

NINETIETH
ANNUAL REPORT

2009

STATE OF MARYLAND



MARYLAND RACING COMMISSION

MARTIN O'MALLEY
Governor of Maryland

ANTHONY G. BROWN
Lt. Governor of Maryland

Alexander M. Sanchez
Secretary
Department of Labor, Licensing
and Regulation



MARTIN O'MALLEY, Governor
ANTHONY G. BROWN, Lt. Governor
Alexander M. Sanchez, Secretary
Maryland Racing Commission
J. Michael Hopkins, Executive Director

DLLR Home Page • <http://www.dllr.state.md.us>
DLLR E-mail • mddllr@dllr.state.md.us

Alexander M. Sanchez, Secretary
Department of Labor, Licensing and Regulation
500 N. Calvert Street
Baltimore, Maryland 21202

Dear Secretary Sanchez:

The Maryland Racing Commission is pleased to present you with the annual report for calendar year 2009.

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, flowing style.

J. Michael Hopkins
Executive Director

300 East Towsontown Blvd.
Towson, MD 21286



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The Commission during the year 2009 consisted of:

Chairman.....John B. Franzone

MembersMary Louise Preis
Charles G. Tildon III
Thomas W. Winebrener
John P. McDaniel
Frank F. Favazza, Jr.
David Hayden
Ernest R. Grecco
Lou Ulman

The Commission Staff:

Executive DirectorJ. Michael W. Hopkins
Deputy DirectorRobert J. Cassidy
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 Stewards.....John J. Burke II
Josette Edwards

Veterinarians:

Chief Veterinarian.....David G. Zipf
Veterinarians John F. Peacock
Thomas C. Jett

Chemists:

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

MEETING STATISTICS - 2009

Commission Meetings

In 2009, the Commission met to conduct business on ten (10) occasions.

2009 HIGHLIGHTS

REVENUE:

\$3,583,881 was collected by the State in 2009. This amount represents a decrease from the amount of revenue collected in 2008.

ATTENDANCE:

Attendance at Maryland tracks was 1,211,758 in 2009. Since attendance is not kept for patronage at Satellite Simulcast Betting Facilities and at remote tracks, recorded attendance alone is not a good measure of activity.

LEGISLATION and OTHER MAJOR EVENTS

HB 1212 – Altered the division of slots revenue between the purse account and breeders from an 85/15 percent division to an 89/11 percent division.

SB 119 – Extended the sunset termination of the Racing Commission from July 1, 2011 to July 1, 2014.

SB 1072 – Authorizes the State to acquire by purchase or condemnation for public use the private property of Pimlico, Laurel and Bowie including any other tangible or intangible property.

SJ – 2- Renamed the Maryland Million to the Jim McKay Maryland Million.

2009 RACING DATES

MILE TRACKS:

Laurel	January 1 – April 11 Simulcast Only Days	58 + <u>42</u> 100 Days*
Pimlico	April 13 – May 23 Simulcast Only Days	20 + <u>21</u> 41 Days
Colonial Downs	May 24 - July 31 Simulcast Only (69)	
Laurel	August 01 – August 27 Simulcast Only Days	11 + <u>17</u> 28 Days
Laurel	September 8 – December 31 Simulcast Only Days	56 + <u>55</u> 111 Days
	Total	280 Days

COUNTY FAIR TRACKS:

Timonium	August 28 – September 7 Simulcast Only Days	7 <u>3</u>
	Total	10 Days

STEEPLECHASE :

Fair Hill	May 23	<u>1</u>
	Total	1 Days

TOTAL LIVE:	153 DAYS
TOTAL SIMULCAST ONLY:	<u>138</u> DAYS
THOROUGHBRED TOTAL:	291 DAYS

2009 RACING DATES
(Continued)

HARNESS TRACKS:

Rosecroft	January 1 – December 31 Simulcast Only Nights	6 + <u>353</u> 359 Nights
Ocean Downs	January 1 – December 31 Simulcast Only Nights	40 + <u>339</u> 379 Nights

TOTAL LIVE:	46 NIGHTS
TOTAL SIMULCAST ONLY:	<u>692</u> NIGHTS
HARNESS TOTAL:	738 NIGHTS

TOTAL LIVE RACING DAYS AND NIGHTS	199
TOTAL SIMULCAST ONLY	<u>830</u>
GRAND TOTAL	1,029

RACE YEAR SUMMARY:

During the year 2009, there were 1,029 days and nights of licensed racing in the State, consisting of the following:

There were 291 days of licensed racing at the Mile Tracks - Pimlico 41 days and Laurel 239 days; 10 days at Timonium; and 1 day raced at Fair Hill. There were also 738 nights of licensed racing at the Harness Tracks - Rosecroft 359 nights and Ocean Downs 379 nights.

