

NINETY-THIRD
ANNUAL REPORT

2012

STATE OF MARYLAND



MARYLAND RACING COMMISSION

MARTIN O'MALLEY
Governor of Maryland

ANTHONY G. BROWN
Lt. Governor of Maryland

Leonard J. Howie III
Secretary
Department of Labor, Licensing
and Regulation



STATE OF MARYLAND

DLLR

DEPARTMENT OF LABOR, LICENSING AND REGULATION

MARYLAND RACING COMMISSION
300 East Towsontown Blvd.
Towson, MD 21286

September 1, 2013


Leonard J. Howie III, Secretary
Department of Labor, Licensing and Regulation
500 North Calvert Street
Baltimore, Maryland 21202

Dear Secretary Howie:

The Maryland Racing Commission is pleased to present you with the annual report for calendar year 2012.

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.maryland.gov • EMAIL: racing@dllr.state.md.us

MARTIN O'MALLEY, GOVERNOR • ANTHONY G. BROWN, LT. GOVERNOR • LEONARD J. HOWIE III, SECRETARY

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The Commission during the year 2012 consisted of:

Chairman.....Louis J. Ulman
7/1/12 Bruce Quade

Members Mary Louise Preis
Charles G. Tildon III
Thomas W. Winebrener
John P. McDaniel
Bruce Quade
David Hayden
Ernest R. Grecco
John B. Franzone

The Commission Staff:

Executive Director J. Michael W. Hopkins
Fiscal Accounts Manager..... Doreen K. Piquett
Fiscal Accts. Supvr..... Elizabeth Robinson
Fiscal Clerk II Ursula Suber
Chief Investigator Joseph M. Poag

Stewards:

Administrative Steward..... Philip E. Grove
Associate Stewards..... John J. Burke II
Adam Campola

Veterinarians:

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

Chemists:

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

MEETING STATISTICS - 2012

Commission Meetings

In 2012, the Commission met to conduct business on eleven (11) occasions.

2012 HIGHLIGHTS

REVENUE:

\$3,032,501 was collected by the State in 2012. This amount represents a decrease from the amount of revenue collected in 2011.

ATTENDANCE:

Attendance at Maryland tracks was 807,088 in 2012. 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 590 – Provided for the breeding of a Standardbred broodmare at an out of state facility using frozen semen from a Maryland stallion registered with the Advisory Committee.

HB 597 – Increased the amount of time pari-mutuel taxes and impact aid fees were to be paid to the Racing Commission from 7 and 3 days to 10 respectively and allowed the running of an Arabian race at Pimlico Race Course

SB 49 – Changed the allocation of a fixed percentage of the Fund to a “portion” of the Fund for races that are restricted to horses conceived, but not necessarily foaled in Maryland.

SB 794 – Provided for Ocean Downs and Rosecroft to be eligible to receive up to \$1.2 million from their portion of the purse dedication account for certain expenses through 2015

The Cambridge Satellite Simulcast Betting Facility located in Cambridge, Maryland closed its operations in December 2012.

2012 RACING DATES

MILE TRACKS:

Laurel	January 1 – March 29 Simulcast Only Days	48 + <u>41</u> 89 Days*
Pimlico	March 30 – July 31 Simulcast Only Days	29 + <u>92</u> 121 Days
Laurel	August 1 – December 31 Simulcast Only Days	69 + <u>46</u> 115 Days
Total		325 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 Days

TOTAL LIVE:	154 DAYS
TOTAL SIMULCAST ONLY:	<u>182</u> DAYS
THOROUGHBRED TOTAL:	336 DAYS

2012 RACING DATES
(Continued)

HARNESS TRACKS:

Rosecroft	January 1 – December 31 Simulcast Only Nights	54 + <u>303</u> 357 Nights
Ocean Downs	January 1 – December 31 Simulcast Only Nights	44 + <u>316</u> 360 Nights

TOTAL LIVE:	98 NIGHTS
TOTAL SIMULCAST ONLY:	<u>619 NIGHTS</u>
HARNESS TOTAL:	717 NIGHTS

TOTAL LIVE RACING DAYS AND NIGHTS	252
TOTAL SIMULCAST ONLY	<u>801</u>
GRAND TOTAL	1,053

RACE YEAR SUMMARY:

During the year 2012, there were 1,053 days and nights of licensed racing in the State, consisting of the following:

There were 336 days of licensed racing at the Mile Tracks - Pimlico 121 days and Laurel 204 days; 10 days at Timonium; and 1 day raced at Fair Hill. There were also 717 nights of licensed racing at the Harness Tracks - Rosecroft 357 nights and Ocean Downs 360 nights.

