

NINETY-EIGHTH
ANNUAL REPORT

2017

STATE OF MARYLAND



MARYLAND RACING COMMISSION

LARRY HOGAN
Governor of Maryland

BOYD K. RUTHERFORD
Lt. Governor of Maryland

KELLY M. SCHULZ
Secretary
Department of Labor



MARYLAND RACING COMMISSION
300 E. Towsontown Boulevard
Towson, MD 21286

September 11, 2018

The Honorable Thomas V. Mike Miller, Jr.
President
Senate of Maryland
State House H-107
100 State Circle
Annapolis, Maryland 21401

The Honorable Michael E. Busch
Speaker
House of Delegates
State House H-101
100 State Circle
Annapolis, Maryland 21401

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

Dear President Miller, Speaker Busch, and Secretary Schulz:

The Maryland Racing Commission is pleased to present you with the annual report for calendar year 2017 (MSAR # 710 and #6526).

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".

J. Michael Hopkins
Executive Director

PHONE: 410-296-9682 | FAX: 410-296-9687 | TTY Users, Call via The Maryland Relay Service
www.dllr.state.md.us | racing@dllr.state.md.us

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

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The Commission during the year 2017 consisted of:

Chairman.....Michael J. Algeo

MembersRonald Thomas, II
M. Konrad Wayson
David Hayden
Ernest R. Grecco
Tammy Lafferty
Tom Winebrener
Clarissa Coughlin
Tom Bowman

The Commission Staff:

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

Stewards:

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

Veterinarians:

Chief Veterinarian.....Libby Daniel
Veterinarians
Thomas C. Jett
Kelly Walsh
Donna P. Moore

MEETING STATISTICS - 2017

Commission Meetings

In 2017, the Commission met to conduct business on nine (9) occasions.

2017 HIGHLIGHTS

REVENUE:

\$2,619,577 was collected by the State in 2017. This amount represents a slight decrease from the amount of revenue collected in 2016 when revenues were \$2,806,536.

ATTENDANCE:

Attendance at Maryland tracks was 488,887 in 2017. 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 1158 – Altered the amount available for the Maryland International and changed the race from a grade one race to a graded race.

SB 32 – Removed a sunset provision that enables Howard County, Anne Arundel County and the City of Laurel to receive a portion of \$500,000 from VLT revenue as impact aid.

SB 381 – Extended the time through which Ocean Downs and Rosecroft Raceway can apply for financial assistance for operating losses through 2024 from the Purse Dedication Account.

SB 1115 – Granted the Maryland Racing Commission the authority to join a medication compact.

SB 851- Clarified at what time a jockey is a covered employee by the policy purchased by the Maryland Jockey Injury Compensation Fund, Inc.

2017 RACING DATES

MILE TRACKS:

Laurel	January 1 – December 31	150 +
	Simulcast Days	<u>213</u>
		363 Days
Pimlico	January 1 - December 31	12 +
	Simulcast Days	<u>351</u>
		363 Days
	Total	<u>726</u>

COUNTY FAIR TRACKS:

Timonium	August 25 – September 4	7
	Simulcast Days	<u>3</u>
	Total	10 Days

STEEPLECHASE :

Fair Hill	May 27	<u>1</u>
	Total	1 Days

TOTAL LIVE:	170 DAYS
TOTAL SIMULCAST ONLY:	<u>567</u> DAYS
THOROUGHBRED TOTAL:	<u>737</u> DAYS

HARNESS TRACKS:

Rosecroft	January 1 – December 31	59	+
	ITW	<u>302</u>	
		361	Nights
Ocean Downs	January 1 – December 31	47	+
	ITW	<u>317</u>	
		364	Nights
	TOTAL LIVE:	106	NIGHTS
	TOTAL SIMULCAST ONLY:	619	NIGHTS
	HARNESS TOTAL:	725	NIGHTS

TOTAL LIVE RACING DAYS AND NIGHTS	276
TOTAL SIMULCAST ONLY	1,186
GRAND TOTAL	1,462

RACE YEAR SUMMARY:

During the year 2017, there were 1,462 days and nights of licensed racing in the State, consisting of the following:

There were 737 days of licensed racing at the Mile Tracks (363 days at Pimlico, 363 days at Laurel, 10 days at Timonium, and 1 day raced at Fair Hill). There were also 725 nights of licensed racing at the Harness Tracks (361 night at Rosecroft and 364 nights at Ocean Downs).

