

**EIGHTY - SIXTH**  
**ANNUAL REPORT**

**2005**

**STATE OF MARYLAND**



**MARYLAND RACING COMMISSION**

**Robert L. Ehrlich, Jr.**  
Governor of Maryland

**Michael S. Steele**  
Lt. Governor of Maryland

**James D. Fielder, Jr., Ph.D.**  
Secretary  
Department of Labor, Licensing  
and Regulation



ROBERT L. EHRLICH, Jr., Governor  
MICHAEL S. STEELE, Lt. Governor  
JAMES D. FIELDER, Jr., Ph.D., Secretary  
**Maryland Racing Commission**  
J. Michael Hopkins, Executive Director

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James D. Fielder, Jr., PhD, Secretary  
Department of Labor, Licensing and Regulation  
500 N. Calvert Street  
Baltimore, Maryland 21202

Dear Secretary Fielder:

The Maryland Racing Commission is pleased to present you with the annual report for calendar year 2005.

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

Sincerely,

A handwritten signature in cursive script that reads "J. Michael Hopkins".

J. Michael Hopkins  
Executive Director

500 N. CALVERT STREET  
BALTIMORE, MD 21202-3651



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**The Commission during the year 2005 consisted of:**

**Chairman** .....Thomas F. McDonough

**Members** .....Alvin Akman  
Gregory H. Barnhill  
P. David Bramble  
John B. Franzone  
John P. McDaniel  
David R. Clogg  
Wm. A. Gerweck  
Terry H. Saxon

**The Commission Staff:**

Executive Director .....J. Michael W. Hopkins  
Deputy Director .....Angeline M. Huffman  
Fiscal Accounts Manager.....Doreen K. Semmont  
Fiscal Associate II .....Francine J. Patterson  
Fiscal Clerk II .....Vurley M. Johnson

Chief Investigator .....Joseph M. Poag  
Investigators.....Frederick Magee  
Administrative Assistant .....Josette 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.....Thomas F. Lomangino, Jr.  
Assistant Chemist Dawson Wood  
Shaoyun Zhu  
Ninotchka Sylvester  
Edward Combs, Jr.

## **MEETINGS and HEARINGS STATISTICS - 2005**

### **Commission Meetings**

In 2005, the Commission met to conduct business on ten (10) occasions. The Commission also conducted hearings on five (5) occasions. A total of 11 licensees or applicants for licenses appeared before the Commission during these hearings.

### **Thoroughbred**

Nine (9) licensees, or applicants for licenses, appeared before the Commission for hearings relative to the rules of thoroughbred racing.

### **Harness**

Two (2) licensees, or applicants for licenses, appeared before the commission for hearings relative to the rules of harness racing.

## 2005 HIGHLIGHTS

### REVENUE:

\$5,095,474 was collected by the State in 2005. This amount represents an increase from the amount of revenue collected in 2004.

### ATTENDANCE:

Attendance at Maryland tracks was 1,917,841 in 2005. 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	70.2% of revenue with	28.4% of days
Harness Tracks	29.0% of revenue with	70.6% of days
County Fair Tracks	.5% of revenue with	.9% of days
Steeplechase*	.3% of revenue with	.1% of days

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

## **LEGISLATION and OTHER MAJOR EVENTS**

**HB 1029** - Directed that \$260,000 of the remaining special fund be sent to the Maryland Agricultural Education and Rural Development Assistance Fund and \$300,000 be divided 70% to the Maryland Bred Fund and 30% to the Standardbred Fund. The legislation also provided for the distribution of Bond fund revenue collected during FY 2004.

