

NINETY- FOURTH
ANNUAL REPORT

2013

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 E. TOWSONTOWN BLVD.
Baltimore, MD 21286

September 1, 2014

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

Dear Secretary Howie:

The Maryland Racing Commission is pleased to present you with the annual report for calendar year 2013.

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

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

TABLE OF CONTENTS

The Commission during the year 2013	1
Meeting and Hearing Statistics	2
2013 Highlights.....	3
2013 Legislation and Other Major Events	4
Racing Dates	5
Attendance	7
Wagering History	8
Amount Wagered	9
Satellite Simulcast Betting.....	10
Five Year Assessments	11
Method of Taxation.....	16
Revenue to the State: Thoroughbred.....	18
Revenue to the State: Harness.....	19
Summary of Licenses Issued.....	20
Uncashed Pari-Mutuel Tickets.....	22
Statement of Receipts	23
Statement of Actual Expenditures	25
Maryland Racing Commission Laboratory	26
The Maryland Jockey Injury Compensation Fund	27
Maryland-Bred Fund Report	28
Maryland Standardbred Fund Report.....	30

The Commission during the year 2013 consisted of:

Chairman..... 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
Louis J. Ulman

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 - 2013

Commission Meetings

In 2013, the Commission met to conduct business on eleven (11) occasions.

2013 HIGHLIGHTS

REVENUE:

\$3,083,737 was collected by the State in 2013. This amount represents a increase from the amount of revenue collected in 2012.

ATTENDANCE:

Attendance at Maryland tracks was 724,048 in 2013. 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

SB - 961 – Providing for specific wagers with not more than a 40% takeout on a mutuel pool of 3 or more horses with the consent of the commission, horseman and breeders.

Northeast Racing & Sports Club Restaurant closed on November 30, 2013

2014 RACING DATES

MILE TRACKS:

Laurel	January 1 – March 30	42 +
	Simulcast Only Days	<u>43</u>
		85 Days*
Pimlico	April 1 – July 31	34 +
	Simulcast Only Days	<u>87</u>
		121 Days
Laurel	August 1 – December 31	65 +
	Simulcast Only Days	<u>80</u>
		145 Days
	Total	351 Days

COUNTY FAIR TRACKS:

Timonium	August 23 – September 2	7
	Simulcast Only Days	<u>3</u>
	Total	10 Days

STEEPLECHASE :

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

TOTAL LIVE:	149 DAYS
TOTAL SIMULCAST ONLY:	213 DAYS
THOROUGHBRED TOTAL:	<u>362 DAYS</u>

2013 RACING DATES (Continued)

HARNESS TRACKS:

		+	
Rosecroft	January 1 – December 31	54	
	Simulcast Only Nights	<u>308</u>	
		362	Nights
Ocean Downs	January 1 – December 31	48	+
	Simulcast Only Nights	<u>314</u>	
		362	Nights
	TOTAL LIVE:	102	NIGHTS
	TOTAL SIMULCAST ONLY:	<u>622</u>	NIGHTS
	HARNESS TOTAL:	724	NIGHTS
	TOTAL LIVE RACING DAYS AND NIGHTS	251	
	TOTAL SIMULCAST ONLY	<u>835</u>	
	GRAND TOTAL	1,086	

RACE YEAR SUMMARY:

During the year 2013, there were 1,086 days and nights of licensed racing in the State, consisting of the following:

There were 363 days of licensed racing at the Mile Tracks - Pimlico 122 days and Laurel 230 days; 10 days at Timonium; and 1 day raced at Fair Hill. There were also 723 nights of licensed racing at the Harness Tracks - Rosecroft 361 nights and Ocean Downs 362 nights.

