

NINETY-SECOND
ANNUAL REPORT

2011

STATE OF MARYLAND



MARYLAND RACING COMMISSION

MARTIN O'MALLEY
Governor of Maryland

ANTHONY G. BROWN
Lt. Governor of Maryland

Scott R. Jensen
Interim Secretary
Department of Labor, Licensing
and Regulation



MARTIN O'MALLEY, Governor
ANTHONY G. BROWN, Lt. Governor
Scott R. Jensen, Interim Secretary
Maryland Racing Commission
J. Michael Hopkins, Executive Director

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

Dear Secretary Jensen:

The Maryland Racing Commission is pleased to present you with the annual report for calendar year 2011.

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

Sincerely,

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

J. Michael Hopkins
Executive Director

300 East Towsontown Blvd.
Towson, MD 21286



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Keeping Maryland Working and Safe

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The Commission during the year 2011 consisted of:

Chairman.....Louis J. Ulman

MembersMary 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 DirectorJ. Michael W. Hopkins
Fiscal Accounts Manager.....Doreen K. Piquett
Fiscal Accts. Supvr.....Francine J. Patterson
Fiscal Clerk IIElizabeth Robinson
Chief InvestigatorJoseph M. Poag
Investigator.....Robert Mullins

Stewards:

Administrative Steward.....Philip E. Grove
Associate StewardsJohn J. Burke II
Josette Edwards

Veterinarians:

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

Chemists:

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

MEETING STATISTICS - 2011

Commission Meetings

In 2011, the Commission met to conduct business on ten (10) occasions.

2011 HIGHLIGHTS

REVENUE:

\$3,209,062 was collected by the State in 2011. This amount represents a decrease from the amount of revenue collected in 2010.

ATTENDANCE:

Attendance at Maryland tracks was 929,153 in 2011. 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

Rosecroft Raceway re-opened for operations in August 2011
Ocean Downs Lost 3 of its 40 Live days due to a hurricane.

The Ocean Downs Video Slot Facility opened and began to generate revenue for purses and the Maryland breeding programs in January.

The Cracked Claw Satellite Simulcast Facility closed October 10, 2011, after 18 years of operating. It was sold to a developer.

HB 1039 – Provides language that allowed the State the first right of refusal on the sale of Bowie and the City of Bowie with the second right of first refusal in the event the Bowie training facility is offered for sale; directs the thoroughbred and standardbred industries to negotiate, mediate, or agree to binding arbitration in regard to the sharing of cross breed simulcasting revenue; provides for the reimbursement of certain qualified operating expenses for Rosecroft and Ocean Downs from their share of the Purse Dedication Account for calendar year 2012; provides for the re-imbursement of certain qualified operating expenses for the thoroughbred tracks from their share of the Racing Facility Redevelopment Fund during calendar year 2012 and 2013, and also provides Timonium with a reimbursement of certain qualified operating expenses.

2011 RACING DATES

MILE TRACKS:

Laurel	January 1 – March 27 Simulcast Only Days	47 + <u>39</u> 86 Days*
Pimlico	March 28 – May 22 Simulcast Only Days	29 + <u>26</u> 55 Days
Colonial Downs	May 23 - August 25 Simulcast Only (96)	
Laurel	September 6 – December 31 Simulcast Only Days	68 + <u>47</u> 115 Days
	Total	256 Days

COUNTY FAIR TRACKS:

Timonium	August 26 – September 5 Simulcast Only Days	6 <u>4</u>
	Total	10 Days

STEEPLECHASE :

Fair Hill	May 28	<u>1</u>
	Total	1 Days

TOTAL LIVE:	151 DAYS
TOTAL SIMULCAST ONLY:	<u>116</u> DAYS
THOROUGHBRED TOTAL:	267 DAYS

2011 RACING DATES
(Continued)

HARNESS TRACKS:

Rosecroft	January 1 – December 31 Simulcast Only Nights	20 + <u>106</u> 126 Nights
Ocean Downs	January 1 – December 31 Simulcast Only Nights	37 + <u>327</u> 364 Nights

TOTAL LIVE:	57 NIGHTS
TOTAL SIMULCAST ONLY:	<u>433</u> NIGHTS
HARNESS TOTAL:	490 NIGHTS

TOTAL LIVE RACING DAYS AND NIGHTS	208
TOTAL SIMULCAST ONLY	<u>549</u>
GRAND TOTAL	757

RACE YEAR SUMMARY:

During the year 2011, there were 757 days and nights of licensed racing in the State, consisting of the following:

There were 267 days of licensed racing at the Mile Tracks - Pimlico 55 days and Laurel 201 days; 10 days at Timonium; and 1 day raced at Fair Hill. There were also 490 nights of licensed racing at the Harness Tracks - Rosecroft 126 nights and Ocean Downs 364 nights.