ATTENDANCE FOR CALENDAR YEARS 2010 - 2012

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Laurel	547,024	521,765	429,114
Pimlico	330,242	312,533	300,056
Timonium	<u>22,287</u>	<u>17,389</u>	<u>18,118</u>
TOTAL:	899,553	851,687	747,288
Rosecroft **	31,956 *	0	**
*Simulcast Only			
Ocean Downs	<u>37,256</u>	<u>77,466</u>	<u>47,300</u>
* Live Only			
TOTAL:	69,212	77,466	47,300
Fair Hill **	14,000	0	12,500
TOTAL	<u>982,765</u>	<u>929,153</u>	<u>807,088</u>

** No record of attendance

WAGERING HISTORY IN MARYLAND
of
THOROUGHBRED AND HARNESS RACING

THOROUGHBRED STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
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
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

HARNESS STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
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
2008	727	100,559,207
2009	738	65,631,105
2010	823	22,753,567
2011	490	20,810,252
2012	717	34,180,137

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
2008	52,507,771
2009	41,360,026
2010	38,137,636
2011	30,812,484
2012	14,288,365

COMBINED TOTALS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
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	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

* 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>2011</u>	<u>2012</u>
<u>MILE TRACKS:</u>		
Laurel	\$121,677,990	\$99,296,799
Pimlico	<u>59,855,376</u>	<u>57,255,862</u>
TOTAL	<u>\$181,533,366</u>	<u>\$156,552,661</u>
<u>COUNTY FAIR TRACKS:</u>		
Timonium	<u>\$1,269,558</u>	1,329,343
TOTAL	<u>\$1,269,558</u>	<u>1,329,343</u>
<u>HARNESS TRACKS:</u>		
Rosecroft	\$7,133,276	19,668,505
Ocean Downs	<u>13,676,976</u>	<u>14,511,632</u>
TOTAL	<u>\$20,810,252</u>	<u>34,180,137</u>
<u>STEEPLECHASE:</u>		
Fair Hill	<u>\$177,944</u>	<u>149,765</u>
TOTAL	<u>\$177,944</u>	<u>149,765</u>
<u>SSB FACILITIES</u>	<u>\$30,812,484</u>	<u>11,880,362</u>
SUMMARY		
Mile Tracks	\$181,533,366	156,552,661
County Fair Tracks	1,269,558	1,329,343
Harness Tracks	20,810,252	34,180,137
Steeplechase	177,944	149,765
SSB Facilities	30,812,484	14,288,365
TOTAL	<u>\$234,603,604</u>	<u>206,500,271</u>

SATELLITE SIMULCAST BETTING

The amounts bet at the Satellite Simulcast Betting Facilities in calendar year 2012 are reflected in the following table.

Maryland Satellite Simulcast Betting Facilities

Bet At:	NorthEast	Cambridge	Riverboat
Bets on:			
MD Thoroughbred Races	637,254	117,172	295,166
MD Harness Races	0	48,489	0
Out - of -State Races	6,829,874	2,242,342	4,118,068
TOTAL	<u>7,467,128</u>	<u>2,408,003</u>	<u>4,413,234</u>

In 2012, SSB facilities met the prescribed food and service standards and provide a convenience to the horse racing public.

FIVE YEAR ASSESSMENT OF LAUREL

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Attendance</u>	429,114	521,765	547,024	550,511	595,036
<u>Purses</u>	26,589,170	19,589,605	18,817,640	20,267,180	22,545,198
<u>Number of days of live racing</u> (includes Pimlico @ Laurel)	117	115	120	125	148
<u>Betting on its live racing at:</u>					
Laurel	10,877,867	9,976,957	12,084,240	12,339,625	15,641,791
Other MD tracks	2,601,664	2,267,508	2,761,249	4,020,319	6,925,865
Satellite Simulcast Facilities in MD	505,181	854,026	1,319,131	1,513,529	2,333,342
Out-of-state	156,578,967	131,456,700	137,405,337	152,845,286	206,402,804
<u>Betting on other in-State races</u>	2,972,084	2,816,611	2,534,948	2,636,181	3,414,650
<u>Betting on out-of-State races</u>	85,446,848	108,884,422	110,667,572	106,883,733	114,082,040
<u>Total betting at this location on all racing</u>	99,296,799	121,677,990	125,286,760	121,859,539	133,138,481