ATTENDANCE FOR CALENDAR YEARS 2011 – 2013

	<u>2012</u>	<u>2013</u>	<u>2014</u>	
Laurel	429,114	365,551	338,459	
Pimlico	300,056	287,140	263,782	
Timonium	<u>18,118</u>	<u>16,919</u>	<u>16,278</u>	
TOTAL:	747,288	669,610	618,519	
Rosecroft **	**	**	**	
*Simulcast Only				
Ocean Downs	<u>47,300</u>	<u>45,438</u>	<u>41,349</u>	*
* Live Only				
TOTAL:	47,300	45,438	41,349	
Fair Hill **	12,500	9,000	11,984	
TOTAL ATTENDANCE - THOROUGHBRED AND HARNESS:	<u>807,088</u>	<u>724,048</u>	<u>671,852</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
2013	363	134,515,395

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
2013	717	34,180,137
2013	723	47,922,650

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
2013	10,212,577

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
2013	1,086	192,286,622

AMOUNT WAGERED

	<u>2013</u>	<u>2014</u>
MILE TRACKS:		
Laurel	\$78,578,356	\$71,839,713
Pimlico	<u>\$53,845,223</u>	<u>\$49,348,814</u>
TOTAL	<u>\$132,423,579</u>	<u>\$121,188,527</u>
 COUNTY FAIR TRACKS:		
Timonium	\$1,556,149	\$1,304,203
TOTAL	<u>\$1,556,149</u>	<u>\$1,304,203</u>
 HARNESS TRACKS:		
Rosecroft	\$38,452,375	\$37,346,814
Ocean Downs	<u>\$9,470,275</u>	<u>\$8,724,042</u>
TOTAL	<u>\$47,922,650</u>	<u>\$46,070,856</u>
 STEEPLECHASE:		
Fair Hill	<u>\$171,667</u>	<u>\$175,593</u>
TOTAL	<u>\$171,667</u>	<u>\$175,593</u>
SSB FACILITIES	<u>\$10,212,577</u>	<u>\$5,140,478</u>
 SUMMARY		
Mile Tracks	\$132,423,579	\$121,188,527
County Fair Tracks	\$1,556,149	\$1,304,203
Harness Tracks	\$47,922,650	\$46,070,856
Steeplechase	\$171,667	\$175,593
SSB Facilities	\$10,212,577	\$5,140,478
TOTAL	<u>\$192,286,622</u>	<u>\$173,879,657</u>

SATELLITE SIMULCAST BETTING

The amounts bet at the Satellite Simulcast Betting Facilities in calendar year 2013 are reflected in the following table.

Maryland Satellite Simulcast Betting Facilities

Bet At:	Riverboat
Bets on:	
MD Thoroughbred Races	364,585
MD Harness Races	106
Out - of -State Races	4,775,787
TOTAL	5,140,478

In 2013, SSB facilities met the prescribed food and service standards and provide a convenience to the horse racing public.

FIVE YEAR ASSESSMENT OF LAUREL

	2014	2013	2012	2011	2010
<u>Attendance</u>	327,690	365,551	429,114	521,765	547,024
<u>Purses</u>	29,106,690	27,815,060	26,589,170	19,589,605	18,817,640
<u>Number of days of live racing (includes Pimlico @ Laurel)</u>	107	109	117	115	120
<u>Betting on its live racing at:</u>					
Laurel	8,772,235	9,354,955	10,877,867	9,976,957	12,084,240
Other MD tracks	3,541,793	3,265,292	2,601,664	2,267,508	2,761,249
Satellite Simulcast Facilities in MD	180,372	418,788	505,181	854,026	1,319,131
Out-of-state	142,507,116	161,430,230	156,578,967	131,456,700	137,405,337
<u>Betting on other in-State races</u>	2,551,364	2,560,813	2,972,084	2,816,611	2,534,948
<u>Betting on out-of-State races</u>	60,516,114	66,662,588	85,446,848	108,884,422	110,667,572
<u>Total betting at this location on all racing</u>	71,839,713	78,578,356	99,296,799	121,677,990	125,286,760