ATTENDANCE FOR CALENDAR YEARS 2009 - 2011

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Laurel	550,511	547,024	521,765
Pimlico	370,896	330,242	312,533
Timonium	<u>22,591</u>	<u>22,287</u>	<u>17,389</u>
TOTAL:	943,998	899,553	851,687
Rosecroft **	135,138 *	31,956	0
*Simulcast Only			
Ocean Downs	<u>117,372</u>	<u>37,256</u>	<u>77,466</u>
TOTAL:	252,510	69,212	77,466
Fair Hill **	15,250	14,000	0
TOTAL	<u>1,211,758</u>	<u>982,765</u>	<u>929,153</u>

** No record of attendance

WAGERING HISTORY IN MARYLAND
of
THOROUGHBRED AND HARNESS RACING

THOROUGHBRED STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
1997	321	465,225,433
1998	314	476,034,935
1999	314	480,988,981
2000	319	344,843,621
2001	348	337,652,117
2002	344	329,705,940
2003	346	306,261,175
2004	312	293,795,752
2005	303	298,722,053
2006	297	279,978,363
2007	301	259,549,867
2008	303	225,189,800
2009	291	195,908,615
2010	290	190,800,402
2011	267	182,980,868

HARNESS STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
1997	307	82,462,587
1998	305	87,101,030
1999	622	86,191,188
2000*	600	151,566,620*
2001	705	156,777,856
2002	749	155,892,827
2003	742	144,598,813
2004	749	131,111,243
2005	721	140,789,276
2006	724	130,058,639
2007	721	117,815,100
2008	727	100,559,207
2009	738	65,631,105
2010	823	22,753,567
2011	490	20,810,252

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

COMBINED TOTALS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
1997	628	547,688,020
1998	619	563,347,127
1999	936	567,181,246
2000	919	549,201,723
2001	1,053	558,823,560
2002	1,093	555,179,158
2003	1,088	519,832,465
2004	1,061	492,258,510
2005	1,024	505,256,563
2006	1,021	474,998,270
2007	1,022	446,571,934
2008	1030	378,256,778
2009	1029	302,899,746
2010	1113	251,691,605
2011	757	234,603,604

* 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>2010</u>	<u>2011</u>
<u>MILE TRACKS:</u>		
Laurel	\$125,286,760	\$121,677,990
Pimlico	<u>63,646,054</u>	<u>59,855,376</u>
TOTAL	<u>\$188,932,814</u>	<u>\$181,533,366</u>
<u>COUNTY FAIR TRACKS:</u>		
Timonium	<u>\$1,694,243</u>	1,269,558
TOTAL	<u>\$1,694,243</u>	<u>1,269,558</u>
<u>HARNESS TRACKS:</u>		
Rosecroft	\$11,184,716	7,133,276
Ocean Downs	<u>11,568,851</u>	<u>13,676,976</u>
TOTAL	<u>\$22,753,567</u>	<u>20,810,252</u>
<u>STEEPLECHASE:</u>		
Fair Hill	<u>\$173,345</u>	<u>177,944</u>
TOTAL	<u>\$173,345</u>	<u>177,944</u>
<u>SSB FACILITIES</u>	<u>\$38,137,636</u>	<u>30,812,484</u>
SUMMARY		
Mile Tracks	\$188,932,814	181,533,366
County Fair Tracks	1,694,243	1,269,558
Harness Tracks	22,753,567	20,810,252
Steeplechase	173,345	177,944
SSB Facilities	38,137,636	30,812,484
TOTAL	<u>\$251,691,605</u>	<u>234,603,604</u>

SATELLITE SIMULCAST BETTING

The amounts bet at the Satellite Simulcast Betting Facilities in calendar year 2011 are reflected in the following table.