**HB 1441** – Established the Pimlico Community Development Authority.

**SB 460** – Increased the takeout at Fair Hill from 22% to 25%



## 2005 RACING DATES

### MILE TRACKS:

Pimlico	January 1 – January 17 Simulcast Only Days	13+ <u>4</u> 17 Days*
Laurel	January 18 – April 17 Simulcast Only Days	57+ <u>30</u> 87 Days
Pimlico	April 18 – June 12 Simulcast Only Days	39+ <u>17</u> 56 Days*
Pimlico	August 10 – August 26 Simulcast Only Days	9+ <u>8</u> 17 Days
Laurel	September 6 – December 31 Simulcast Only Days	77+ <u>38</u> 115 Days
<b>Total</b>		<b>292 Days</b>

### COUNTY FAIR TRACKS:

Timonium	August 27 – September 5 Simulcast Only Days	8 <u>2</u>
<b>Total</b>		<b>10 Days</b>

### STEEPLECHASE :

Fair Hill	May 28	<u>1</u>
<b>Total</b>		<b>1 Day</b>

<b>TOTAL LIVE:</b>	<b>204DAYS</b>
<b>TOTAL SIMULCAST ONLY:</b>	<u><b>99 DAYS</b></u>
<b>THOROUGHBRED TOTAL:</b>	<b>303 DAYS</b>

**2005 RACING DATES**  
(Continued)

**HARNESS TRACKS:**

Rosecroft	January 1 – December 31 Simulcast Only Nights	97+ <u>262</u> 359 Nights
Ocean Downs	January 1 – December 31 Simulcast Only Nights	40+ <u>322</u> 362Nights

<b>TOTAL LIVE:</b>	<b>137 NIGHTS</b>
<b>TOTAL SIMULCAST ONLY:</b>	<b><u>584 NIGHTS</u></b>
<b>HARNESS TOTAL:</b>	<b>721 NIGHTS</b>

<b>TOTAL LIVE RACING DAYS AND NIGHTS</b>	<b>341</b>
<b>TOTAL SIMULCAST ONLY</b>	<b><u>683</u></b>
<b>GRAND TOTAL</b>	<b>1,024</b>

**RACE YEAR SUMMARY:**

During the year 2005, there were 1,024 days and nights of licensed racing in the State, consisting of the following:

There were 292 days of licensed racing at the Mile Tracks - Pimlico 90 days and Laurel 202 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 359 nights and Ocean Downs 362 nights.

## ATTENDANCE FOR CALENDAR YEARS 2003 - 2005

	2003	2004	2005
Laurel	825,530	651,644	769,814
Pimlico	749,230	792,342	470,514
Timonium	<u>420,997**</u>	<u>489,711**</u>	<u>37,548</u>
<b>TOTAL:</b>	<b>1,995,757</b>	<b>1,933,697</b>	<b>1,277,876</b>
Rosecroft	576,255	489,536	484,701
Ocean Downs	<u>142,830</u>	<u>141,229</u>	<u>140,264</u>
<b>TOTAL:</b>	<b>719,085</b>	<b>630,765</b>	<b>624,965</b>
Fair Hill	<b>10,441</b>	<b>14,050</b>	<b>15,000</b>
<b>TOTAL ATTENDANCE - THOROUGHBRED AND HARNESS:</b>			
	<b><u>2,725,283</u></b>	<b><u>2,578,512</u></b>	<b><u>1,917,841</u></b>

\*\*Includes attendance from State Fair

**WAGERING HISTORY IN MARYLAND**  
of  
**THOROUGHBRED AND HARNESS RACING**

**THOROUGHBRED STATISTICS:**

YEAR	LICENSED DAYS	AMOUNT WAGERED
1991	273	411,722,044
1992	268	383,315,282
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

**HARNESS STATISTICS:**

YEAR	LICENSED DAYS	AMOUNT WAGERED
1991	304	110,684,163
1992	290	104,712,095
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	761	140,789,276

**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

**COMBINED TOTALS:**

YEAR	LICENSED DAYS	AMOUNT WAGERED
1991	577	522,406,207
1992	558	488,027,377
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	1,064	505,256,563