ATTENDANCE FOR CALENDAR YEARS 2015 – 2017

	2015	2016	2017
Laurel	341,867	330,817	303,114
Pimlico	228,919	149,544	121,402
Timonium	15,948	14,465	15,491
TOTAL:	586,734	494,826	440,007
Rosecroft **	**	**	**
Not recorded			
Ocean Downs	39,552	39,339	34,776
* Live Only			
TOTAL:	39,552	39,339	34,776
Fair Hill	12,000	15,106	14,104
TOTAL ATTENDANCE - THOROUGHBRED AND HARNESS:	638,286	549,271	488,887

**** No record of attendance**

WAGERING HISTORY IN MARYLAND
Of
THOROUGHBRED AND HARNESS RACING

THOROUGHBRED STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
2001	348	337,652,117
2002	344	329,705,940
2003	346	306,261,175
2004	312	293,795,752
2005	303	298,722,053
2006	297	279,978,363
2007	301	259,549,867
2008	303	225,189,800
2009	291	195,908,615
2010	290	190,800,402
2011	267	182,980,868
2012	336	158,031,769
2013	363	134,515,395
2014	362	122,668,323
2015	361	129,139,471
2016	362	102,388,036
2017	363	94,123,538

HARNESS STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
2001	705	156,777,856
2002	749	155,892,827
2003	742	144,598,813
2004	749	131,111,243
2005	721	140,789,276
2006	724	130,058,639
2007	721	117,815,100
2008	727	100,559,207
2009	738	65,631,105
2010	823	22,753,567
2011	490	20,810,252
2013	717	34,180,137
2013	723	47,922,650
2014	724	46,070,856
2015	719	40,915,568
2016	724	46,168,043
2017	725	44,110,698

SSB FACILITIES STATISTICS:

YEAR	AMOUNT WAGERED
2001	64,393,587
2002	65,580,391
2003	68,972,477
2004	67,351,515
2005	65,745,234
2006	64,961,268
2007	69,206,967
2008	52,507,771
2009	41,360,026
2010	38,137,636
2011	30,812,484
2012	14,288,365
2013	10,212,577
2014	5,140,478
2015	13,857,614
2016	20,449,226
2017	37,829,944

COMBINED TOTALS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
2001	1,053	558,823,560
2002	1,093	555,179,158
2003	1,088	519,832,465
2004	1,061	492,258,510
2005	1,024	505,256,563
2006	1,021	474,998,270
2007	1,022	446,571,934
2008	1,030	378,256,778
2009	1,029	302,899,746
2010	1,113	251,691,605
2011	757	234,603,604
2012	1,053	206,500,271
2013	1,086	192,286,622
2014	1,086	173,879,657
2015	1,080	183,912,653
2016	1,086	169,005,305
2017	1,088	176,064,180

AMOUNT WAGERED

	2015	2016	2017
MILE TRACKS:			
Laurel	\$84,825,256	\$72,468,771	\$70,363,873
Pimlico	<u>\$42,883,334</u>	\$28,400,918	\$22,233,757
TOTAL	<u>\$127,708,590</u>	<u>\$100,869,689</u>	<u>\$92,597,630</u>
 COUNTY FAIR TRACKS:			
Timonium	\$1,268,467	\$1,385,829	\$1,368,196
TOTAL	<u>\$1,268,467</u>	<u>\$1,385,829</u>	<u>\$1,368,196</u>
 HARNESS TRACKS:			
Rosecroft	\$32,407,544	\$34,581,856	\$30,746,614
Ocean Downs	<u>\$8,508,024</u>	\$11,586,187	\$13,364,084
TOTAL	<u>\$40,915,568</u>	<u>\$46,168,043</u>	<u>\$44,110,698</u>
 STEEPLECHASE:			
Fair Hill	<u>\$162,414</u>	\$132,518	\$157,712
TOTAL	<u>\$162,414</u>	<u>\$132,518</u>	<u>\$157,712</u>
SSB FACILITIES	<u>\$13,857,614</u>	<u>\$20,449,226</u>	<u>\$37,829,944</u>
 SUMMARY			
Mile Tracks	\$127,708,590	\$100,869,689	\$92,597,630
County Fair Tracks	\$1,268,467	\$1,385,829	\$1,368,196
Harness Tracks	\$40,915,568	\$46,168,043	\$44,110,698
Steeplechase	\$162,414	\$132,518	\$157,712
SSB Facilities	\$13,857,614	\$20,449,226	\$37,829,944
TOTAL	<u>\$183,912,653</u>	<u>\$169,005,305</u>	<u>\$176,064,180</u>