Maryland Satellite Simulcast Betting Facilities

Bet At:	Cracked Claw	NorthEast	Cambridge	Riverboat
Bets on:				
MD Thoroughbred Races	857,608	615,346	112,333	297,568
MD Harness Races	5,963	8,471	13,822	133
Out - of -State Races	13,056,225	7,716,596	3,198,301	4,930,118
TOTAL	<u>13,919,796</u>	<u>8,340,413</u>	<u>3,324,456</u>	<u>5,227,819</u>

In 2011, SSB facilities met the prescribed food and service standards and provide a convenience to the horse racing public.

FIVE YEAR ASSESSMENT OF LAUREL

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Attendance</u>	521,765	547,024	550,511	595,036	688,623
<u>Purses</u>	19,589,605	18,817,640	20,267,180	22,545,198	28,973,186
<u>Number of days of live racing</u> (includes Pimlico @ Laurel)	115	120	125	148	148
<u>Betting on its live racing at:</u>					
Laurel	9,976,957	12,084,240	12,339,625	15,641,791	21,768,715
Other MD tracks	2,267,508	2,761,249	4,020,319	6,925,865	10,872,535
Satellite Simulcast Facilities in MD	854,026	1,319,131	1,513,529	2,333,342	3,815,983
Out-of-state	131,456,700	137,405,337	152,845,286	206,402,804	331,599,434
<u>Betting on other in-State races</u>	2,816,611	2,534,948	2,636,181	3,414,650	4,400,788
<u>Betting on out-of-State races</u>	108,884,422	110,667,572	106,883,733	114,082,040	127,312,028
<u>Total betting at this location on all racing</u>	121,677,990	125,286,760	121,859,539	133,138,481	153,481,531

FIVE YEAR ASSESSMENT OF PIMLICO

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Attendance</u>	312,533	330,242	370,896	455,069	524,994
<u>Purses</u>	6,812,980	4,363,625	4,447,202	6,952,102	8,481,554
<u>Number of days of live racing</u>	29	20	20	31	31
<u>Betting on its live racing at:</u>					
Pimlico	8,783,040	8,036,467	7,792,638	10,748,712	12,343,805
Other MD tracks	2,636,197	2,350,144	3,444,056	3,997,525	5,249,571
Satellite Simulcast Facilities in MD	863,782	863,090	891,727	1,138,779	1,515,430
Out-of-state	112,304,939	105,847,843	115,690,400	120,491,748	146,373,605
<u>Betting on other in-State races</u>	2,341,922	2,840,891	3,349,615	4,783,598	7,387,080
<u>Betting on out-of-State races</u>	48,730,414	52,768,696	60,928,120	74,549,612	84,131,719
<u>Total betting at this location on all racing</u>	59,855,376	63,646,054	72,070,373	90,081,922	103,862,604

FIVE YEAR ASSESSMENT OF TIMONIUM

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Attendance</u>	17,389	22,287	22,591	23,022	26107
<u>Purses</u>	715,495	681,420	704,930	583,960	739,170
<u>Number of days of live racing</u>	6	7	7	7	7
<u>Betting on its live racing at:</u>					
Timonium	813,307	1,059,058	1,151,194	1,059,762	1,199,084
Other MD tracks	254,828	264,446	319,819	431,914	489,132
Satellite Simulcast Facilities in MD	52,714	43,766	53,710	58,525	83,536
Out-of-state	1,514,310	1,368,205	1,735,642	2,105,862	1,885,528
<u>Betting on other in-State races</u>	0	0	0	0	0
<u>Betting on out-of-State races</u>	456,251	635,185	666,942	736,201	885,211
<u>Total betting at this location on all racing</u>	1,269,558	1,694,243	1,818,136	1,795,963	2,084,295
*Fair attendance included.					

FIVE YEAR ASSESSMENT OF ROSECROFT

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Attendance</u>	*0	31,956	135,138	216,921	339,579
<u>*Attendance not recorded 2011</u>					
<u>Purses</u>	**483,500	0	0	1,137,900	4,592,400
<u>Includes</u>					
<u>**Purses pd. By MD. Stndbred.Race Fund</u>					
<u>Number of days of live racing</u>	20	0	6	43	86
<u>Betting on its live racing at:</u>					
Rosecroft	379,326	0	44,547	1,310,387	3,504,514
Other MD tracks	0	0	0	187,880	470,349
Satellite Simulcast Facilities in MD	0	0	0	68,144	177,509
Out-of-state	463,437	0	0	2,584,570	7,628,000
<u>Betting on other in-State races</u>	0	0	870,997	3,637,647	5,293,719
<u>Betting on out-of-State races</u>	6,753,950	11,184,716	49,348,049	78,586,525	88,680,723
<u>Total betting at this location on all racing</u>	7,133,276	11,184,716	50,263,593	83,534,559	97,478,956