\* 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>2004</u>	<u>2005</u>
<b><u>MILE TRACKS:</u></b>		
Laurel	\$156,326,307	\$170,784,033
Pimlico	<u>126,741,435</u>	<u>117,438,904</u>
<b>TOTAL</b>	<b><u>\$283,067,742</u></b>	<b><u>\$288,222,937</u></b>
<b><u>COUNTY FAIR TRACKS:</u></b>		
Timonium	\$ 10,587,037	\$10,348,437
<b>TOTAL</b>	<b><u>\$ 10,587,037</u></b>	<b><u>\$10,348,437</u></b>
<b><u>HARNESS TRACKS:</u></b>		
Rosecroft	\$109,538,169	\$119,836,047
Ocean Downs	<u>21,573,082</u>	<u>20,953,229</u>
<b>TOTAL</b>	<b><u>\$131,111,251</u></b>	<b><u>\$140,789,276</u></b>
<b><u>STEEPLECHASE:</u></b>		
Fair Hill	\$ 140,973	\$ 150,679
<b>TOTAL</b>	<b><u>\$ 140,973</u></b>	<b><u>\$ 150,679</u></b>
<b><u>SSB FACILITIES</u></b>	<b><u>\$ 67,351,515</u></b>	<b><u>\$ 65,745,234</u></b>
<b>SUMMARY</b>		
Mile Tracks	\$290,818,643	\$288,222,937
County Fair Tracks	10,587,037	10,348,437
Harness Tracks	131,111,251	140,789,276
Steeplechase	140,973	150,679
SSB Facilities	<u>67,351,515</u>	<u>65,745,234</u>
<b>TOTAL</b>	<b><u>\$492,258,525</u></b>	<b><u>\$505,256,563</u></b>

## SATELLITE SIMULCAST BETTING

The amounts bet at the Satellite Simulcast Betting Facilities in calendar year 2005 are reflected in the following table.

### Maryland Satellite Simulcast Betting Facilities

Bet At:	Cracked Claw	NorthEast	Cambridge
Bets on:			
MD Thoroughbred Races	3,752,981	1,814,072	459,558
MD Harness Races	96,614	169,620	51,458
Out-of-State Races	36,153,413	17,801,791	5,445,727
<b>TOTAL</b>	<b><u>40,003,008</u></b>	<b><u>19,785,483</u></b>	<b><u>5,956,743</u></b>

In 2005, SSB facilities met the prescribed food and service standards and provide a convenience to the horse racing public.

In September 2003, the Colonial Beach SSB was washed away by Hurricane Isabel. The owners of the facility are in the process of reconstructing the facility. In 2005 Colonial Beach did not re-open. It is expected that the facility will re-open in the fall of 2006.

## FIVE YEAR ASSESSMENT OF LAUREL

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>Attendance</u> (* includes Pimlico @ Laurel) Live & Simulcast	769,814	651,644	825,530	918,725	500,925
<u>Purses</u>	23,392,376	9,286,091	23,811,771	24,300,202	21,752,971
<u>Number of days of live racing</u> (includes Pimlico @ Laurel)	134	62	138	144	112
<u>Betting on its live racing at:</u>					
Laurel	23,627,369	10,938,015	25,118,717	28,892,681	26,486,837
Other MD tracks	12,523,758	6,582,749	14,221,020	16,628,399	15,115,056
Satellite Simulcast Facilities in MD	3,342,447	1,597,632	3,914,672	4,360,323	3,779,779
Out-of-state	253,167,819	130,676,881	232,248,055	213,460,615	170,227,039
<u>Betting on other in-State races</u>	7,402,127	13,842,841	8,420,028	10,689,612	14,385,927
<u>Betting on out-of-State races</u>	144,432,586	135,939,778	143,542,225	152,899,052	149,335,635
<u>Total betting at this location on all racing</u>	175,462,082	160,720,634	177,080,970	192,481,345	190,208,399