FIVE YEAR ASSESSMENT OF PIMLICO

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Attendance</u>	300,056	312,533	330,242	370,896	455,069
<u>Purses</u>	8,603,875	6,812,980	4,363,625	4,447,202	6,952,102
<u>Number of days of live racing</u>	29	29	20	20	31
<u>Betting on its live racing at:</u>					
Pimlico	9,862,787	8,783,040	8,036,467	7,792,638	10,748,712
Other MD tracks	2,813,071	2,636,197	2,350,144	3,444,056	3,997,525
Satellite Simulcast Facilities in MD	406,178	863,782	863,090	891,727	1,138,779
Out-of-state	128,842,396	112,304,939	105,847,843	115,690,400	120,491,748
<u>Betting on other in-State races</u>	2,680,782	2,341,922	2,840,891	3,349,615	4,783,598
<u>Betting on out-of-State races</u>	44,712,293	48,730,414	52,768,696	60,928,120	74,549,612
<u>Total betting at this location on all racing</u>	57,255,862	59,855,376	63,646,054	72,070,373	90,081,922

FIVE YEAR ASSESSMENT OF TIMONIUM

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Attendance</u>	18,118	17,389	22,287	22,591	23022
<u>Purses</u>	886,905	715,495	681,420	704,930	583,960
<u>Number of days of live racing</u>	7	6	7	7	7
<u>Betting on its live racing at:</u>					
Timonium	842,211	813,307	1,059,058	1,151,194	1,059,762
Other MD tracks	238,131	254,828	264,446	319,819	431,914
Satellite Simulcast Facilities in MD	21,061	52,714	43,766	53,710	58,525
Out-of-state	1,611,380	1,514,310	1,368,205	1,735,642	2,105,862
<u>Betting on other in-State races</u>	0	0	0	0	0
<u>Betting on out-of-State races</u>	487,132	456,251	635,185	666,942	736,201
<u>Total betting at this location on all racing</u>	1,329,343	1,269,558	1,694,243	1,818,136	1,795,963

*Fair attendance included.

FIVE YEAR ASSESSMENT OF ROSECROFT

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Attendance</u>	*0	*0	31,956	135,138	216,921
<u>*Attendance not recorded</u>					
<u>Purses</u>	1,823,332	**483,500	0	0	1,137,900
<u>Includes</u>					
**Purses pd. By MD. Stndbred.Race Fund					
<u>Number of days of live racing</u>	54	20	0	6	43
<u>Betting on its live racing at:</u>					
Rosecroft	878,840	379,326	0	44,547	1,310,387
Other MD tracks	0	0	0	0	187,880
Satellite Simulcast Facilities in MD	13,231	0	0	0	68,144
Out-of-state	2,707,644	463,437	0	0	2,584,570
<u>Betting on other in-State races</u>	0	0	0	870,997	3,637,647
<u>Betting on out-of-State races</u>	18,789,664	6,753,950	11,184,716	49,348,049	78,586,525
<u>Total betting at this location on all racing</u>	19,668,504	7,133,276	11,184,716	50,263,593	83,534,559

FIVE YEAR ASSESSMENT OF OCEAN DOWNS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Attendance</u>	46,843	77,466	37,256*	117,372	220,133
<u>Purses</u>	2,485,829	1,997,717	552,975	900,000	926,550
<u>Number of days of live racing</u>	44	37	4	40	40
<u>Betting on its live racing at:</u>					
Ocean Downs	1,080,260	1,156,407	0	1,754,046	1,934,469
Other MD tracks	75,647	76,601	0	187,547	292,761
MD Satellite Simulcast Facilities	35,258	14,567	0	44,055	46,742
Out-of-state	2,605,837	2,521,326	0	2,588,029	2,933,963
<u>Betting on other in-State races</u>	557,658	469,259	579,927	688,240	957,585
<u>Betting on out-of-State races</u>	8,648,920	12,051,310	10,991,924	12,925,225	14,132,593
<u>Total betting at this location on all racing</u>	10,286,838	13,676,976	11,571,851	15,367,511	17,024,647

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

	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>2011</u>	<u>2012</u>
LAUREL		
Race Days	362	240*
Tax to the State	579,023	507,558
License Fee	<u>5,850</u>	<u>4,800</u>
	584,873	512,358

