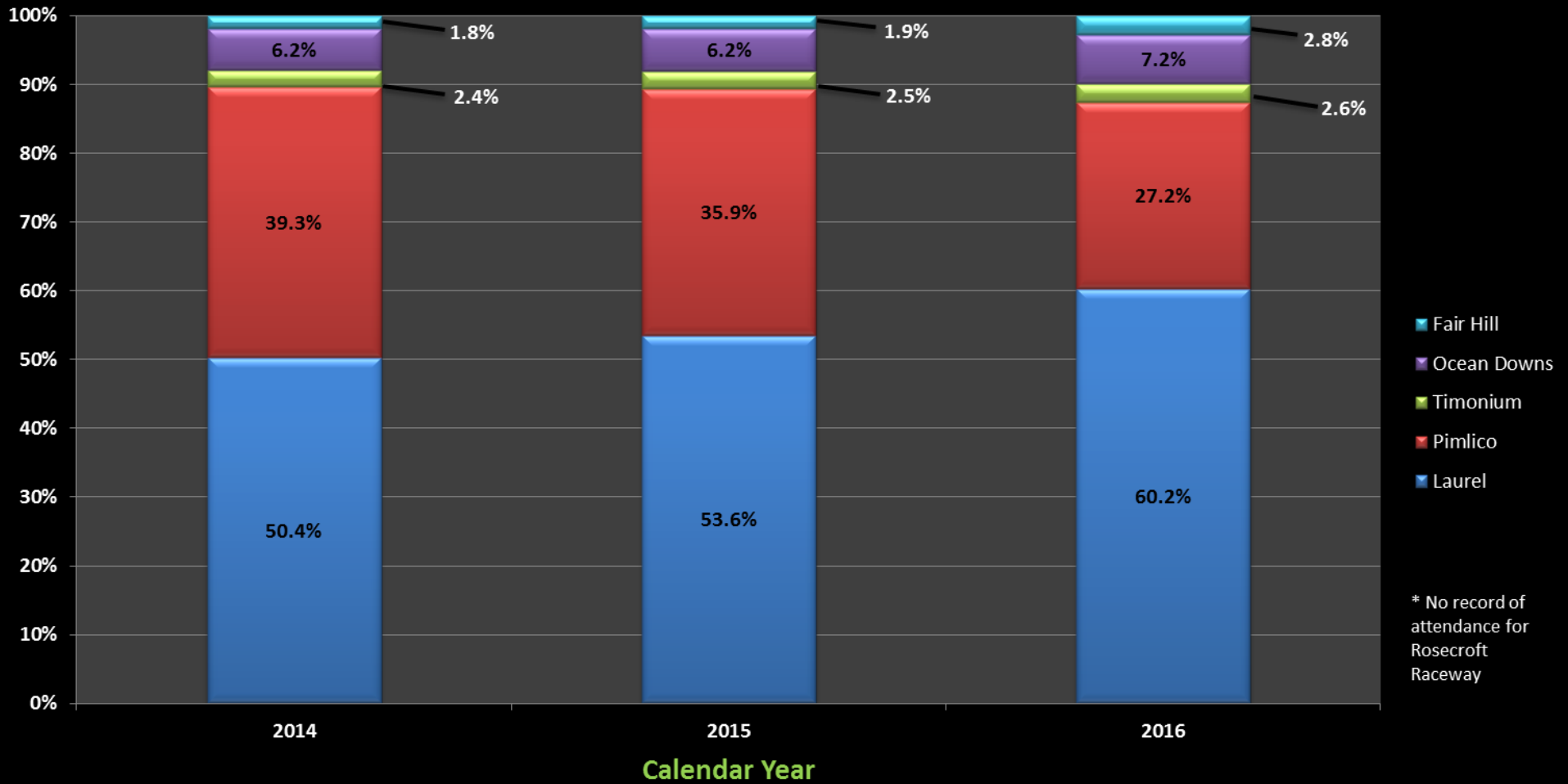
There were 735 days of licensed racing at the Mile Tracks - Pimlico 362 days and Laurel 362 days; 10 days at Timonium; and 1 day raced at Fair Hill. There were also 724 nights of licensed racing at the Harness Tracks - Rosecroft 360 nights and Ocean Downs 364 nights.

ATTENDANCE FOR CALENDAR YEARS 2014 – 2016

	2014	2015	2016	
Laurel	338,459	341,867	330,817	
Pimlico	263,782	228,919	149,544	
Timonium	16,278	15,948	14,465	
TOTAL:	618,519	586,734	494,826	
Rosecroft **	**	**	**	
Not recorded				
Ocean Downs	41,349	39,552	39,339	*
* Live Only				
TOTAL:	41,349	39,552	39,339	
Fair Hill	11,984	12,000	15,106	
TOTAL ATTENDANCE - THOROUGHBRED AND HARNESS:	671,852	638,286	549,271	