FIVE YEAR ASSESSMENT OF PIMLICO

	2014	2013	2012	2011	2010
<u>Attendance</u>	256,725	287,140	300,056	312,533	330,242
<u>Purses</u>	12,892,690	12,581,995	8,603,875	6,812,980	4,363,625
<u>Number of days of live racing</u>	35	36	29	29	20
<u>Betting on its live racing at:</u>					
Pimlico	9,672,078	10,115,032	9,862,787	8,783,040	8,036,467
Other MD tracks	3,416,557	2,946,910	2,813,071	2,636,197	2,350,144
Satellite Simulcast Facilities in MD	175,696	411,630	406,178	863,782	863,090
Out-of-state	146,829,060	143,766,884	128,842,396	112,304,939	105,847,843
<u>Betting on other in-State races</u>	2,171,348	2,505,917	2,680,782	2,341,922	2,840,891
<u>Betting on out-of-State races</u>	37,505,388	41,224,274	44,712,293	48,730,414	52,768,696
<u>Total betting at this location on all racing</u>	49,348,814	53,845,223	57,255,862	59,855,376	63,646,054

FIVE YEAR ASSESSMENT OF TIMONIUM

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Attendance</u>	16,278	2,760	18,118	17,389	22,287
<u>Purses</u>	11,843	1,484,290	886,905	715,495	681,420
<u>Number of days of live racing</u>	7	10	7	6	7
<u>Betting on its live racing at:</u>					
Timonium	790,176	962,966	842,211	813,307	1,059,058
Other MD tracks	234,163	272,967	238,131	254,828	264,446
Satellite Simulcast Facilities in MD	8,517	22,319	21,061	52,714	43,766
Out-of-state	1,555,991	2,404,431	1,611,380	1,514,310	1,368,205
<u>Betting on other in-State races</u>	0	0	0	0	0
<u>Betting on out-of-State races</u>	514,027	593,183	487,132	456,251	635,185
<u>Total betting at this location on all racing</u>	1,304,203	1,556,149	1,329,343	1,269,558	1,694,243

**Fair attendance included.*

FIVE YEAR ASSESSMENT OF ROSECROFT

	2014	2013	2012	2011	2010
<u>Attendance</u>	*0	*0	*0	*0	31,956
<u>*Attendance not recorded</u>					
<u>Purses</u>	4,249,537	3,336,615	1,823,332	**483,500	0
<u>Includes</u>					
**Purses pd. By MD. Stndbred.Race Fund					
<u>Number of days of live racing</u>	54	54	54	20	0
<u>Betting on its live racing at:</u>					
Rosecroft	812,441	815,926	878,840	379,326	0
Other MD tracks	57,530	39,820	0	0	0
Satellite Simulcast Facilities in MD	4	4,180	13,231	0	0
Out-of-state	2,804,119	2,820,681	2,707,644	463,437	0
<u>Betting on other in-State races</u>	2,126,834	1,559,380	0	0	0
<u>Betting on out-of-State races</u>	34,407,539	36,077,069	18,789,664	6,753,950	11,184,716
<u>Total betting at this location on all racing</u>	37,346,814	38,452,375	19,668,504	7,133,276	11,184,716

FIVE YEAR ASSESSMENT OF OCEAN DOWNS

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Attendance</u>	41,349	45,438	46,843	77,466	37,256*
<u>Purses</u>	3,345,941	3,367,612	2,485,829	1,997,717	552,975
<u>Number of days of live racing</u>	48	46	44	37	4
<u>Betting on its live racing at:</u>					
Ocean Downs	981,404	1,057,601	1,080,260	1,156,407	0
Other MD tracks	85,510	10,121	75,647	76,601	0
MD Satellite Simulcast Facilities	102	4,435	35,258	14,567	0
Out-of-state	2,389,676	2,973,522	2,605,837	2,521,326	0
<u>Betting on other in-State races</u>	485,974	307,939	557,658	469,259	579,927
<u>Betting on out-of-State races</u>	7,256,664	8,104,735	8,648,920	12,051,310	10,991,924
<u>Total betting at this location on all racing</u>	8,724,042	9,470,275	10,286,838	13,676,976	11,571,851