## FIVE YEAR ASSESSMENT OF PIMLICO

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>Attendance</u> (* Live & Simulcast)	470,514	792,342	749,230	674,188	573,484
<u>Purses</u>	11,293,851	22,705,429	15,701,370	15,238,698	24,520,844
<u>Number of days of live racing</u>	61	135	71	74	109
<u>Betting on its live racing at:</u>					
Pimlico	15,686,999	25,838,130	16,878,035	20,042,369	27,423,675
Other MD tracks	9,159,040	16,554,254	10,526,786	13,514,673	18,379,692
Satellite Simulcast Facilities in MD	2,087,276	6,060,101	2,629,790	2,908,840	3,825,522
Out-of-state	180,089,980	290,544,974	177,781,900	190,978,428	218,391,522
<u>Betting on other in-State races</u>	8,234,603	4,557,944	9,565,405	11,141,240	10,581,946
<u>Betting on out-of-State races</u>	96,488,167	99,701,935	102,250,300	104,339,830	106,372,850
<u>Total betting at this location on all racing</u>	120,409,760	130,098,009	128,693,740	135,523,439	144,378,471



## FIVE YEAR ASSESSMENT OF TIMONIUM

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>Attendance</u>	27,548	489,711*	420,997*	34,968	48,600
<u>Purses</u>	935,975	955,675	906,820	914,170	1,122,385
<u>Number of days of live racing</u>	8	8	8	8	8
<u>Betting on its live racing at:</u>					
Timonium	1,666,393	1,807,906	1,884,451	1,789,673	1,892,326
Other MD tracks	881,765	915,401	1,030,186	1,141,030	1,069,376
Satellite Simulcast Facilities in MD	137,240	156,428	395,626	205,152	179,207
Out-of-state	3,902,559	3,389,773	3,090,766	3,126,784	2,984,194
<u>Betting on other in-State races</u>	0	0	0	0	0
<u>Betting on out-of-State races</u>	1,033,381	1,028,237	1,066,316	891,867	962,524
<u>Total betting at this location on all racing</u>	2,699,774	2,836,143	2,950,767	2,681,540	2,854,850

\*Fair attendance included.

## FIVE YEAR ASSESSMENT OF ROSECROFT

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>Attendance</u>	484,701	489,536	579,255	652,852	667,853
<u>Purses</u>	4,184,330	4,874,030	6,472,340	6,063,000	5,684,719
<u>Number of days of live racing</u>	97	117	122	137	133
<u>Betting on its live racing at:</u>					
Rosecroft	4,767,933	6,266,855	8,222,275	9,347,168	11,622,302
Other MD tracks	551,568	541,237	1,179,454	1,069,729	1,680,523
Satellite Simulcast Facilities in MD	266,234	322,153	540,573	653,828	775,453
Out-of-state	3,641,000	6,290,000	9,688,543	10,165,640	13,273,326
<u>Betting on other in-State races</u>	7,479,401	6,192,856	8,908,287	10,522,979	11,751,734
<u>Betting on out-of-State races</u>	107,588,715	97,078,458	104,727,836	111,761,450	110,440,950
<u>Total betting at this location on all racing</u>	119,836,049	109,538,169	121,858,398	131,631,597	133,814,986

## FIVE YEAR ASSESSMENT OF OCEAN DOWNS

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>Attendance</u>	140,264	141,229	142,830	135,868	130,757
<u>Purses</u>	974,810	923,680	663,630	839,570	868,670
<u>Number of days of live racing</u>	40	39	40	40	40
<u>Betting on its live racing at:</u>					
Ocean Downs	2,056,739	2,057,361	2,056,640	2,152,267	2,073,150
Other MD tracks	280,883	369,444	338,920	642,695	542,730
MD Satellite Simulcast Facilities	65,320	89,330	101,914	58,407	69,946
Out-of-state	2,533,569	2,200,334	860,632	2,124,098	2,441,355
<u>Betting on other in-State races</u>	1,479,526	1,552,797	1,821,482	2,279,582	2,375,522
<u>Betting on out-of-State races</u>	17,416,963	17,962,924	20,683,776	19,827,978	20,889,706
<u>Total betting at this location on all racing</u>	20,953,228	21,573,082	22,740,416	24,259,827	22,962,856