Wagers by Type and Year



SATELLITE SIMULCAST BETTING

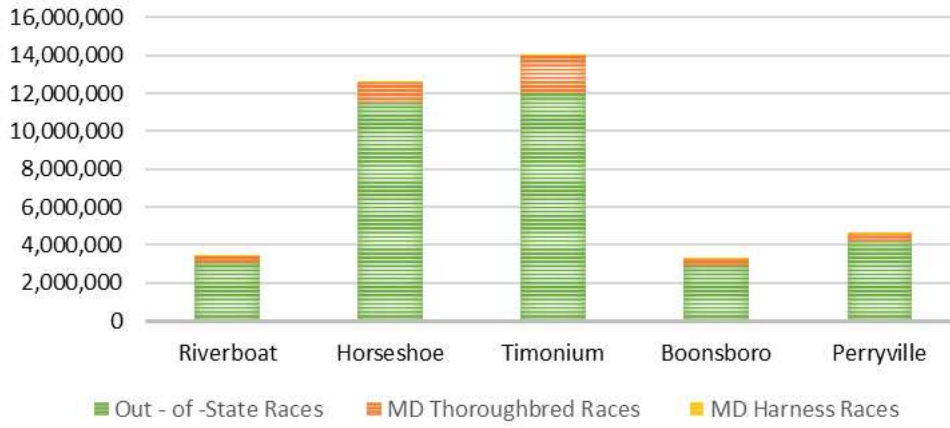
The amounts bet at the Satellite Simulcast Betting Facilities in calendar year 2017 are reflected in the following table.

Maryland Satellite Simulcast Betting Facilities

Bet At:	<u>Riverboat</u>	<u>Horseshoe</u>	<u>Timonium</u>	<u>Boonsboro</u>	<u>Perryville</u>
Bets on:					
MD Thoroughbred Races	333,643	1,061,558	1,953,354	331,391	418,331
MD Harness Races	2,990	72,688	5,965	1,222	5,616
Out - of -State Races	3,036,420	11,504,574	12,025,295	2,927,767	4,149,130
TOTAL	3,373,053	12,638,820	13,984,614	3,260,380	4,573,077

In 2017, SSB facilities met the prescribed food and service standards and provide a convenience to the horse racing public.

Sattelite Simulcast Betting in 2017 by Facility



FIVE YEAR ASSESSMENT OF LAUREL

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Attendance</u>	303,114	330,817	341,867	327,690	365,551
<u>Purses</u>	40,837,740	33,959,365	27,661,465	29,106,690	27,815,060
<u>Number of days of live racing</u>	150	125	103	107	109
<u>Betting on its live racing at:</u>					
Laurel	13,532,748	12,164,916	10,027,397	8,772,235	9,354,955
Other MD tracks	3,169,633	3,436,710	3,587,975	3,541,793	3,265,292
Satellite Simulcast Facilities	3,206,944	2,480,279	678,328	180,372	418,788
Out-of-state	336,387,361	256,578,508	175,672,864	142,507,116	161,430,230
<u>Betting on other in-State races</u>	1,563,234	2,219,172	2,914,564	2,551,364	2,560,813
<u>Betting on out-of-State races</u>	55,267,891	58,084,683	61,855,898	60,516,114	66,662,588
<u>Total betting at this location on all racing</u>	<u>70,363,873</u>	<u>72,468,771</u>	<u>74,797,859</u>	<u>71,839,713</u>	<u>78,578,356</u>

FIVE YEAR ASSESSMENT OF PIMLICO

	2017	2016	2015	2014	2013
<u>Attendance</u>	121,402	149,544	228,919	256,725	287,140
<u>Purses</u>	5,385,380	8,952,825	12,395,050	12,892,690	12,581,995
<u>Number of days of live racing</u>	12	28	37	35	36
<u>Betting on its live racing at:</u>					
Pimlico	7,060,076	7,844,833	9,651,661	9,672,078	10,115,032
Other MD tracks	1,814,168	2,905,243	3,512,330	3,416,557	2,946,910
Satellite Simulcast Facilities in MD	822,927	1,152,775	344,698	175,696	411,630
Out-of-state	134,381,489	160,625,703	171,301,182	146,829,060	143,766,884
<u>Betting on other in-State races</u>	1,437,821	1,643,715	2,198,420	2,171,348	2,505,917
<u>Betting on out-of-State races</u>	13,735,860	18,912,370	31,033,253	37,505,388	41,224,274
<u>Total betting at this location on all racing</u>	22,233,757	28,400,918	42,883,334	49,348,814	53,845,223