* *simulcast only*

METHOD OF TAXATION

TAKEOUT AT MARYLAND THOROUGHBRED RACETRACKS

Effective July 1, 2005

	Regular <u>Pool%</u>	2-Horse <u>Multiple</u>	3-Horse <u>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>2013</u>	<u>2014</u>
LAUREL		
Race Days	230	263
Tax to the State	451,470	426,551
License Fee	6,000	6,000
	<u>457,470</u>	<u>432,551</u>
PIMLICO		
Race Days	122	91
Tax to the State	312,767	296,362
License Fee	3,050	2,250
	<u>315,817</u>	<u>298,612</u>
TOTAL THOROUGHBRED	<u><u>773,287</u></u>	<u><u>731,163</u></u>
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	14,450	15,803
	<u>14,450</u>	<u>15,803</u>
TOTAL STEEPLECHASE	<u><u>14,450</u></u>	<u><u>15,803</u></u>

**Included 87 Simulcast days*

***Includes 92 Simulcast days*

REVENUE TO THE STATE: HARNESS

	<u>2013</u>	<u>2014</u>
ROSECROFT		
Race Days	361	362
Tax to the State	146,698	134,393
License Fee	9,050	9,050
	<u>155,748</u>	<u>143,443</u>
OCEAN DOWNS		
Race Days	362	362
Tax to the State	31,124	3,141
License Fee	9,050	9,050
	<u>40,174</u>	<u>12,191</u>
TOTAL HARNESS	<u>195,922</u>	<u>155,634</u>

(Race days include live and simulcast only days)

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

2013

THOROUGHBRED LICENSES:

634	Original Owner	@ \$50.00	\$31,700
1,632	Renewal Owner	25	40,800
65	Original Trainer	50	3,250
228	Renewal Trainer	25	5,700
124	Assistant Trainer	25	3,100
326	Owner / Trainer	50	16,300
204	Jockey	25	5,100
57	Apprentice Jockey	25	1,425
30	Jockey Agent	25	750
27	Veterinarian	25	675
29	Farrier	10	290
810	Stable Employee	5	4,050
487	Mutuel Employee	5	2,435
142	Vendor	5	710
184	Exercise Rider	5	920
277	Track Employee	5	1,385
-----			-----
5,256	TOTAL LICENSES		<u>\$118,590</u>

THOROUGHBRED REGISTRATIONS:

44	Authorized Agent	@ \$10.00	440
875	Assumed Name	75	65,625
-----			-----
919	TOTAL REGISTRATIONS		<u>\$66,065</u>

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

(Continued)

HARNESS LICENSES:

136	Original Owner	@ \$50.00	\$6,800
455	Renewal Owner	25	11,375
12	Original Trainer	25	300
69	Renewal Trainer	25	1,725
26	Driver	25	650
36	Trainer / Driver	50	1,800
154	Owner / Trainer	50	7,700
100	Owner / Trainer / Driver	75	7,500
15	Owner / Driver	50	750
2	Veterinarian	25	50
208	Stable Employee	5	1,040
43	Mutuel Employee	5	215
85	Track Employee	5	425
10	Vendor	5	50
0	Farrier	5	0
----- 1,351	TOTAL LICENSES		----- <u>\$40,380</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: \$230,220

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.

	2013	2014
Mile Tracks	\$924,480	\$355,330
Harness Tracks	129,762	216,000
County Fair Track	0*	0*
Steeplechase	2,655	3,294
 TOTAL UNCASHED PARI-MUTUEL TICKETS	\$1,056,896	\$574,624

**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**

	2013	2014
<u>MILE TRACKS:</u>		
Track License Fees	\$9,050	\$8,250
Tax on Betting	764,237	722,913
Licensing Fees	116,375	118,590
Registration Fees	62,820	66,065
Uncashed Pari-Mutuels	924,480	355,330
TOTAL DISBURSEMENTS MILE TRACKS	\$1,876,962	\$1,271,148
 <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	\$18,100	\$18,100
Tax on Betting	177,822	137,533
Licensing Fees	42,650	40,380
Registration Fees	4,425	5,185
Uncashed Pari-Mutuels	129,762	216,000
TOTAL DISBURSEMENTS HARNESS TRACKS	\$372,759	\$417,198
 <u>STEEPLECHASE:</u>		
Tax on Betting	\$15,450	\$15,803
Uncashed Pari-Mutuels	2,655	3,294
TOTAL DISBURSEMENTS STEEPLECHASE	\$18,105	\$19,097
 <u>OTB'S:</u>		
Permit Fee	\$2,000	\$500
TOTAL DISBURSEMENTS O.T.B.	\$2,000	\$500
 <u>TOTAL ALL DISBURSEMENTS</u>	 \$2,269,825	 \$1,707,943