## METHOD OF TAXATION

### TAKEOUT AT MARYLAND THOROUGHBRED RACETRACKS

Effective July 1, 2005

	Regular <u>Pool%</u>	2-Horse <u>Multiple</u>	3-Horse Multiple <u>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	2004	2005
<b>LAUREL</b>		
Race Days	86	360**
Tax to the State	\$ 586,244	806,509
License Fee	<u>3,025</u>	<u>5,525</u>
	<b>\$ 589,269</b>	<b>812,034</b>
<b>PIMLICO</b>		
Race Days	351*	360**
Tax to the State	\$ 670,573	465,804
License Fee	<u>5,800</u>	<u>3,350</u>
	<b>\$ 676,373</b>	<b>469,154</b>
<b>TOTAL THOROUGHBRED</b>	<b><u>\$ 1,265,642</u></b>	<b><u>1,290,313</u></b>
<b>COUNTY FAIR: TIMONIUM</b>		
Race Days	10	10
Tax to the State	\$ - 0 -	\$ - 0 -
License Fee	<u>- 0 -</u>	<u>- 0 -</u>
	<b>\$ - 0 -</b>	<b>\$ - 0 -</b>
<b>TOTAL COUNTY FAIR</b>	<b><u>\$ - 0 -</u></b>	<b><u>\$ - 0 -</u></b>
<b>STEEPLECHASE: FAIR HILL</b>		
Race Days	1	1
Tax to the State	<u>\$ 11,278</u>	<u>12,054</u>
<b>TOTAL STEEPLECHASE</b>	<b><u>\$ 11,278</u></b>	<b><u>12,054</u></b>

\*Included 33 Simulcast days from Colonial Downs

\*\*Included 58 Simulcast days from Colonial Downs

## REVENUE TO THE STATE: HARNESS

	2004	2005
<b>ROSECROFT</b>		
Race Days	352	359
Tax to the State	\$ 341,361	375,067
License Fee	<u>9,075</u>	<u>9,050</u>
	<b>\$ 350,436</b>	<b>384,117</b>
<b>OCEAN DOWNS</b>		
Race Days	397	362
Tax to the State	\$ 69,034	67,050
License Fee	<u>9,075</u>	<u>9,075</u>
	<b>\$ 78,109</b>	<b>76,125</b>
<b>TOTAL HARNESS</b>	<b><u>\$ 428,545</u></b>	<b><u>460,242</u></b>

(Race days include live and simulcast only days)



## SUMMARY OF LICENSES & REGISTRATIONS ISSUED

**2005**

### THOROUGHBRED LICENSES:

642	Original Owner	@ \$50.00	\$ 32,100
1,893	Renewal Owner	25.00	47,325
78	Original Trainer	50.00	3,900
242	Renewal Trainer	25.00	6,050
117	Assistant Trainer	25.00	2,925
385	Owner / Trainer	50.00	19,250
254	Jockey	25.00	6,350
26	Jockey Agent	25.00	650
32	Veterinarian	25.00	800
28	Farrier	10.00	280
1,120	Stable Employee& Ex. Rider	5.00	5,600
675	Mutuel Employee	5.00	3,375
186	Vendor	5.00	930
316	Exercise Rider	5.00	1,580
441	Track Employee	5.00	2,205
-----			-----
<b>6,434</b>	<b>TOTAL LICENSES</b>		<b><u>\$133,320</u></b>

### THOROUGHBRED REGISTRATIONS:

49	Authorized Agent	@ \$10.00	\$ 490
761	Assumed Name	75.00	57,075
-----			-----
<b>810</b>	<b>TOTAL REGISTRATIONS</b>		<b><u>\$ 57,565</u></b>

## SUMMARY OF LICENSES & REGISTRATIONS ISSUED

(Continued)