FIVE YEAR ASSESSMENT OF TIMONIUM

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Attendance</u>	15,491	14,465	15,948	16,278	2,760
<u>Purses</u>	1,453,410	1,126,275	1,071,240	11,843	1,484,290
<u>Number of days of live racing</u>	7	7	7	7	10
<u>Betting on its live racing at:</u>					
Timonium	739,340	697,034	762,714	790,176	962,966
Other MD tracks	300,472	248,940	191,647	234,163	272,967
Satellite Simulcast Facilities in MD	68,406	44,157	30,361	8,517	22,319
Out-of-state	4,169,311	2,595,868	2,188,761	1,555,991	2,404,431
<u>Betting on other in-State races</u>	357	151	0	0	0
<u>Betting on out-of-State races</u>	628,499	688,644	505,753	514,027	593,183
<u>Total betting at this location on all racing</u>	1,368,196	1,385,829	1,268,467	1,304,203	1,556,149

FIVE YEAR ASSESSMENT OF ROSECROFT

	2017	2016	2015	2014	2013
<u>Attendance</u>	*0	*0	*0	*0	*0
<u>*Attendance not recorded</u>					
<u>Purses</u>	5,295,926	6,016,904	4,760,147	4,249,537	3,336,615
<u>Includes</u>					
**Purses pd. by MD. Stndbred.					
Race Fund					
<u>Number of days of live racing</u>	59	54	54	54	54
<u>Betting on its live racing at:</u>					
Rosecroft	833,526	1,007,007	851,600	812,441	815,926
Other MD tracks	137,789	100,827	71,452	57,530	39,820
Satellite Simulcast Facilities in MD	63,629	51,995	22,306	4	4,180
Out-of-state	6,802,198	5,947,155	4,221,548	2,804,119	2,820,681
<u>Betting on other in-State races</u>	1,922,995	2,252,743	2,410,434	2,126,834	1,559,380
<u>Betting on out-of-State races</u>	27,990,093	31,284,981	29,145,510	34,407,539	36,077,069
<u>Total betting at this location on all racing</u>	30,746,614	34,544,731	32,407,544	37,346,814	38,452,375

FIVE YEAR ASSESSMENT OF OCEAN DOWNS

	2017	2016	2015	2014	2013
<u>Attendance</u>	34766	39,339	39,552	41,349	45,438
<u>Purses</u>	4,524,196	4,236,917	2,610,769	3,345,941	3,367,612
<u>Number of days of live racing</u>	47	47	48	48	46
<u>Betting on its live racing at:</u>					
Ocean Downs	841,399	983,450	1,103,909	981,404	1,057,601
Other MD tracks	114,036	204,134	125,437	85,510	10,121
MD Satellite Simulcast Facilities	35,545	25,213	22,260	102	4,435
Out-of-state	5,259,894	3,250,006	3,318,642	2,389,676	2,973,522
<u>Betting on other in-State races</u>	614,591	646,568	504,537	485,974	307,939
<u>Betting on out-of-State races</u>	7,238,654	7,148,597	6,899,578	7,256,664	8,104,735
<u>Total betting at this location on all racing</u>	8,694,644	8,778,615	8,508,024	8,724,042	9,470,275

METHOD OF TAXATION

TAKEOUT AT MARYLAND THOROUGHBRED RACETRACKS

Effective July 1, 2005

	Regular Pool%	2-Horse Multiple	3-Horse Multiple 1st Race
State Tax	.32	.32	.32
Purses	7.88 (1)	8.88 (1)	11.88 (1)
Track	7.70 (2)	8.70 (2)	11.70 (2)
Maryland Million	1.00	2.0	.75
Bred Fund	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>
Total Takeout	18.00	21.00	25.75
Returned to Public	<u>82.00</u>	<u>79.00</u>	<u>74.25</u>
Total Handle	100.00 %	100.00 %	100.00 %