PIMLICO

Race Days	364	121**
Tax to the State	337,141	329,133
License Fee	<u>3,025</u>	<u>3,050</u>
	340,166	332,183

TOTAL	<u>925,039</u>	<u>844,541</u>
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COUNTY FAIR:

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:

Race Days	1	1
Tax to the State	<u>16,015</u>	<u>13,479</u>
TOTAL	<u>16,015</u>	<u>13,479</u>

*Included 87 Simulcast days

**Includes 92 Simulcast days

REVENUE TO THE STATE: HARNESS

	<u>2011</u>	<u>2012</u>
ROSECROFT		
Race Days	126	357
*simulcast Only		
Tax to the State	24,848	89,747
License Fee	<u>3,775</u>	<u>8,975</u>
	28,623	98,722
 OCEAN DOWNS		
Race Days	364	360
Tax to the State	41,524	38,319
License Fee	<u>9,075</u>	<u>9,075</u>
	50,599	47,394
 TOTAL HARNESS	 <u>79,222</u>	 <u>146,116</u>
(Race days include live and simulcast only days)		

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

2012

THOROUGHBRED LICENSES:

567	Original Owner	@ \$50.00	\$28,350
1,518	Renewal Owner	25	37,950
70	Original Trainer	50	3,500
238	Renewal Trainer	25	5,950
130	Assistant Trainer	25	3,250
338	Owner / Trainer	50	16,900
234	Jockey	25	5,850
45	Apprentice Jockey	25	1,125
28	Jockey Agent	25	700
22	Veterinarian	25	550
33	Farrier	10	330
896	Stable Employee	5	4,480
475	Mutuel Employee	5	2,375
134	Vendor	5	670
219	Exercise Rider	5	1,095
358	Track Employee	5	1,790
-----			-----
5,305	TOTAL LICENSES		<u>\$114,865</u>

THOROUGHBRED REGISTRATIONS:

50	Authorized Agent	@ \$10.00	500
735	Assumed Name	75	55,125
-----			-----
785	TOTAL REGISTRATIONS		<u>\$55,625</u>

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

(Continued)

HARNESS LICENSES:

186	Original Owner	@ \$50.00	\$9,300
479	Renewal Owner	25	11,975
5	Original Trainer	25	125
75	Renewal Trainer	25	1,875
40	Driver	25	1,000
42	Trainer / Driver	50	2,100
179	Owner / Trainer	50	8,950
115	Owner / Trainer / Driver	75	8,625
19	Owner / Driver	50	950
6	Veterinarian	25	150
252	Stable Employee	5	1,260
50	Mutuel Employee	5	250
47	Track Employee	5	235
15	Vendor	5	75
1	Farrier	5	5
-----			-----
1,511	TOTAL LICENSES		<u>\$46,875</u>

HARNESS REGISTRATIONS:

1	Authorized Agent	10	10
69	Assumed Name	75	5,175
-----			-----
70	TOTAL REGISTRATIONS		<u>\$5,185</u>

THOROUGHBRED AND HARNESS

TOTAL RECEIPTS FOR LICENSES & REGISTRATIONS ISSUED: \$222,550

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>2011</u>	<u>2012</u>
Mile Tracks	\$1,053,169	\$1,033,384
Harness Tracks	457,477	79,459
County Fair Track	0*	0*
Steeplechase	<u>4,704</u>	<u>3,799</u>
TOTAL UNCASHED PARI-MUTUEL TICKETS	\$1,515,350	\$1,116,642

*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

	<u>2011</u>	<u>2012</u>
<u>MILE TRACKS:</u>		
Track License Fees	\$8,875	\$7,850
Tax on Betting	916,164	836,691
Licensing Fees	110,770	114,865
Registration Fees	29,890	55,625
Uncashed Pari-Mutuels	<u>1,053,169</u>	<u>1,033,384</u>
TOTAL DISBURSEMENTS MILE TRACKS	<u>\$2,118,868</u>	<u>\$2,048,415</u>
<u>COUNTY FAIR TRACKS:</u>		
Tax on Betting (6)	-0-	-0-
Uncashed Pari-Mutuels	*	*
TOTAL DISBURSEMENTS COUNTY FAIR TRACKS	<u>0</u>	<u>0</u>
<u>HARNESS TRACKS:</u>		
Track License Fees	\$12,850	\$18,050
Tax on Betting	66,372	128,066
Licensing Fees	47,850	46,875
Registration Fees	4,285	5,185
Uncashed Pari-Mutuels	<u>457,477</u>	<u>79,459</u>
TOTAL DISBURSEMENTS HARNESS TRACKS	<u>\$588,834</u>	<u>\$277,635</u>
<u>STEEPLECHASE:</u>		
Tax on Betting	\$16,015	\$13,479
Uncashed Pari-Mutuels	<u>4,704</u>	<u>3,799</u>
TOTAL DISBURSEMENTS STEEPLECHASE	<u>\$20,719</u>	<u>\$17,278</u>
<u>OTB'S:</u>		
PERMIT FEE	<u>\$2,500</u>	<u>\$2,500</u>
TOTAL DISBURSEMENTS O.T.B.	<u>\$2,500</u>	<u>\$2,500</u>
<u>TOTAL ALL DISBURSEMENTS</u>	<u>\$2,730,921</u>	<u>\$2,345,828</u>