### HARNESS LICENSES:

238	Original Owner	@ \$50.00	\$ 11,100
742	Renewal Owner	25.00	21,125
21	Original Trainer	25.00	300
79	Renewal Trainer	25.00	1,925
53	Driver	25.00	1,175
57	Trainer / Driver	50.00	3,100
197	Owner / Trainer	50.00	10,950
191	Owner / Trainer / Driver	75.00	14,775
19	Owner / Driver	50.00	1,000
16	Veterinarian	25.00	375
387	Stable Employee	5.00	1,960
137	Mutuel Employee	5.00	790
200	Track Employee	5.00	1,050
24	Vendor	5.00	150
1	Caterer	5.00	5
3	Farrier	5.00	15
-----			-----
<b>2,367</b>	<b>TOTAL LICENSES</b>		<b><u>\$ 66,410</u></b>

### HARNESS REGISTRATIONS:

2	Authorized Agent	@ \$10.00	\$ 20
84	Assumed Name	75.00	6,300
-----			-----
<b>86</b>	<b>TOTAL REGISTRATIONS</b>		<b><u>\$ 6,320</u></b>

### THOROUGHBRED AND HARNESS

**TOTAL RECEIPTS FOR LICENSES & REGISTRATIONS ISSUED:      \$ 263,615**

## 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.

	<b>2004</b>	<b>2005</b>
Mile Tracks	\$1,343,969	1,486,746
Harness Tracks	665,413	620,453
County Fair Track	0*	0*
Steeplechase	2,537	<u>3,336</u>
OTB	<u>0**</u>	<u>0**</u>
<b>TOTAL UNCASHED PARI-MUTUEL TICKETS</b>	<b>\$2,011,919</b>	<b>2,110,535</b>

\*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

	2004	2005
<b><u>MILE TRACKS:</u></b>		
Track License Fees	\$ 8,825	\$8,875
Tax on Betting	1,256,817	1,272,313
Licensing Fees	126,545	133,320
Registration Fees	50,780	57,565
Uncashed Pari-Mutuels	1,343,969	1,486,746
<b>TOTAL DISBURSEMENTS MILE TRACKS</b>	<b><u>\$ 2,786,936</u></b>	<b><u>\$2,958,819</u></b>
 <b><u>COUNTY FAIR TRACKS:</u></b>		
Tax on Betting (6)	-0-	-0-
Uncashed Pari-Mutuels	\$48,328	*
<b>TOTAL DISBURSEMENTS COUNTY FAIR TRACKS</b>	<b><u>\$48,328</u></b>	<b><u>-</u></b>
 <b><u>HARNESS TRACKS:</u></b>		
Track License Fees	\$ 18,150	\$18,125
Tax on Betting	410,395	442,117
Licensing Fees	69,780	66,410
Registration Fees	6,235	6,320
Uncashed Pari-Mutuels	665,413	620,453
<b>TOTAL DISBURSEMENTS HARNESS TRACKS</b>	<b><u>\$ 1,169,973</u></b>	<b><u>\$1,153,425</u></b>
 <b><u>STEEPLECHASE:</u></b>		
Tax on Betting	\$ 11,278	\$12,054
Uncashed Pari-Mutuels	2,537	3,336
<b>TOTAL DISBURSEMENTS STEEPLECHASE</b>	<b><u>\$ 13,815</u></b>	<b><u>\$15,390</u></b>
 <b><u>OTB'S:</u></b>		
PERMIT FEE	\$ 1,500	\$2,000
Uncashed Pari-Mutuels	**	**
<b>TOTAL DISBURSEMENTS O.T.B.</b>	<b><u>\$ 1,500</u></b>	<b><u>2,000</u></b>
 <b><u>TOTAL ALL DISBURSEMENTS</u></b>	 <b><u>\$3,972,224</u></b>	 <b><u>\$4,129,634</u></b>

(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:

	<b>2004</b>	<b>2005</b>
Tax on Badges & Admissions at the Racing Associations	482,767	564,345
Sales Tax on Horses Claimed by the Racing Associations in Maryland	<u>456,005</u>	<u>401,495</u>
<b>TOTAL DIRECT DISBURSEMENTS TO STATE</b>	<b>938,772</b>	<b>965,840</b>
<b><u>TOTAL ALL DISBURSEMENTS TO STATE COMPTROLLER</u></b>	<b><u>4,910,996</u></b>	<b><u>5,095,474</u></b>