Timonium

State Tax	0 (3)	0 (3)	0 (3)
Purses	5.00	7.00	13.00
Track	10.50 (2)	10.50 (2)	10.50 (2)
Bred Fund	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
Total Takeout	17.00	19.00	25.00
Returned to Public	<u>83.00</u>	<u>81.00</u>	<u>75.00</u>
Total Handle	100.00 %	100.00 %	100.00 %

Fair Hill

State Tax (Fair Hill Improvement Fund)	9.00
Track	<u>16.00</u>
Total Takeout	25.00
Returned to Public	<u>75.00</u>
Total Handle	100.00 %

- (1) Includes .18 for purses.
- (2) Includes .25 for Pension Fund.
- (3) No State tax paid during the State Fair.

METHOD OF TAXATION

(Continued)

TAKEOUT AT MARYLAND HARNESS RACETRACKS

	1-Horse <u>Pool %</u>	2-Horse <u>Pool %</u>	Over 2-Horse <u>Pool %</u>
State Tax	.32	.32	.32
Purses	.18	.18	.18
Track	18.00	20.00	26.00
Standardbred Fund	(4)	(4)	(4)
Track Pensions	(5)	(5)	(5)
Total Takeout	18.75	20.75	26.75
Returned to Public	<u>81.25</u>	<u>79.25</u>	<u>73.25</u>
Total Handle	100.00 %	100.00 %	100.00 %

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

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

REVENUE TO THE STATE: THOROUGHBRED

TOTAL FOR ALL MEETS

	2016	2017
LAUREL		
Race Days	362	363
Tax to the State	400,876	395,146
License Fee	9,050	9,075
	409,926	404,221

PIMLICO

Race Days	362	363
Tax to the State	264,338	245,763
License Fee	9,050	9,075
	273,388	254,838

TOTAL THOROUGHBRED	683,314	659,059
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COUNTY FAIR: TIMONIUM

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

TOTAL COUNTY FAIR	0	0
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STEEPLECHASE: FAIR HILL

Race Days	1	1
Tax to the State	11,927	14,194

TOTAL STEEPLECHASE	11,927	14,194
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REVENUE TO THE STATE: HARNESS

	<u>2016</u>	<u>2017</u>
ROSECROFT		
Race Days	360	361
Tax to the State	127,351	122,708
License Fee	<u>9,000</u>	<u>9,025</u>
	136,351	131,733
 OCEAN DOWNS		
Race Days	364	364
Tax to the State	3,147	2,694
License Fee	<u>9,100</u>	<u>9,100</u>
	12,247	11,794
 TOTAL HARNESS		
	<u><u>148,598</u></u>	<u><u>143,527</u></u>

(Race days include live and simulcast only days)

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

2017

THOROUGHBRED LICENSES:

610	Original Owner
1,920	Renewal Owner
47	Original Trainer
167	Renewal Trainer
134	Assistant Trainer
418	Owner / Trainer
206	Jockey
66	Apprentice Jockey
20	Jockey Agent
28	Veterinarian
38	Farrier
921	Stable Employee
141	Mutuel Employee
173	Vendor
253	Exercise Rider
250	Track Employee

**5,392 TOTAL
LICENSES**

THOROUGHBRED REGISTRATIONS:

45	Authorized Agent
1076	Assumed Name

**1121 TOTAL
REGISTRATIONS**

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

(Continued)

HARNESS LICENSES:

124	Original Owner
445	Renewal Owner
9	Original Trainer
52	Renewal Trainer
35	Driver
41	Trainer / Driver
164	Owner / Trainer
129	Owner / Trainer / Driver
14	Owner / Driver
3	Veterinarian
178	Stable Employee
44	Mutuel Employee
89	Track Employee
21	Vendor
1	Farrier

1,349 TOTAL LICENSES

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>2016</u>	<u>2017</u>
Mile Tracks	\$666,303	\$796,234
Harness Tracks	210,793	187,565
County Fair Track	0*	*0
Steeplechase	<u>3,650</u>	<u>2,389</u>
TOTAL UNCASHED PARI-MUTUEL TICKETS	 <u><u>\$880,746</u></u>	 <u><u>\$986,188</u></u>