ATTENDANCE FOR CALENDAR YEARS 2007 - 2009

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Laurel	688,623	595,036	550,511
Pimlico	524,994	455,069	370,896
Timonium	<u>26,107</u> **	<u>23,022</u>	<u>22,591</u>
TOTAL:	1,239,724	1,073,127	943,998
Rosecroft	339,579	216,921	135,138
Ocean Downs	<u>132,902</u>	<u>220,133</u>	<u>117,372</u>
TOTAL:	472,481	437,054	252,510
Fair Hill	14,000	14,500	15,250
TOTAL ATTENDANCE - THOROUGHBRED AND HARNESS:	<u>1,726,205</u>	<u>1,524,681</u>	<u>1,211,758</u>

**Includes attendance from State Fair

WAGERING HISTORY IN MARYLAND
of
THOROUGHBRED AND HARNESS RACING

THOROUGHBRED STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
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
2006	297	279,978,363
2007	301	259,549,867
2008	303	225,189,800
2009	291	195,908,615

HARNESS STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
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	721	140,789,276
2006	724	130,058,639
2007	721	117,815,100
2008	727	100,559,207
2009	738	65,631,105

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

COMBINED TOTALS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
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	1,024	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

* 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>2008</u>	<u>2009</u>
<u>MILE TRACKS:</u>		
Laurel	\$133,138,481	\$121,859,539
Pimlico	<u>90,081,922</u>	<u>72,070,373</u>
TOTAL	<u>\$223,220,403</u>	<u>\$193,929,912</u>
<u>COUNTY FAIR TRACKS:</u>		
Timonium	<u>\$1,795,963</u>	1,818,136
TOTAL	<u>\$1,795,963</u>	<u>1,818,136</u>
<u>HARNESS TRACKS:</u>		
Rosecroft	\$83,534,559	50,263,593
Ocean Downs	<u>17,024,648</u>	<u>15,367,512</u>
TOTAL	<u>\$100,559,207</u>	<u>65,631,105</u>
<u>STEEPLECHASE:</u>		
Fair Hill	<u>\$173,434</u>	<u>160,567</u>
TOTAL	<u>\$173,434</u>	<u>160,567</u>
<u>SSB FACILITIES</u>	<u>\$52,507,771</u>	<u>41,360,026</u>
SUMMARY		
Mile Tracks	\$223,220,403	193,929,912
County Fair Tracks	1,795,963	1,818,136
Harness Tracks	100,559,207	65,631,105
Steeplechase	173,434	160,567
SSB Facilities	52,507,771	<u>41,360,026</u>
TOTAL	<u>\$378,256,778</u>	<u>302,899,746</u>

SATELLITE SIMULCAST BETTING

The amounts bet at the Satellite Simulcast Betting Facilities in calendar year 2009 are reflected in the following table.

Maryland Satellite Simulcast Betting Facilities

Bet At:	Cracked Claw	NorthEast	Cambridge	Riverboat
Bets on:				
MD Thoroughbred Races	1,315,124	754,115	154,448	389,727
MD Harness Races	0	0	10,588	0
Out - of -State Races	19,784,539	9,835,094	3,132,861	5,983,530
TOTAL	<u>21,099,663</u>	<u>10,589,209</u>	<u>3,297,897</u>	<u>6,373,257</u>

In 2009, SSB facilities met the prescribed food and service standards and provide a convenience to the horse racing public.

FIVE YEAR ASSESSMENT OF LAUREL

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Attendance</u> (* includes Pimlico @ Laurel) Live & Simulcast	550,511	595,036	688,623	798,795	769,814
<u>Purses</u>	20,267,180	22,545,198	28,973,186	30,306,075	23,392,376
<u>Number of days of live racing</u> (includes Pimlico @ Laurel)	125	148	148	153	134
<u>Betting on its live racing at:</u>					
Laurel	12,339,625	15,641,791	21,768,715	26,246,235	23,627,369
Other MD tracks	4,020,319	6,925,865	10,872,535	13,673,820	12,523,758
Satellite Simulcast Facilities in MD	1,513,529	2,333,342	3,815,983	3,984,733	3,342,447
Out-of-state	152,845,286	206,402,804	331,599,434	364,757,990	253,167,819
<u>Betting on other in-State races</u>	2,636,181	3,414,650	4,400,788	5,057,840	7,402,127
<u>Betting on out-of-State races</u>	106,883,733	114,082,040	127,312,028	134,049,952	144,432,586
<u>Total betting at this location on all racing</u>	121,859,539	133,138,481	153,481,531	165,354,027	175,462,082