(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>2013</u>	<u>2014</u>
Tax on Admissions	\$384,612	\$406,259
Sales Tax on Horses Claimed	<u>429,300</u>	<u>457,838</u>
TOTAL DIRECT DISBURSEMENTS TO STATE	\$813,912	\$864,097
<u>TOTAL ALL DISBURSEMENTS TO STATE COMPTROLLER</u>	<u>\$3,083,737</u>	<u>\$2,572,040</u>

STATEMENT OF ACTUAL EXPENDITURES

July 1, 2012 TO June 30, 2013

SALARIES & BENEFITS

Commission Personnel	<u>\$345,308</u>
Total Salary Expenses	<u>\$345,308</u>

OFFICE EXPENDITURES:

Telephone and Postage	5,518
Travel Expenses	9,932
Motor Vehicle Operation	2,908
Contractual Services, i.e.,	68,002
Printing, Repairs, Equipment and Leasing, Court Expenses,	0
Transcript of Hearings	
Office Supplies	4,344
Office Equipment Additional	332
Fixed Charges, i.e., Rent, Insurance, Subscriptions and Dues	13,439
Total Office Expenses	<u>\$104,475</u>

TOTAL EXPENDITURES AND DISBURSEMENTS (7) **\$449,783**

OTHER DISBURSEMENTS:

Grants	\$2,181,373
Impact Aid	\$0
Other:	
Fair Hill	\$15,803
Maryland Standardbred Race Fund	0
Maryland-bred Race Fund	0
MD. Agric. Edu. & Rural Dev. Asst. Fund	0
Total Other:	<u>\$15,803</u>
TOTAL OTHER DISBURSEMENTS	<u>\$2,197,176</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 2013

ASSOCIATION OF OFFICIAL RACING CHEMISTS OFFICIAL SAMPLES ANALYZED DURING CALENDAR YEAR 2013

Maryland Racing Commission Laboratory
Submitted by Richie Hickman

NUMBER OF OFFICIAL SAMPLES ANALYZED

SOURCE	URINE	BLOOD	TOTAL	POSITIVE
Thoroughbred	2,068	2,450	4,518	14
Standardbred	1,966	2,913	4,879	4
Human	0	0	0	0
2014 Totals	4,034	5,363	9,397	18

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

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 2013 was \$100.00

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 MHBA and sire registered Maryland-breds finishing first, second or third; 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 2013, revenue for the Maryland Bred Fund totaled over \$ 5.1 million (includes approximately \$ 1.3 million from pari-mutuel wagering funds and \$ 3.8 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 2013 \$ 1.5 million was paid in purses and owner awards and \$ 2.3 million was disbursed as breeder and stallion awards.

In 2013, owner awards were paid to the owners of all registered Maryland-breds when they finished first in any race (including all maiden claiming races) other than stakes, starter races or claiming races in which the horse runs for a claiming price of less than \$20,000. These awards were 17.5 percent of the winner's share of the purse per a specific agreement of the industry groups.

In 2013, breeder and stallion awards were paid for the registered Maryland-bred who finished first in any race in Maryland. The breeder awards were 17.5 percent (plus 12.5 percent in maiden races) through September 2 and increased to 30 percent of the winner's share of the purse (regardless of type of race) for first through third place for the balance of the year. The stallion bonuses were 8.75 percent through September 2 and increased to 10 percent of the winner's share of the purse for first through third place for the balance of the year. 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 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); Howard M. Mosner (half-mile track) and R. Thomas Bowman, DVM and Donald H. Barr (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, in most cases at intervals of several weeks. 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 \$ 707,750, an 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 2013 are shown below:

<u>YEAR</u>	<u>MSS</u>	<u>MSF</u>	<u>TOTAL</u>
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
2013	\$825,997	\$529,475	\$1,355,472