FIVE YEAR ASSESSMENT OF OCEAN DOWNS

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Attendance</u>	77,466	37,256*	117,372	220,133	132,902
<u>Purses</u>	1,997,717	552,975	900,000	926,550	902,500
<u>Number of days of live racing</u>	37	4	40	40	40
<u>Betting on its live racing at:</u>					
Ocean Downs	1,156,407	0	1,754,046	1,934,469	2,018,446
Other MD tracks	76,601	0	187,547	292,761	273,554
MD Satellite Simulcast Facilities	14,567	0	44,055	46,742	64,092
Out-of-state	2,521,326	0	2,588,029	2,933,963	2,910,231
<u>Betting on other in-State races</u>	469,259	576,927	688,240	957,585	1,454,496
<u>Betting on out-of-State races</u>	12,051,310	10,991,924	12,925,225	14,132,593	16,674,221
<u>Total betting at this location on all racing</u>	13,676,976	11,568,851	15,367,511	17,024,647	20,147,163

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

	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>2010</u>	<u>2011</u>
LAUREL		
Race Days	357*	362**
Tax to the State	690,487	579,023
License Fee	<u>6,150</u>	<u>5,850</u>
	696,637	584,873

PIMLICO

Race Days	357**	364**
Tax to the State	239,883	337,141
License Fee	<u>3,275</u>	<u>3,025</u>
	243,158	340,166

TOTAL	<u>939,795</u>	<u>925,039</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>
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STEEPLECHASE:

Race Days	1	1
Tax to the State	<u>15,601</u>	<u>16,015</u>
TOTAL	<u>15,601</u>	<u>16,015</u>

*Included 68 Simulcast days

**Includes 96 Simulcast days

REVENUE TO THE STATE: HARNESS

	<u>2010</u>	<u>2011</u>
ROSECROFT		
Race Days	*167	126
*simulcast Only		
Tax to the State	35,162	24,848
License Fee	<u>4,500</u>	<u>3,775</u>
	39,662	28,623
 OCEAN DOWNS		
Race Days	365	364
Tax to the State	37,416	41,524
License Fee	<u>9,050</u>	<u>9,075</u>
	46,466	50,599
 TOTAL HARNESS		
	<u>86,128</u>	<u>79,222</u>
(Race days include live and simulcast only days)		

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

2011

THOROUGHBRED LICENSES:

517	Original Owner	@ \$50.00	\$25,850
1,495	Renewal Owner	25	37,375
71	Original Trainer	50	3,550
211	Renewal Trainer	25	5,275
91	Assistant Trainer	25	2,275
352	Owner / Trainer	50	17,600
233	Jockey	25	5,825
41	Apprentice Jockey	25	1,025
23	Jockey Agent	25	575
23	Veterinarian	25	575
33	Farrier	10	330
877	Stable Employee	5	4,385
506	Mutuel Employee	5	2,530
132	Vendor	5	660
218	Exercise Rider	5	1,090
370	Track Employee	5	1,850
-----			-----
5,193	TOTAL LICENSES		<u>\$110,770</u>

THOROUGHBRED REGISTRATIONS:

34	Authorized Agent	@ \$10.00	340
394	Assumed Name	75	29,550
-----			-----
428	TOTAL REGISTRATIONS		<u>\$29,890</u>

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

(Continued)

HARNESS LICENSES:

238	Original Owner	@ \$50.00	\$11,900
420	Renewal Owner	25	10,500
11	Original Trainer	25	275
62	Renewal Trainer	25	1,550
39	Driver	25	975
42	Trainer / Driver	50	2,100
189	Owner / Trainer	50	9,450
131	Owner / Trainer / Driver	75	9,825
17	Owner / Driver	50	850
6	Veterinarian	25	150
8	Stable Employee	5	40
22	Mutuel Employee	5	110
24	Track Employee	5	120
1	Vendor	5	5
0	Farrier	5	0
-----			-----
1,210	TOTAL LICENSES		<u>\$47,850</u>