**** No record of attendance**

Attendance For Calendar Years 2014 - 2016



WAGERING HISTORY IN MARYLAND
Of
THOROUGHBRED AND HARNESS RACING

THOROUGHBRED STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
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
2008	303	225,189,800
2009	291	195,908,615
2010	290	190,800,402
2011	267	182,980,868
2012	336	158,031,769
2013	363	134,515,395
2014	362	122,668,323
2015	361	129,139,471
2016	362	102,388,036

HARNESS STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
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
2008	727	100,559,207
2009	738	65,631,105
2010	823	22,753,567
2011	490	20,810,252
2013	717	34,180,137
2013	723	47,922,650
2014	724	46,070,856
2015	719	40,915,568
2016	724	46,168,043

SSB FACILITIES STATISTICS:

YEAR	AMOUNT WAGERED
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
2008	52,507,771
2009	41,360,026
2010	38,137,636
2011	30,812,484
2012	14,288,365
2013	10,212,577
2014	5,140,478
2015	13,857,614
2016	20,449,226

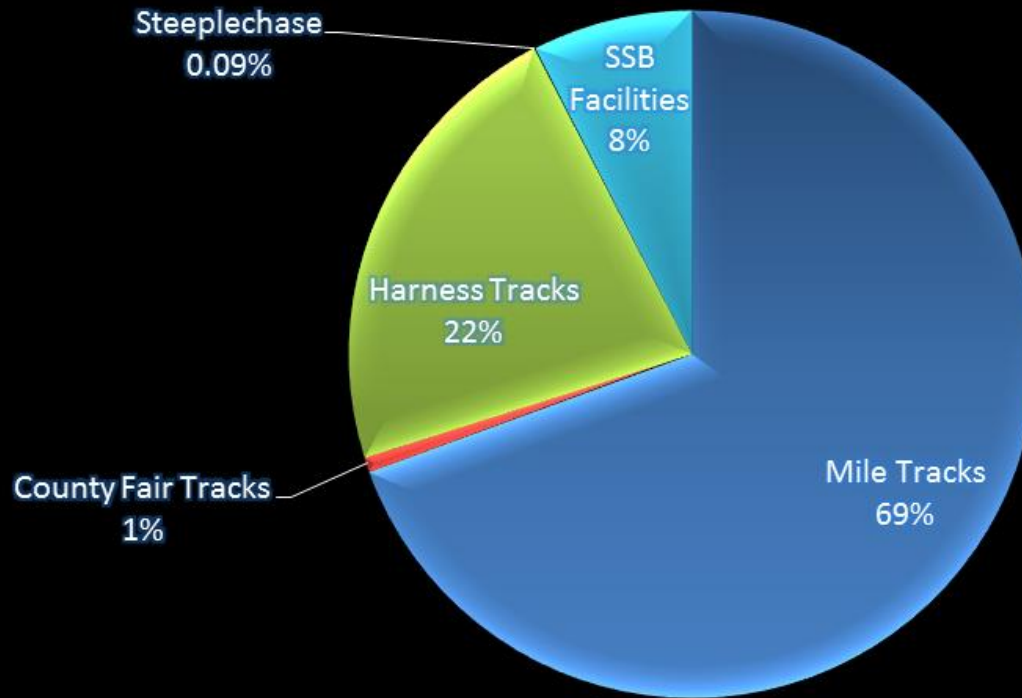
COMBINED TOTALS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
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	1,022	446,571,934
2008	1,030	378,256,778
2009	1,029	302,899,746
2010	1,113	251,691,605
2011	757	234,603,604
2012	1,053	206,500,271
2013	1,086	192,286,622
2014	1,086	173,879,657
2015	1,080	183,912,653
2016	1,086	169,005,305