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

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

	<u>2016</u>	<u>2017</u>
<u>MILE TRACKS:</u>		
Track License Fees	\$18,100	\$18,150
Tax on Betting	665,214	640,909
Licensing Fees	155,495	0
Registration Fees	97,815	0
Uncashed Pari-Mutuels	<u>666,303</u>	<u>796,234</u>
TOTAL DISBURSEMENTS	<u>\$1,602,927</u>	<u>\$1,455,293</u>
<u>COUNTY FAIR TRACKS:</u>		
Tax on Betting (6)	-0-	-0-
Uncashed Pari-Mutuels	*	*
TOTAL DISBURSEMENTS	<u>0</u>	<u>0</u>
<u>HARNESS TRACKS:</u>		
Track License Fees	\$18,100	\$18,125
Tax on Betting	130,498	125,402
Licensing Fees	38,475	0
Registration Fees	7,275	0
Uncashed Pari-Mutuels	<u>210,793</u>	<u>187,565</u>
TOTAL DISBURSEMENTS	<u>\$405,141</u>	<u>\$331,092</u>
<u>STEEPLECHASE:</u>		
Tax on Betting	\$11,927	\$14,194
Uncashed Pari-Mutuels	<u>3,650</u>	<u>2,389</u>
TOTAL DISBURSEMENTS	<u>\$15,577</u>	<u>\$16,583</u>
<u>OTB'S:</u>		
Permit Fee	<u>\$2,500</u>	<u>\$3,000</u>
TOTAL DISBURSEMENTS	<u>\$2,500</u>	<u>\$3,000</u>
<u>TOTAL ALL</u>	<u>\$2,026,145</u>	<u>\$1,805,968</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>2016</u>	<u>2017</u>
Tax on Admissions	400,906	390,279
Sales Tax on Horses Claimed	<u>379,485</u>	<u>423,330</u>
TOTAL DIRECT DISBURSEMENTS TO STATE	780,391	813,609
<u>TOTAL ALL DISBURSEMENTS TO STATE COMPTROLLER</u>	<u>\$2,806,536</u>	<u>\$2,619,577</u>

STATEMENT OF ACTUAL EXPENDITURES

Fiscal Year '17' July 1, 2016 TO June 30, 2017

SALARIES & BENEFITS

Commission Personnel \$330,543

Total Salary Expenses **\$330,543**

OFFICE EXPENDITURES:

Telephone and Postage \$10,473

Travel Expenses \$7,953

Motor Vehicle Operation \$2,139

Contractual Services, i.e., \$22,488

Printing, Repairs, Equipment and Leasing, Court
Expenses

Transcript of Hearings

Office Supplies \$3,026

Office Equipment Additional \$10,882

Fixed Charges, i.e., Rent, Insurance, Subscriptions and Dues \$12,351

Total Office Expenses **\$69,312**

TOTAL EXPENDITURES AND DISBURSEMENTS (7) **\$399,855**

OTHER DISBURSEMENTS:

Grants **\$2,183,886**

Impact Aid **\$0**

Other:

Fair Hill \$14,194

Maryland Standardbred Race Fund \$0

Maryland-bred Race Fund \$0

MD. Agric. Edu. & Rural Dev. Asst. Fund \$0

Total Other: **\$14,194**

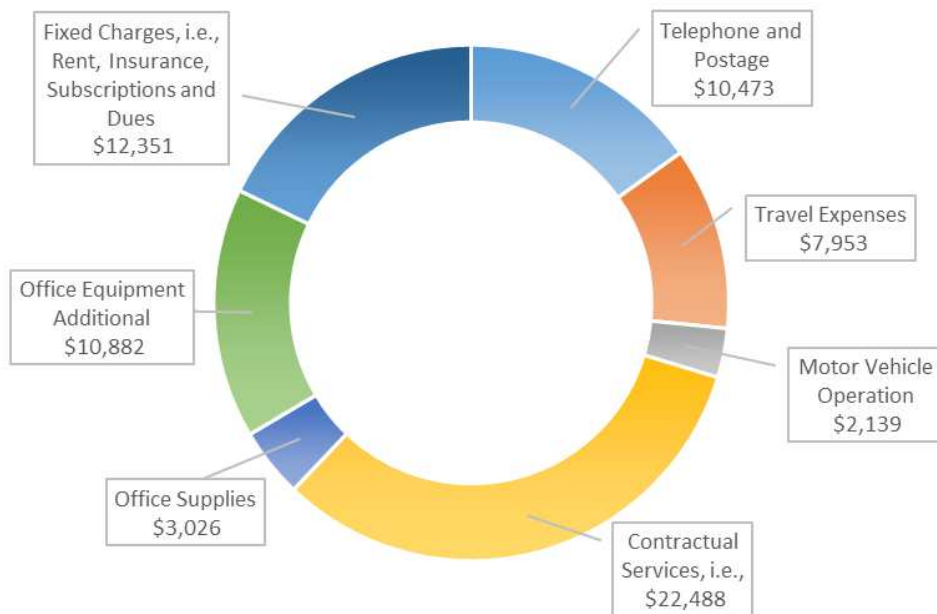
TOTAL OTHER DISBURSEMENTS **\$2,198,080**