FIVE YEAR ASSESSMENT OF PIMLICO

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Attendance</u> (* Live & Simulcast)	370,896	455,069	524,994	395,994	470,514
<u>Purses</u>	4,447,202	6,952,102	8,481,554	8,922,813	11,293,851
<u>Number of days of live racing</u>	20	31	31	31	61
<u>Betting on its live racing at:</u>					
Pimlico	7,792,638	10,748,712	12,343,805	13,288,969	15,686,999
Other MD tracks	3,444,056	3,997,525	5,249,571	9,171,465	9,159,040
Satellite Simulcast Facilities in MD	891,727	1,138,779	1,515,430	2,373,764	2,087,276
Out-of-state	115,690,400	120,491,748	146,373,605	168,447,887	180,089,980
<u>Betting on other in-State races</u>	3,349,615	4,783,598	7,387,080	9,171,465	8,234,603
<u>Betting on out-of-State races</u>	60,928,120	74,549,612	84,131,719	89,598,639	96,488,167
<u>Total betting at this location on all racing</u>	72,070,373	90,081,922	103,862,604	112,059,073	120,409,769

FIVE YEAR ASSESSMENT OF TIMONIUM

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Attendance</u>	22,591	23,022	26,107	27,548	27548
<u>Purses</u>	704,930	583,960	739,170	929,235	935,975
<u>Number of days of live racing</u>	7	7	7	8	8
<u>Betting on its live racing at:</u>					
Timonium	1,151,194	1,059,762	1,199,084	1,458,227	1,666,393
Other MD tracks	319,819	431,914	489,132	660,401	881,765
Satellite Simulcast Facilities in MD	53,710	58,525	83,536	116,707	137,240
Out-of-state	1,735,642	2,105,862	1,885,528	3,073,144	3,902,559
<u>Betting on other in-State races</u>	0	0	0	0	0
<u>Betting on out-of-State races</u>	666,942	736,201	885,211	938,530	1,033,381
<u>Total betting at this location on all racing</u>	1,818,136	1,795,963	2,084,295	2,396,757	2,699,774

*Fair attendance included.

FIVE YEAR ASSESSMENT OF ROSECROFT

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Attendance</u>	135,138	216,921	339,579	404,191	484,701
<u>Purses</u>	0	1,137,900	4,592,400	5,392,600	4,184,330
<u>Number of days of live racing</u>	6	43	86	106	97
<u>Betting on its live racing at:</u>					
Rosecroft	44,547	1,310,387	3,504,514	4,498,952	4,767,933
Other MD tracks	0	187,880	470,349	663,941	551,568
Satellite Simulcast Facilities in MD	0	68,144	177,509	170,241	266,234
Out-of-state	0	2,584,570	7,628,000	12,242,000	3,641,000
<u>Betting on other in-State races</u>	870,997	3,637,647	5,293,719	6,880,223	7,479,401
<u>Betting on out-of-State races</u>	49,348,049	78,586,525	88,680,723	98,914,952	107,588,715
<u>Total betting at this location on all racing</u>	50,263,593	83,534,559	97,478,956	110,294,127	119,836,049

FIVE YEAR ASSESSMENT OF OCEAN DOWNS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Attendance</u>	117,372	220,133	132,902	212,969	140,264
<u>Purses</u>	900,000	926,550	902,500	820,265	974,810
<u>Number of days of live racing</u>	40	40	40	40	40
<u>Betting on its live racing at:</u>					
Ocean Downs	1,754,046	1,934,469	2,018,446	2,051,340	2,056,739
Other MD tracks	187,547	292,761	273,554	430,465	280,883
MD Satellite Simulcast Facilities	44,055	46,742	64,092	84,235	65,320
Out-of-state	2,588,029	2,933,963	2,910,231	3,231,842	2,533,569
<u>Betting on other in-State races</u>	688,240	957,585	1,454,496	1,476,983	1,479,526
<u>Betting on out-of-State races</u>	12,925,225	14,132,593	16,674,221	16,443,698	17,416,963
<u>Total betting at this location on all racing</u>	15,367,511	17,024,647	20,147,163	19,972,021	20,953,228

METHOD OF TAXATION

TAKEOUT AT MARYLAND THOROUGHBRED RACETRACKS

Effective July 1, 2005

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

Timonium

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

Fair Hill

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

(1) Includes .18 for purses.