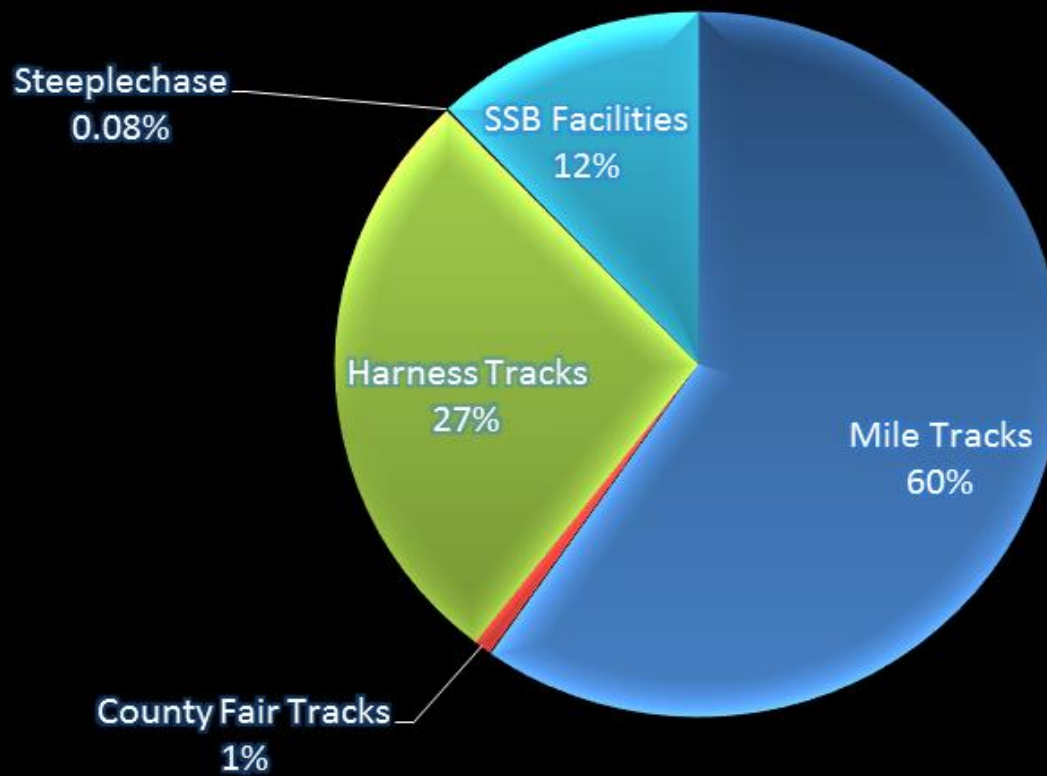
AMOUNT WAGERED

	<u>2015</u>	<u>2016</u>
MILE TRACKS:		
Laurel	\$84,825,256	72,468,771
Pimlico	<u>\$42,883,334</u>	28,400,918
TOTAL	<u>\$127,708,590</u>	<u>100,869,689</u>
 COUNTY FAIR TRACKS:		
Timonium	\$1,268,467	1,385,829
TOTAL	<u>\$1,268,467</u>	<u>1,385,829</u>
 HARNESS TRACKS:		
Rosecroft	\$32,407,544	34,581,856
Ocean Downs	<u>\$8,508,024</u>	11,586,187
TOTAL	<u>\$40,915,568</u>	<u>46,168,043</u>
 STEEPLECHASE:		
Fair Hill	<u>\$162,414</u>	132,518
TOTAL	<u>\$162,414</u>	<u>132,518</u>
SSB FACILITIES	<u>\$13,857,614</u>	<u>20,449,226</u>
 SUMMARY		
Mile Tracks	\$127,708,590	100,869,689
County Fair Tracks	\$1,268,467	1,385,829
Harness Tracks	\$40,915,568	46,168,043
Steeplechase	<u>\$162,414</u>	<u>132,518</u>
SSB Facilities	<u>\$13,857,614</u>	<u>20,449,226</u>
TOTAL	<u>\$183,912,653</u>	<u>169,005,305</u>

Breakdown of Wagers for 2015



Breakdown of Wagers for 2016



SATELLITE SIMULCAST BETTING

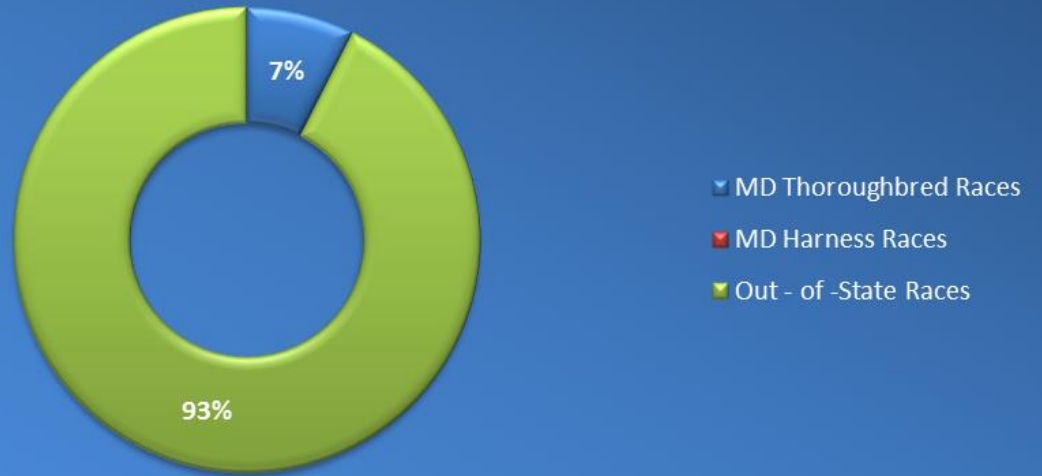
The amounts bet at the Satellite Simulcast Betting Facilities in calendar year 2016 are reflected in the following table.