HARNESS REGISTRATIONS:

1	Authorized Agent	10	10
57	Assumed Name	75	4,275
-----			-----
58	TOTAL REGISTRATIONS		<u>\$4,285</u>

THOROUGHBRED AND HARNESS

TOTAL RECEIPTS FOR LICENSES & REGISTRATIONS ISSUED: \$192,795

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>2010</u>	<u>2011</u>
Mile Tracks	\$1,355,391	\$1,053,169
Harness Tracks	292,228	457,477
County Fair Track	0*	0*
Steeplechase	<u>3,170</u>	<u>4,704</u>
TOTAL UNCASHED PARI-MUTUEL TICKETS	\$1,650,789	\$1,515,350

*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>2010</u>	<u>2011</u>
<u>MILE TRACKS:</u>		
Track License Fees	\$9,425	\$8,875
Tax on Betting	930,370	916,164
Licensing Fees	9,425	110,770
Registration Fees	53,485	29,890
Uncashed Pari-Mutuels	<u>1,355,391</u>	<u>1,053,169</u>
TOTAL DISBURSEMENTS MILE TRACKS	<u>\$2,358,096</u>	<u>\$2,118,868</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	\$13,550	\$12,850
Tax on Betting	72,578	66,372
Licensing Fees	13,550	47,850
Registration Fees	1,875	4,285
Uncashed Pari-Mutuels	<u>292,228</u>	<u>457,477</u>
TOTAL DISBURSEMENTS HARNESS TRACKS	<u>\$393,781</u>	<u>\$588,834</u>
<u>STEEPLECHASE:</u>		
Tax on Betting	\$15,601	\$16,015
Uncashed Pari-Mutuels	<u>3,170</u>	<u>4,704</u>
TOTAL DISBURSEMENTS STEEPLECHASE	<u>\$18,771</u>	<u>\$20,719</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>\$2,773,148</u>	<u>\$2,730,921</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>2010</u>	<u>2011</u>
Tax on Admissions	\$303,582	\$327,266
Sales Tax on Horses Claimed	<u>144,480</u>	<u>150,875</u>
TOTAL DIRECT DISBURSEMENTS TO STATE	\$448,062	\$478,141
<u>TOTAL ALL DISBURSEMENTS TO STATE COMPTROLLER</u>	<u>\$3,221,210</u>	<u>\$3,209,062</u>

STATEMENT OF ACTUAL EXPENDITURES

JANUARY 1 TO DECEMBER 31, 2011

SALARIES & BENEFITS

Commission Personnel	<u>\$306,265</u>
Total Salary Expenses	<u>\$306,265</u>

OFFICE EXPENDITURES:

Telephone and Postage	\$13,967
Travel Expenses	\$6,425
Motor Vehicle Operation	\$2,936
Contractual Services, i.e., Printing, Repairs, Equipment and Leasing, Court Expenses, Transcript of Hearings	32,779
Office Supplies	5,615
Office Equipment Additional	81
Fixed Charges, i.e., Rent, Insurance, Subscriptions and Dues	12,966
Total Office Expenses	<u>\$74,769</u>

TOTAL EXPENDITURES AND DISBURSEMENTS (7)	<u>\$381,034</u>
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OTHER DISBURSEMENTS:

Grants	\$1,690,399
Impact Aid	\$608,544
Other:	
Fair Hill	\$16,015
Maryland Standardbred Race Fund	301,857
Maryland-bred Race Fund	0
MD. Agric. Edu. & Rural Dev. Asst. Fund	0
Total Other:	<u>\$317,872</u>
TOTAL OTHER DISBURSEMENTS	<u>\$2,616,815</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 2011

ASSOCIATION OF OFFICIAL RACING CHEMISTS OFFICIAL SAMPLES ANALYZED DURING CALENDAR YEAR 2011

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	2,492	2,785	5,277	21
Standardbred	639	719	1,358	14
Human	<u>4</u>	<u>0</u>	<u>4</u>	<u>1</u>
2011 Totals	3,135	3,504	6,639	36

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

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 2011 was \$ 50.00

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 2011, revenue for the Maryland-Bred Fund totaled over \$3.4 million (includes approximately \$1.9 million from pari-mutuel wagering funds and \$1.5 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 \$1.4 million to purses and owner awards and \$1.2 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. 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 1991 through 2011 are shown below:

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