(2) Includes .25 for Pension Fund.

(3) No State tax paid during the State Fair.

METHOD OF TAXATION

(Continued)

TAKEOUT AT MARYLAND HARNESS RACETRACKS

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

	<u>2008</u>	<u>2009</u>
LAUREL		
Race Days	363*	359**
Tax to the State	711,785	684,757
License Fee	<u>5,850</u>	<u>7,550</u>
	717,635	692,307

PIMLICO

Race Days	332*	359**
Tax to the State	335,567	264,691
License Fee	<u>2,900</u>	<u>1,225</u>
	338,467	265,916

TOTAL	<u>1,056,102</u>	<u>958,223</u>
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COUNTY FAIR:

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

TOTAL COUNTY FAIR	<u>\$ - 0 -</u>	<u>-0-</u>
--------------------------	------------------------	-------------------

STEEPLECHASE:

Race Days	1	1
Tax to the State	<u>15,609</u>	<u>14,451</u>
TOTAL	<u>15,609</u>	<u>14,451</u>

*included 61 Simulcast days from Colonial Downs

**Included 69 Simulcast days from Colonial Downs

REVENUE TO THE STATE: HARNESS

	<u>2008</u>	<u>2009</u>
ROSECROFT		
Race Days	364	359
Tax to the State	260,664	159,192
License Fee	<u>9,075</u>	<u>9,050</u>
	269,739	168,242
 OCEAN DOWNS		
Race Days	363	379
Tax to the State	54,479	46,780
License Fee	<u>9,075</u>	<u>9,250</u>
	63,554	56,030
 TOTAL HARNESS	 <u>333,293</u>	 <u>224,272</u>
(Race days include live and simulcast only days)		

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

2009

THOROUGHBRED LICENSES:

393	Original Owner	@ \$50.00	\$19,650
1,551	Renewal Owner	25	38,775
64	Original Trainer	50	3,200
190	Renewal Trainer	25	4,750
123	Assistant Trainer	25	3,075
315	Owner / Trainer	50	15,750
212	Jockey	25	5,300
35	Apprentice Jockey	25	875
31	Jockey Agent	25	775
26	Veterinarian	25	650
36	Farrier	10	360
973	Stable Employee	5	4,865
511	Mutuel Employee	5	2,555
144	Vendor	5	720
246	Exercise Rider	5	1,230
356	Track Employee	5	1,780
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5,206	TOTAL LICENSES		<u>\$104,310</u>

THOROUGHBRED REGISTRATIONS:

26	Authorized Agent	@ \$10.00	260
315	Assumed Name	75	23,625
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341	TOTAL REGISTRATIONS		<u>\$23,885</u>

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

(Continued)

HARNESS LICENSES:

123	Original Owner	@ \$50.00	\$6,150
404	Renewal Owner	25	10,100
2	Original Trainer	25	50
41	Renewal Trainer	25	1,025
36	Driver	25	900
51	Trainer / Driver	50	2,550
168	Owner / Trainer	50	8,400
117	Owner / Trainer / Driver	75	8,775
13	Owner / Driver	50	650
8	Veterinarian	25	200
164	Stable Employee	5	820
82	Mutuel Employee	5	410
88	Track Employee	5	440
6	Vendor	5	30
1	Farrier	5	5
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1,304	TOTAL LICENSES		<u>\$40,505</u>

HARNESS REGISTRATIONS:

2	Authorized Agent	10	20
50	Assumed Name	75	3,750
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52	TOTAL REGISTRATIONS		<u>\$3,770</u>

THOROUGHBRED AND HARNESS

TOTAL RECEIPTS FOR LICENSES & REGISTRATIONS ISSUED: \$172,470

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>2008</u>	<u>2009</u>
Mile Tracks	\$1,447,012	\$1,448,889
Harness Tracks	597,555	335,660
County Fair Track	0*	0*
Steeplechase	1,951	2,446
SSB	<u>0**</u>	<u>0**</u>
TOTAL UNCASHED PARI-MUTUEL TICKETS	\$2,046,518	\$1,786,995