## STATEMENT OF ACTUAL EXPENDITURES

JANUARY 1 TO DECEMBER 31, 2005

### **SALARIES & BENEFITS**

Commission Personnel	\$ 299,092
<b>Total Salary Expenses</b>	<b><u>\$ 299,092</u></b>

### **OFFICE EXPENDITURES:**

Technical & Special Fees	-0-
Telephone and Postage	16,139
Travel Expense	6,601
Motor Vehicle Operation	2,616
Contractual Services, i.e., Printing, Repairs, Equipment and Leasing, Court Expenses, Transcript of Hearings	12,543
Office Supplies	1,404
Office Equipment Additional	450
Fixed Charges, i.e., Rent, Insurance, Subscriptions and Dues	35,862
<b>Total Office Expenses</b>	<b><u>\$ 75,615</u></b>
<b>TOTAL EXPENDITURES AND DISBURSEMENTS (7)</b>	<b><u>\$ 374,707</u></b>

### **OTHER DISBURSEMENTS:**

<b>Grants</b>	<b>\$ 1,610,000</b>
<b>Impact Aid</b>	<b>1,290,900</b>
Subsidies:	
Maryland Million	500,000
Maryland Standardbred Race Fund	350,000
<b>Total Subsidies</b>	<b><u>\$ 850,000</u></b>
<b>TOTAL OTHER DISBURSEMENTS</b>	<b><u>\$ 4,125,607</u></b>

(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 2005:

### ASSOCIATION OF OFFICIAL RACING CHEMISTS OFFICIAL SAMPLES ANALYZED DURING CALENDAR YEAR 2005

**Maryland Racing Commission Laboratory  
Submitted by Thomas F. Lomangino, Jr.**

#### NUMBER OF OFFICIAL SAMPLES ANALYZED

<u>SOURCE</u>	<u>URINE</u>	<u>BLOOD</u>	<u>TOTAL</u>	<u>POSITIVE</u>
Thoroughbred (MD)	3,320	3,533	6,853	38
(VA)	699	735	1,434	5
(WV)	6,166	6,365	12,531	121
Standardbred (MD)	2,089	2,342	4,431	12
(VA)	684	736	1,420	1
Human	<u>84</u>	<u>0</u>	<u>84</u>	<u>0</u>
	13,042	13,711	26,753	180

## 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

1991	\$505,388.85
1992	\$593,918.26
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

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 2005 was \$ 200.00.



# 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 County Fair track) . (These allocations are subject to adjustments for expenses of operating OTB, simulcasts and intertrack betting.)

In 2005, revenue for the Maryland-Bred Fund totaled over \$4.3 million (includes approximately \$3.3 million from pari-mutuel wagering funds and \$1 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 \$2.1 million to purses and owner awards and \$1.7 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 11 to 22 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. Other than Maryland Million Day, breeder awards have historically amounted to 11 to 20 percent of the winner's share of the purse, and stallion awards have varied between 5 and 10 percent of the winner's share of the purse. The exact percentages for bonus calculation are determined by-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 Louis J. Raffetto, Jr. (Representing the mile tracks), John H. Mosner, Jr., (minor track), Ann Merryman and J. William 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 \$1,406,865, a increase from 2004 purses. The Maryland Sire Stakes (MSS) and Maryland Standardbred Fund (MSF) combined totals for the program in each year from 1988 through 2005 are shown below:

<u>YEAR</u>	<u>MSS</u>	<u>MSF</u>	<u>TOTAL</u>
1988	1,305,490	1,277,120	2,582,610
1989	1,355,680	1,312,070	2,667,750
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

## STATISTICS ON THE BREEDING INDUSTRY

Based on the estimates of regional and national organizations, the following is offered on the Thoroughbred and Standardbred breeding industries in Maryland for 2005.

	<b>Thoroughbred</b>	<b>Standardbred</b>
Number of breeders	720	370
Number of foals registered	*683	648
Average sales prices of foals (Yearlings)	\$41,618	\$6,583

\*Thru April 2006