Maryland Satellite Simulcast Betting Facilities

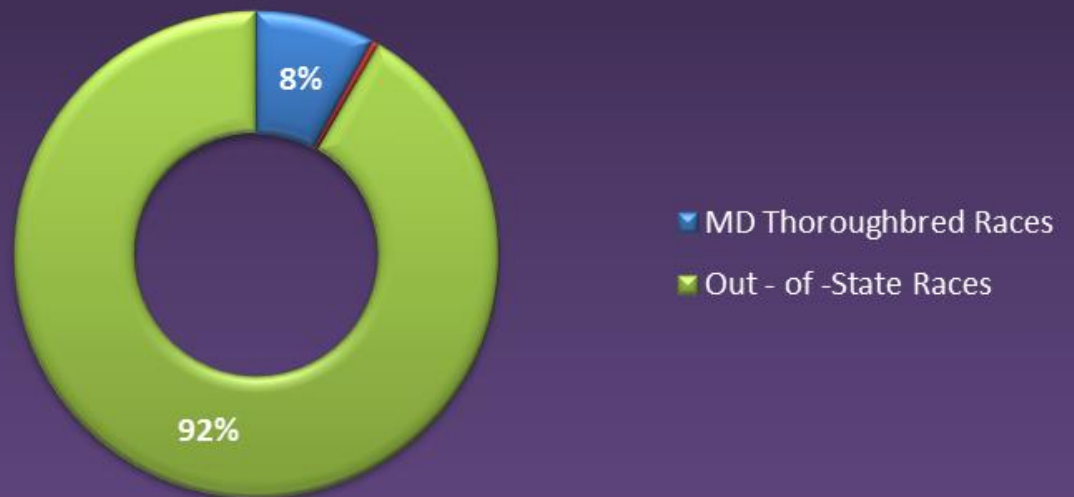
Bet At:	<u>Riverboat</u>	<u>Horseshoe</u>	<u>Timonium</u>	<u>Boonsboro</u>	<u>Perryville</u>
Bets on:					
MD Thoroughbred Races	532,761	1,050,614	1,463,503	569,152	61,181
MD Harness Races	1,345	67,308	6,045	1,285	1,225
Out - of -State Races	6,617,476	12,179,722	9,161,506	2,288,911	637,323
TOTAL	<u>7,151,582</u>	<u>13,297,644</u>	<u>10,631,054</u>	<u>2,859,348</u>	<u>699,729</u>

In 2016, SSB facilities met the prescribed food and service standards and provide a convenience to the horse racing public.