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

Total Expenditures and Disbursements



Office Expenditures



**MARYLAND RACING COMMISSION 2017
EQUINE SPECIMEN TESTING**

Truesdail Laboratories located in Tustin, California was one of two laboratories that responded to a “Request For Proposal” (RFP) issued by the Department late in 2013. Consequently Truesdail was awarded the five year contract and provided the urine and blood specimen analysis during 2017 and continues to do so. Below are the statistics regarding the analysis of these samples.

NUMBER OF OFFICIAL SAMPLES ANALYZED

SOURCE	URINE	BLOOD	TOTAL	POSITIVE
Thoroughbred	2,724	3,791	6,515	18
Standardbred	2,303	5,421	7,724	5
Human	0	0	0	0
2017 Totals	5,027	9,212	14,239	23

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.

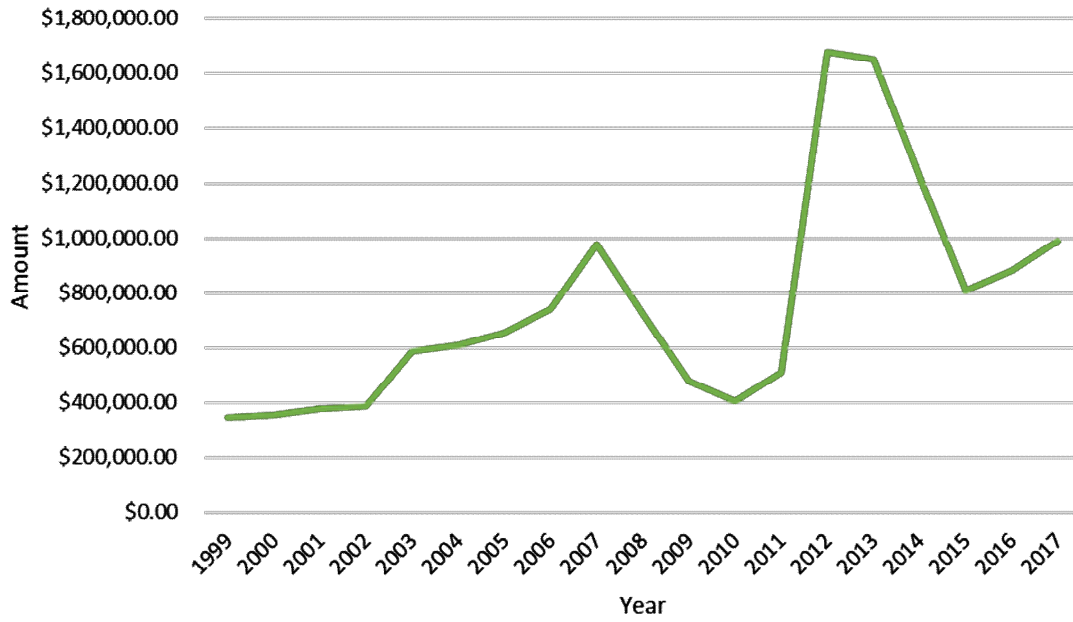
The purpose of this fund is to purchase a blanket workmen's compensation insurance policy for all jockeys licensed by the Maryland Racing Commission and participating at the Maryland race tracks.