(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>2011</u>	<u>2012</u>
Tax on Admissions	\$327,266	\$385,113
Sales Tax on Horses Claimed	<u>150,875</u>	<u>301,560</u>
TOTAL DIRECT DISBURSEMENTS TO STATE	\$478,141	\$686,673
<u>TOTAL ALL DISBURSEMENTS TO STATE COMPTROLLER</u>	<u>\$3,209,062</u>	<u>\$3,032,501</u>

STATEMENT OF ACTUAL EXPENDITURES

July 1, 2012 TO June 30, 2013

SALARIES & BENEFITS

Commission Personnel	<u>\$337,310</u>
Total Salary Expenses	<u>\$337,310</u>

OFFICE EXPENDITURES:

Telephone and Postage	\$6,703
Travel Expenses	\$13,394
Motor Vehicle Operation	\$3,627
Contractual Services, i.e., Printing, Repairs, Equipment and Leasing, Court Expenses, Transcript of Hearings	45,040
Office Supplies	6,640
Office Equipment Additional	
Fixed Charges, i.e., Rent, Insurance, Subscriptions and Dues	12,455
Total Office Expenses	<u>\$87,859</u>

TOTAL EXPENDITURES AND DISBURSEMENTS (7)	<u>\$425,169</u>
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OTHER DISBURSEMENTS:

Grants	\$1,425,570
Impact Aid	\$0
Other:	
Fair Hill	\$13,479
Maryland Standardbred Race Fund	0
Maryland-bred Race Fund	0
MD. Agric. Edu. & Rural Dev. Asst. Fund	0
Total Other:	<u>\$13,479</u>
TOTAL OTHER DISBURSEMENTS	<u>\$1,439,049</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.

The following table and list represent the findings of the laboratory during calendar year 2012

ASSOCIATION OF OFFICIAL RACING CHEMISTS OFFICIAL SAMPLES ANALYZED DURING CALENDAR YEAR 2012

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	2,582	2,907	5,489	7
Standardbred	1,325	1,527	2,852	3
Human	<u>5</u>	<u>0</u>	<u>5</u>	<u>2</u>
2012 Totals	3,912	4,434	8,346	12

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	\$1,544,304.00

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 2012 was \$100.00

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 2012, revenue for the Maryland-Bred Fund totaled over \$4.1 million (includes approximately \$1.6 million from pari-mutuel wagering funds and \$2.5 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 \$1.5 million to purses and owner awards and \$1.6 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 since the Fund was initiated more than 50 years ago and the program is evaluated annually to ensure the most effective use of Fund monies.

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 17.5 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. Since 2005 breeder awards have amounted to 10 to 17.5 percent of the winner's share of the purse, and stallion awards have varied between 5 and 8.75 percent of the winner's share of the purse. In 2012, an additional breeder bonus was paid to registered Maryland-bred winners of any maiden race, amounting to 12.5% 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 stakes 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 David Hayden, a member of the Maryland Racing Commission. Other members of the Maryland Fund Advisory Committee are Georganne Hale (Representing the mile tracks), Howard M. Mosner, (minor track), Ann Merryman and James B. Steele, Jr. (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 of up to 10 percent of the total receipts of the Fund, subject to the approval of the Maryland Racing Commission.

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 \$ 707,750, a increase from 2010 purses. The Maryland Sire Stakes (MSS) and Maryland Standardbred Fund (MSF) combined totals for the program in each year from 1992 through 2012 are shown below:

<u>YEAR</u>	<u>MSS</u>	<u>MSF</u>	<u>TOTAL</u>
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	2,753,320
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