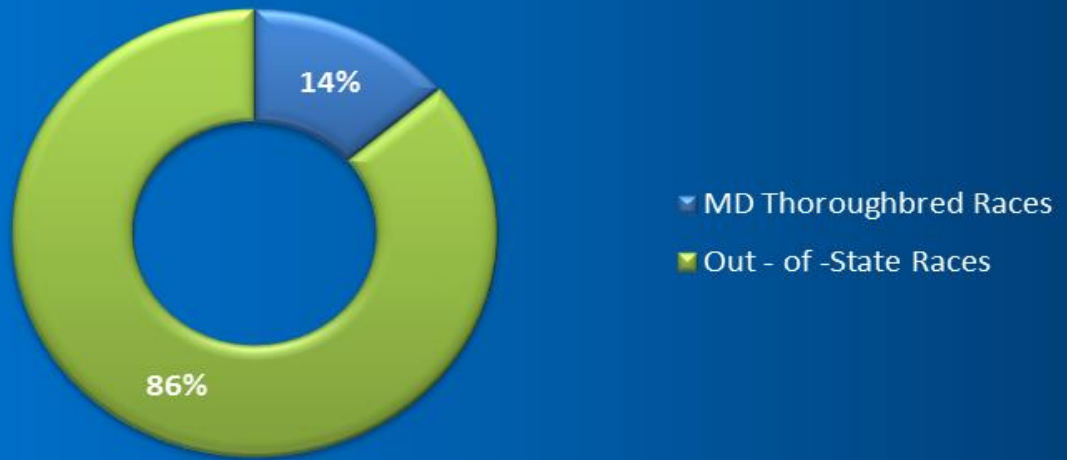
Riverboat Bets



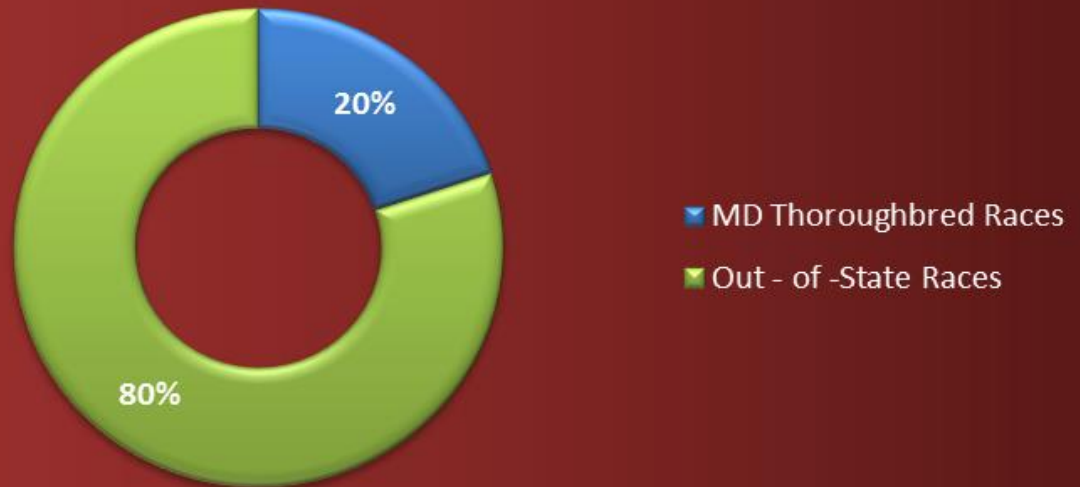
Horseshoe Bets



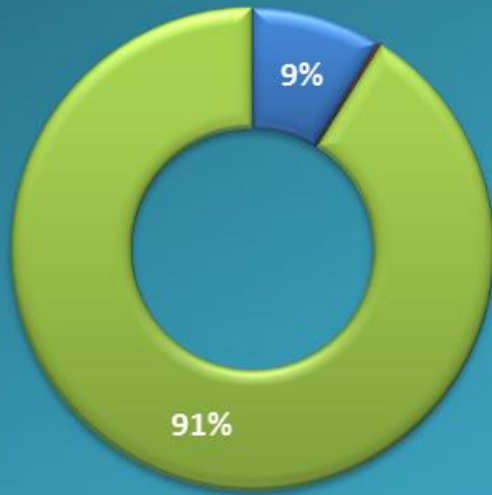
Timonium Bets



Boonsboro Bets



Perryville Bets



■ MD Thoroughbred Races

■ Out-of-State Races

FIVE YEAR ASSESSMENT OF LAUREL

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Attendance</u>	330,817	341,867	327,690	365,551	429,114
<u>Purses</u>	33,959,365	27,661,465	29,106,690	27,815,060	26,589,170
<u>Number of days of live racing</u>	125	103	107	109	117
<u>Betting on its live racing at:</u>					
Laurel	12,164,916	10,027,397	8,772,235	9,354,955	10,877,867
Other MD tracks	3,436,710	3,587,975	3,541,793	3,265,292	2,601,664
Satellite Simulcast Facilities	2,480,279	678,328	180,372	418,788	505,181
Out-of-state	256,578,508	175,672,864	142,507,116	161,430,230	156,578,967
<u>Betting on other in-State races</u>	2,219,172	2,914,564	2,551,364	2,560,813	2,972,084
<u>Betting on out-of-State races</u>	58,084,683	61,855,898	60,516,114	66,662,588	85,446,848
<u>Total betting at this location on all racing</u>	<u>72,468,771</u>	<u>74,797,859</u>	<u>71,839,713</u>	<u>78,578,356</u>	<u>99,296,799</u>

FIVE YEAR ASSESSMENT OF PIMLICO

	2016	2015	2014	2013	2012
<u>Attendance</u>	149,544	228,919	256,725	287,140	300,056
<u>Purses</u>	8,952,825	12,395,050	12,892,690	12,581,995	8,603,875
<u>Number of days of live racing</u>	28	37	35	36	29
<u>Betting on its live racing at:</u>					
Pimlico	7,844,833	9,651,661	9,672,078	10,115,032	9,862,787
Other MD tracks	2,905,243	3,512,330	3,416,557	2,946,910	2,813,071
Satellite Simulcast Facilities in MD	1,152,775	344,698	175,696	411,630	406,178
Out-of-state	160,625,703	171,301,182	146,829,060	143,766,884	128,842,396
<u>Betting on other in-State races</u>	1,643,715	2,198,420	2,171,348	2,505,917	2,680,782
<u>Betting on out-of-State races</u>	18,912,370	31,033,253	37,505,388	41,224,274	44,712,293
<u>Total betting at this location on all racing</u>	28,400,918	42,883,334	49,348,814	53,845,223	57,255,862

FIVE YEAR ASSESSMENT OF TIMONIUM

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Attendance</u>	14,465	15,948	16,278	2,760	18,118
<u>Purses</u>	1,126,275	1,071,240	11,843	1,484,290	886,905
<u>Number of days of live racing</u>	7	7	7	10	7
<u>Betting on its live racing at:</u>					
Timonium	697,034	762,714	790,176	962,966	842,211
Other MD tracks	248,940	191,647	234,163	272,967	238,131
Satellite Simulcast Facilities in MD	44,157	30,361	8,517	22,319	21,061
Out-of-state	2,595,868	2,188,761	1,555,991	2,404,431	1,611,380
<u>Betting on other in-State races</u>	151	0	0	0	0
<u>Betting on out-of-State races</u>	688,644	505,753	514,027	593,183	487,132
<u>Total betting at this location on all racing</u>	1,385,829	1,268,467	1,304,203	1,556,149	1,329,343