POLICY COST

1999	\$ 346,367.00
2000	\$ 355,966.00
2001	\$ 378,578.00
2002	\$ 388,877.00
2003	\$ 586,640.00
2004	\$ 611,533.00
2005	\$ 655,311.00
2006	\$ 741,868.00
2007	\$ 977,423.00
2008	\$ 723,852.00
2009	\$ 476,211.00
2010	\$ 404,954.00
2011	\$ 508,182.00
2012	\$ 1,675,611.00
2013	\$ 1,648,613.00
2014	\$ 1,223,005.00
2015	\$ 808,553.00
2016	\$ 882,763.00
2017	\$ 990,509.00

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 2017 was \$100.00

Maryland Jockey Injury Compensation Fund Policy Cost



MARYLAND-BRED FUND REPORT

MARYLAND-BRED FUND DISTRIBUTION IS EXPLAINED

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

In Maryland, there are six categories through which monies from the fund are made available: 1) **purse money** for stakes races for registered Maryland-breds; 2) **awards for owners** of registered Maryland-breds finishing first, second or third; 3) **awards for breeders** of registered Maryland-breds finishing first, second or third; 4) **awards for owners of stallions** which are duly registered with the Maryland Horse Breeders Association (MHBA); 5) **yearling show bonus awards** for the four highest-earning 2 and 3-year-olds shown at the annual MHBA yearling show (based on North American earnings); and 6) **Maryland-sired allocation** for purses and awards for horses conceived in Maryland by a registered/nominated Maryland stallion.

The Maryland-Bred Fund receives slightly less than 1% of the total mutuel handle and breakage from Laurel and Pimlico (the State's two mile tracks), and receives approximately 1.5% of the mutuel handle and 5.0% of the breakage at Timonium (the State's half mile track).

In 2017, revenue for the Maryland-Bred Fund totaled over \$7.2 million (includes approximately \$1.1 million from pari-mutuel wagering funds and \$6.1 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 2017, nearly \$1.1 million was distributed in owner awards and \$4.7 million was disbursed as breeder and stallion awards.

In 2017, breeder and stallion awards were paid for the registered Maryland-bred who finished first through third in any race in Maryland. The breeder awards were 30% and the stallion bonuses were 10% of the winner's share of the purse. For a portion of the year, a 20% breeder bonus was paid to the registered Maryland-sired winners of maiden races. In stakes races the award is based on the first \$100,000 of the gross purse. The Maryland-bred stakes program is typically planned on a meet-by-meet basis, and is based on projected revenues for the coming year.

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

The Maryland-Bred Fund program is administered by the Maryland Racing Commission with the assistance and advice of the Maryland-Bred Race Fund Advisory Committee chaired by David Hayden, a member of the Maryland Racing Commission. Other members of the Maryland Fund Advisory Committee are Georganne Hale (representing mile tracks), Andy Cashman (half-mile track), and Willie White and Larry Murray (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% 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-Bred Race Fund Advisory Committee. Owner award percentages are determined by a separate agreement. (For Maryland Million Day, breeder and stallion award percentages are determined annually). Awards are distributed as soon as is practical. The quality of Maryland-breds has improved since the Maryland-Bred Fund was initiated over 50 years ago and the program is evaluated bi-annually to ensure the most effective use of the money.

MARYLAND STANDARDBRED RACE FUND

Total purses for the year were \$1,990,755, an increase from 2016 purses. The Maryland Sire Stakes (MSS) and Maryland Standardbred Fund (MSF) combined totals for the program in each year from 1999 through 2017 are shown below:

<u>YEAR</u>	<u>MSS</u>	<u>MSF</u>	<u>TOTAL</u>
1999	\$1,171,750	\$967,620	\$2,139,370
2000	\$1,215,690	\$1,132,700	\$2,348,390
2001	\$1,142,780	\$1,039,960	\$2,182,740
2002	\$970,360	\$900,690	\$1,871,050
2003	\$947,550	\$833,250	\$1,780,800
2004	\$784,000	\$537,127	\$1,321,127
2005	\$779,104	\$627,761	\$1,406,865
2006	\$859,650	\$687,860	\$1,547,510
2007	\$816,750	\$620,200	\$1,436,950
2008	\$720,000	\$494,550	\$1,214,550
2009	\$445,000	\$315,550	\$760,550
2010	\$311,500	\$241,475	\$552,975
2011	\$447,500	\$260,250	\$707,750
2012	\$798,600	\$172,250	\$970,850
2013	\$825,997	\$529,475	\$1,355,472
2014	\$1,406,377	\$501,835	\$1,908,212
2015	\$1,210,700	\$472,585	\$1,683,285
2016	\$1,239,250	\$471,775	\$1,711,025
2017	\$1,487,775	\$412,980	\$1,990,755

Maryland Standardbred Race Fund - Total Purses by Year