*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>2008</u>	<u>2009</u>
<u>MILE TRACKS:</u>		
Track License Fees	\$8,050	\$8,775
Tax on Betting	1,047,352	949,448
Licensing Fees	111,940	104,310
Registration Fees	28,915	23,885
Uncashed Pari-Mutuels	<u>1,447,012</u>	<u>1,448,889</u>
TOTAL DISBURSEMENTS MILE TRACKS	<u>\$2,643,269</u>	<u>\$2,535,307</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	\$18,150	\$18,300
Tax on Betting	315,143	205,972
Licensing Fees	53,350	40,505
Registration Fees	4,200	3,770
Uncashed Pari-Mutuels	<u>597,555</u>	<u>335,660</u>
TOTAL DISBURSEMENTS HARNESS TRACKS	<u>\$988,398</u>	<u>\$604,207</u>
 <u>STEEPLECHASE:</u>		
Tax on Betting	\$15,609	\$14,451
Uncashed Pari-Mutuels	<u>1,951</u>	<u>2,446</u>
TOTAL DISBURSEMENTS STEEPLECHASE	<u>\$17,560</u>	<u>\$16,897</u>
 <u>OTB'S:</u>		
PERMIT FEE	\$2,500	\$2,500
Uncashed Pari-Mutuels	**	**
TOTAL DISBURSEMENTS O.T.B.	<u>\$2,500</u>	<u>\$2,500</u>
 <u>TOTAL ALL DISBURSEMENTS</u>	 <u>\$3,651,727</u>	 <u>\$3,158,911</u>

(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:

	<u>2008</u>	<u>2009</u>
Tax on Badges & Admissions	\$484,992	\$283,085
Sales Tax on Horses Claimed	<u>443,990</u>	<u>141,885</u>
TOTAL DIRECT DISBURSEMENTS TO STATE	\$928,982	\$424,970
<u>TOTAL ALL DISBURSEMENTS TO STATE COMPTROLLER</u>	<u>\$4,580,709</u>	<u>\$3,583,881</u>

STATEMENT OF ACTUAL EXPENDITURES

JANUARY 1 TO DECEMBER 31, 2009

SALARIES & BENEFITS

Commission Personnel	<u>\$402,201</u>
Total Salary Expenses	<u>\$402,201</u>

OFFICE EXPENDITURES:

Telephone and Postage	\$19,501
Travel Expenses	\$9,944
Motor Vehicle Operation	\$7,092
Contractual Services, i.e., Printing, Repairs, Equipment and Leasing, Court Expenses, Transcript of Hearings	37,938
Office Supplies	7,115
Office Equipment Additional	11,609
Fixed Charges, i.e., Rent, Insurance, Subscriptions and Dues	42,708
Total Office Expenses	<u>\$135,907</u>

TOTAL EXPENDITURES AND DISBURSEMENTS (7)	<u>\$538,108</u>
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OTHER DISBURSEMENTS:

Grants	\$2,310,000
Impact Aid	\$1,264,400
Other:	
Fair Hill	\$14,451
Maryland Standardbred Race Fund	8,718
Maryland-bred Race Fund	20,342
MD. Agric. Edu. & Rural Dev. Asst. Fund	25,187
Total Other:	<u>\$68,698</u>
TOTAL OTHER DISBURSEMENTS	<u>\$3,643,098</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 2009

ASSOCIATION OF OFFICIAL RACING CHEMISTS OFFICIAL SAMPLES ANALYZED DURING CALENDAR YEAR 2009

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	2,482	2,794	5,276	21
Standardbred	470	535	1,005	10
Human	<u>40</u>	<u>0</u>	<u>0</u>	<u>0</u>
2009 Totals	2,992	3,329	6,281	31

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

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
2006	\$741,868.00
2007	\$977,423.00
2008	\$723,852.00
2009	\$476,211.00

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 2009 was \$ 225.00

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 2009, revenue for the Maryland-Bred Fund totaled over \$2.4 million (includes approximately \$1.7 million from pari-mutuel wagering funds and \$700,000 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 \$1.2 million to purses and owner awards and \$1.0 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 10 to 15 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 15 percent of the winner's share of the purse, and stallion awards have varied between 5 and 7.5 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 John Franzone, a member of the Maryland Racing Commission. Other members of the Maryland Fund Advisory Committee are Georganne Hale (Representing the mile tracks), John H. Mosner, Jr., (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 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 \$ 760,550, a decrease from 2008 purses. The Maryland Sire Stakes (MSS) and Maryland Standardbred Fund (MSF) combined totals for the program in each year from 1991 through 2009 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