FIVE YEAR ASSESSMENT OF ROSECROFT

	2016	2015	2014	2013	2012
<u>Attendance</u>	*0	*0	*0	*0	*0
<u>*Attendance not recorded</u>					
<u>Purses</u>	6,016,904	4,760,147	4,249,537	3,336,615	1,823,332
<u>Includes</u>					
**Purses pd. By MD.					
Stndbred.Race Fund					
<u>Number of days of live racing</u>	54	54	54	54	54
<u>Betting on its live racing at:</u>					
Rosecroft	1,007,007	851,600	812,441	815,926	878,840
Other MD tracks	100,827	71,452	57,530	39,820	0
Satellite Simulcast Facilities in MD	51,995	22,306	4	4,180	13,231
Out-of-state	5,947,155	4,221,548	2,804,119	2,820,681	2,707,644
<u>Betting on other in-State races</u>	2,252,743	2,410,434	2,126,834	1,559,380	0
<u>Betting on out-of-State races</u>	31,284,981	29,145,510	34,407,539	36,077,069	18,789,664
<u>Total betting at this location on all racing</u>	34,544,731	32,407,544	37,346,814	38,452,375	19,668,504

FIVE YEAR ASSESSMENT OF OCEAN DOWNS

	2016	2015	2014	2013	2012
<u>Attendance</u>	39,339	39,552	41,349	45,438	46,843
<u>Purses</u>	4,236,917	2,610,769	3,345,941	3,367,612	2,485,829
<u>Number of days of live racing</u>	47	48	48	46	44
<u>Betting on its live racing at:</u>					
Ocean Downs	983,450	1,103,909	981,404	1,057,601	1,080,260
Other MD tracks	204,134	125,437	85,510	10,121	75,647
MD Satellite Simulcast Facilities	25,213	22,260	102	4,435	35,258
Out-of-state	3,250,006	3,318,642	2,389,676	2,973,522	2,605,837
<u>Betting on other in-State races</u>	646,568	504,537	485,974	307,939	557,658
<u>Betting on out-of-State races</u>	7,148,597	6,899,578	7,256,664	8,104,735	8,648,920
<u>Total betting at this location on all racing</u>	8,778,615	8,508,024	8,724,042	9,470,275	10,286,838

METHOD OF TAXATION

TAKEOUT AT MARYLAND THOROUGHBRED RACETRACKS

Effective July 1, 2005

	Regular Pool%	2-Horse Multiple	3-Horse Multiple 1st Race
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

	1-Horse <u>Pool %</u>	2-Horse <u>Pool %</u>	Over 2-Horse <u>Pool %</u>
State Tax	.32	.32	.32
Purses	.18	.18	.18
Track	18.00	20.00	26.00
Standardbred Fund	(4)	(4)	(4)
Track Pensions	(5)	(5)	(5)
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 %

(4) The amount deducted is .5 and 1.00 respectively of the first \$125,000 daily average. The amount deducted for amounts in excess of \$125,000 are 1.00, 1.00 and 1.50 of the track share of the takeout.

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

REVENUE TO THE STATE: THOROUGHBRED
TOTAL FOR ALL MEETS

	<u>2015</u>	<u>2016</u>
LAUREL		
Race Days	361	362
Tax to the State	406,935	400,876
License Fee	9,025	9,050
	<u>415,960</u>	<u>409,926</u>

PIMLICO		
Race Days	361	362
Tax to the State	273,767	264,338
License Fee	9,025	9,050
	<u>282,792</u>	<u>273,388</u>

TOTAL THOROUGHBRED	<u><u>698,752</u></u>	<u><u>683,314</u></u>
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COUNTY FAIR: TIMONIUM

Race Days	10	10
Tax to the State	-0-	0
License Fee	-0-	0
	<u>-0-</u>	<u>0</u>

TOTAL COUNTY FAIR	<u>-0-</u>	<u>0</u>
--------------------------	------------	----------

STEEPLECHASE: FAIR HILL

Race Days	1	1
Tax to the State	14,617	11,927

TOTAL STEEPLECHASE	<u><u>14,617</u></u>	<u><u>11,927</u></u>
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REVENUE TO THE STATE: HARNESS

	<u>2015</u>	<u>2016</u>
ROSECROFT		
Race Days	361	360
Tax to the State	128,626	127,351
License Fee	9,025	9,000
	<u>137,651</u>	<u>136,351</u>
OCEAN DOWNS		
Race Days	361	364
Tax to the State	3,535	3,147
License Fee	9,025	9,100
	<u>12,560</u>	<u>12,247</u>
TOTAL HARNESS	<u><u>150,211</u></u>	<u><u>148,598</u></u>

(Race days include live and simulcast only days)

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

2016

THOROUGHBRED LICENSES:

740	Original Owner	@ \$50.00	\$37,000
2,517	Renewal Owner	25	62,925
60	Original Trainer	50	3,000
241	Renewal Trainer	25	6,025
166	Assistant Trainer	25	4,150
440	Owner / Trainer	50	22,000
234	Jockey	25	5,850
80	Apprentice Jockey	25	2,000
34	Jockey Agent	25	850
26	Veterinarian	25	650
33	Farrier	10	330
961	Stable Employee	5	4,805
504	Mutuel Employee	5	2,520
168	Vendor	5	840
262	Exercise Rider	5	1,310
248	Track Employee	5	1,240
-----			-----
6,714	TOTAL LICENSES		<u>\$155,495</u>

THOROUGHBRED REGISTRATIONS:

84	Authorized Agent	@ \$10.00	840
1293	Assumed Name	75	96,975
-----			-----
1377	TOTAL REGISTRATIONS		<u>\$97,815</u>

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

(Continued)

HARNESS LICENSES:

144	Original Owner	@ \$50.00	\$7,200
430	Renewal Owner	25	10,750
10	Original Trainer	25	250
69	Renewal Trainer	25	1,725
44	Driver	25	1,100
27	Trainer / Driver	50	1,350
166	Owner / Trainer	50	8,300
7	Owner / Trainer / Driver	75	525
111	Owner / Driver	50	5,550
2	Veterinarian	25	50
191	Stable Employee	5	955
36	Mutuel Employee	5	180
84	Track Employee	5	420
23	Vendor	5	115
1	Farrier	5	5
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1,345	TOTAL LICENSES		<u>\$38,475</u>

HARNESS REGISTRATIONS:

0	Authorized Agent	10	0
97	Assumed Name	75	7,275
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97	TOTAL REGISTRATIONS		<u>\$7,275</u>

THOROUGHBRED AND HARNESS

TOTAL RECEIPTS FOR LICENSES & REGISTRATIONS ISSUED: \$299,060

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.

	<u>2015</u>	<u>2016</u>
Mile Tracks	\$369,116	\$666,303
Harness Tracks	210,394	210,793
County Fair Track	0*	0*
Steeplechase	4,184	<u>3,650</u>
TOTAL UNCASHED PARI-MUTUEL TICKETS	<u>\$583,694</u>	<u>\$880,746</u>

**County Fair uncashed monies included with mile tracks.*

**STATEMENT OF RECEIPTS
DISBURSED TO THE STATE COMPTROLLER**

	2015	2016
<u>MILE TRACKS:</u>		
Track License Fees	\$18,050	\$18,100
Tax on Betting	680,702	665,214
Licensing Fees	159,270	155,495
Registration Fees	93,215	97,815
Uncashed Pari-Mutuels	369,116	666,303
TOTAL DISBURSEMENTS MILE TRACKS	\$1,320,353	\$1,602,927
 <u>COUNTY FAIR TRACKS:</u>		
Tax on Betting (6)	-0-	-0-
Uncashed Pari-Mutuels	*	*
TOTAL DISBURSEMENTS COUNTY FAIR TRACKS	0	0
 <u>HARNESS TRACKS:</u>		
Track License Fees	\$18,050	\$18,100
Tax on Betting	132,162	130,498
Licensing Fees	43,560	38,475
Registration Fees	7,050	7,275
Uncashed Pari-Mutuels	210,395	210,793
TOTAL DISBURSEMENTS HARNESS TRACKS	\$411,217	\$405,141
 <u>STEEPLECHASE:</u>		
Tax on Betting	\$14,617	\$11,927
Uncashed Pari-Mutuels	4,184	3,650
TOTAL DISBURSEMENTS STEEPLECHASE	\$18,801	\$15,577
 <u>OTB'S:</u>		
Permit Fee	\$1,500	\$2,500
TOTAL DISBURSEMENTS O.T.B.	\$1,500	\$2,500
 <u>TOTAL ALL DISBURSEMENTS</u>	 \$1,751,871	 \$2,026,145

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

*County Fair uncashed monies included with mile tracks.

STATEMENT OF RECEIPTS

DISBURSED TO THE STATE COMPTROLLER

(Continued)

DIRECT DISBURSEMENTS TO STATE COMPTROLLER:

	<u>2015</u>	<u>2016</u>
Tax on Admissions	\$408,670	400,906
Sales Tax on Horses Claimed	<u>337,695</u>	<u>379,485</u>
TOTAL DIRECT DISBURSEMENTS TO STATE	\$746,365	780,391
<u>TOTAL ALL DISBURSEMENTS TO STATE COMPTROLLER</u>	<u>\$2,498,236</u>	<u>\$2,806,536</u>

STATEMENT OF ACTUAL EXPENDITURES

Fiscal Year '15' July 1, 2014 TO June 30, 2015

SALARIES & BENEFITS

Commission Personnel	<u>\$363,152</u>
Total Salary Expenses	<u>\$363,152</u>

OFFICE EXPENDITURES:

Telephone and Postage	10,132
Travel Expenses	10,583
Motor Vehicle Operation	1,116
Contractual Services, i.e., Printing, Repairs, Equipment and Leasing, Court Expenses, Transcript of Hearings	4,888 0
Office Supplies	1,877
Office Equipment Additional	0
Fixed Charges, i.e., Rent, Insurance, Subscriptions and Dues	12,303
Total Office Expenses	<u>\$40,899</u>

TOTAL EXPENDITURES AND DISBURSEMENTS (7) **\$404,051**

OTHER DISBURSEMENTS:

Grants	\$2,092,780
Impact Aid	\$0
Other:	
Fair Hill	\$11,927
Maryland Standardbred Race Fund	0
Maryland-bred Race Fund	0
MD. Agric. Edu. & Rural Dev. Asst. Fund	0
Total Other:	<u>\$11,927</u>
TOTAL OTHER DISBURSEMENTS	<u>\$2,104,707</u>

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

MARYLAND RACING COMMISSION 2016 EQUINE SPECIMEN TESTING

Truesdail Laboratories located in Tustin, California was one of two laboratories that responded to a “Request For Proposal” (RFP) issued by the Department late in 2013. Consequently Truesdail was awarded the five year contract and provided the urine and blood specimen analysis during 2016 and continues to do so. Below are the statistics regarding the analysis of these samples.

NUMBER OF OFFICIAL SAMPLES ANALYZED

SOURCE	URINE	BLOOD	TOTAL	POSITIVE
Thoroughbred	2,564	3,128	5,692	27
Standardbred	1,954	2,432	4,386	6
Human	0	0	0	0
2015 Totals	4,518	5,560	10,078	33

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

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
2008	\$	723,852.00
2009	\$	476,211.00
2010	\$	404,954.00
2011	\$	508,182.00
2012	\$	1,675,611.00
2013	\$	1,648,613.00
2014	\$	1,223,005.00
2015	\$	808,553.00
2016	\$	882,763.00

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 2016 was \$100.00

Maryland Jockey Injury Compensation Fund Policy Cost (By Year)



MARYLAND-BRED FUND REPORT

MARYLAND-BRED FUND DISTRIBUTION IS EXPLAINED

The Maryland Fund was created by the General Assembly in 1962. Maryland was the first state to develop a legislated incentive program to encourage the improvement of Thoroughbred breeding and racing. Since that time, more than 30 other states have instituted incentive programs largely based on this model.

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 registered Maryland-breds finishing first, second or third; 3) **awards for breeders** of registered Maryland-breds finishing first, second or third; 4) **awards for owners of stallions** which are duly registered with the Maryland Horse Breeders Association (MHBA); 5) **yearling show bonus awards** for the four highest-earning 2 and 3-year-olds shown at the annual MHBA yearling show (based on North American earnings); and 6) **Maryland-sired allocation** for purses and awards for horses conceived in Maryland by a registered/nominated Maryland stallion.

The Maryland-Bred 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 receives approximately 1.5 percent of the mutuel handle and 5.0 percent of the breakage at Timonium (the State's half mile track).

In 2016, revenue for the Maryland Bred Fund totaled over \$6.5 million (includes approximately \$1.2 million from pari-mutuel wagering funds and \$5.3 million from other sources).

After eligible deductions a portion of this money is allocated to purses and owner awards. The remaining percentage is distributed in the form of breeder awards and stallion awards. In 2016 nearly \$1,000,000 was paid in purses owner awards were paid with purses and \$ 3.6 million was disbursed as breeder and stallion awards.

In 2016, breeder and stallion awards were paid for the registered Maryland-bred who finished first through third in any race in Maryland. The breeder awards were 30 percent and the stallion bonuses were 10 percent of the winner's share of the purse. In stakes races the award is based on the first \$100,000 of the gross purse. The Maryland-bred stakes program is typically planned on a meet by meet basis, and is based on projected revenues for the coming year.

In order to earn a breeder award, the horse must be registered as a Maryland-bred. In order to earn a stallion award, the horse must be registered as a Maryland-bred, and the sire must be registered with the MHBA, in addition to having been standing in Maryland at the time the horse was conceived.

The Maryland-Bred Fund program is administered by the Maryland Racing Commission with the assistance and advice of the Maryland Fund Advisory Committee chaired by David Hayden, a member of the Maryland Racing Commission. Other members of the Maryland Fund Advisory Committee are Georganne Hale (representing mile tracks); Andy Cashman (half-mile track) and Willie White and Larry Johnson (MHBA). Under the direction of the Commission, the actual implementation 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 up to 10 percent of the total receipts of the Fund, subject to the approval of the Maryland Racing Commission.

Breeder and stallion award percentages are determined on a bi-annual basis on the advice of the Maryland Fund Advisory Committee. Owner award percentages are determined by a separate agreement. (For Maryland Million Day, breeder and stallion award percentages are determined annually). Awards are distributed as soon as is practical. The quality of Maryland-breds has improved since the Maryland-Bred Fund was initiated over 50 years ago and the program is evaluated bi-annually to ensure the most effective use of the money.

MARYLAND STANDARDBRED RACE FUND

Total purses for the year were \$1,711,025 an increase from 2015 purses. The Maryland Sire Stakes (MSS) and Maryland Standardbred Fund (MSF) combined totals for the program in each year from 1997 through 2016 are shown below:

YEAR	MSS	MSF	TOTAL
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
2008	\$720,000	\$494,550	\$1,214,550
2009	\$445,000	\$315,550	\$760,550
2010	\$311,500	\$241,475	\$552,975
2011	\$447,500	\$260,250	\$707,750
2012	\$798,600	\$172,250	\$970,850
2013	\$825,997	\$529,475	\$1,355,472
2014	\$1,406,377	\$501,835	\$1,908,212
2015	\$1,210,700	\$472,585	\$1,683,285
2016	1,239,250	471,775	1,711,025