

REPORT

OF THE

Legislative Council Committee

ON

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Maryland State Library

COMMITTEE ON RACING

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Appointed by the Legislative Council

Address Communications To
311 City Hall
Baltimore 2, Maryland

REPORT OF THE COMMITTEE ON RACING

PREAMBLE

In the decade from 1950 to 1960, the population of Maryland has grown from 2,343,001 to 3,074,860, an increase of 731,859, or 31.2%. This puts Maryland at the top of the states in the Fifth Federal Reserve District and ninth in the United States from the standpoint of growth rate.

Population growth has been concentrated in the area lying around a line extending from New York to Washington running through Philadelphia and Baltimore, except for Baltimore City itself. The amazing growth in Maryland along this line is shown in the table below:

<i>% Population Growth 1950-60</i>	
Maryland	31.2%
Prince George's County	83.6
Montgomery County	106.0
Anne Arundel County	75.6
Howard County	55.5
Baltimore County	81.5
Harford County	48.3
Cecil County	44.9

The counties south of Washington have grown too but not at as spectacular a rate. The growth of these counties is a result of the exodus from Washington to the suburbs. Figures for these counties are shown below:

Charles County	39.1%
St. Mary's County	33.5%
Calvert County	29.4%

Baltimore City, on the other hand, has lost population because of the movement of urban population to suburban areas. So has Washington lost population during the past decade.

Baltimore City	Minus 2.9%
District of Columbia	Minus 7.1%

The other counties in Maryland have shown growth of population at lower rates than the State as a whole. Garrett, Allegany, and Somerset Counties have lost population over the past ten years.

If one measures the growth of racing by the total pari mutuel handle, the pattern is encouraging. (1959 figures are used since 1960 racing was not completed at the time this report was prepared.)

	<i>Racing Days</i>	<i>% Increase</i>	<i>Pari Mutuel Handle</i>	<i>% Increase</i>
1950	230		\$100,143,879	
1959	281*	22%	168,491,793	68%

* This includes six days carried over at Bowie from 1958 for days lost because of weather in 1958.

However, the pattern of the population in Maryland has changed and the structure of racing has not changed in full accordance with the changes of the conditions in which racing exists. Also, the major growth in racing

came in the first half of the decade. Only moderate growth has been manifest in the second half.

It is for that reason the following study has been made. It is the aim of the Committee in making this study to insure that Maryland racing exists as a sport in an atmosphere and within a structure accommodated to the conditions which exist today, and to insure that Maryland racing will be adequately adapted to the future when there will be increased competition making a well-integrated and strong Maryland racing circuit an absolute necessity if Maryland racing is to continue to prosper and to grow as a sport.

PURPOSE

The purpose of this study is to set forth specifically and in detail means of bettering Maryland racing now and of providing an atmosphere for orderly growth to the advantage of the Maryland livestock and agricultural industry, the race track customers, the horsemen, jockeys, and others who make their living at the race tracks, the track owners and managers, and the State of Maryland.

CONCLUSIONS

1. The Baltimore-Washington area is one of the most dynamic in the United States and is capable of supporting the present 276 days of racing (plus two days of steeplechasing) if racing is of such a quality as to be attractive to the public and to horsemen. To extend the total number of racing days at this time is considered inadvisable from the standpoint of public acceptance.
2. Thoroughbred racing at mile tracks in 1959 yielded 78% of the State's racing revenue with only 44½% of the racing dates. Thoroughbred racing at mile tracks suffers from fragmented schedules and competition for both dates and customers from harness racing and half-mile racing. Any sacrifices in days of racing or schedules will yield better and more profitable racing if those sacrifices are made at the expense of the lesser interests.
3. If it is impossible for a half-mile racing association to support high-quality racing on adequate and satisfactory premises, the Committee suggests that the Racing Commission treat the racing days allocated to that association as racing days *per se*, either allowing them to revert to the State for re-allocation or allowing for purchase of the association by other interests and transfer of the days of racing to adequate approved premises on which racing of any type is now authorized, such a re-allocation or transfer of dates to result in no net diminution of net revenues to the Fair Board from racing. Seventeen of Maryland's twenty-two fairs and six livestock shows are now conducted without pari mutuel wagering on racing conducted by the particular fair.
4. Harness racing is the beneficiary of the most favorable tax structure of any of the three forms of Maryland racing (mile, half-mile, harness), yet harness racing yields the least *per diem* revenue to the State.
5. No track nor any interest ought to receive any special consideration with respect to taxes or adherence to rules and directives of the

Racing Commission. If a track needs special consideration in order to operate, its racing days ought to revert to the State to be allocated where they will do more good for racing and for the State.

6. Consolidation of racing facilities at mile, half-mile, and harness tracks is desirable and ought to be encouraged through absorption, purchase, merger, or abandonment in order that capital expenditures for physical plant and equipment can be concentrated and therefore more effective and so that a more orderly scheduling of racing is possible. It is not the intent of this Committee that all of the present 276 days of racing eventually be allocated to mile tracks.
7. Winter racing, while not conducive to the highest quality racing, does utilize Maryland's climatic advantage over those states farther north and does produce, in addition to opportunities for horsemen and for patrons to enjoy racing, relatively rich revenues for the State and therefore ought to be continued.
8. The quality of thoroughbred racing can be raised by increasing purses for the better grade (but not the lowest grade) horses.
9. The institution of a Maryland-Bred Racing Fund will enhance and be a benefit to both racing and breeding in Maryland.
10. It is the recommendation of the Committee that, under the present structure of 40 days of racing at each mile track, split meetings ought to be eliminated. In order to achieve a competitive advantage, it is our recommendation that the Racing Commission schedule continuous meetings at all mile tracks starting in 1962. If, in the future, total racing days available to the mile tracks will allow split meetings of not less than 25 days each, the question of split meetings can then be reconsidered, with all mile tracks being treated the same.
11. This Committee recommends eight races per day at mile tracks except on Saturdays, holidays, and stake days at which times not more than nine may be run if the track so wishes.
12. Carrying over of racing days lost by weather or other cause from one year to the next does not make for orderly scheduling of racing. Thus, provision ought to be made for making up all racing days lost within the same calendar year.
13. It would not necessarily be detrimental to the State to allow a private interest to experiment with night racing at its own risk and at its own expense with no financial or other responsibility whatsoever to be borne in any way by the State.
14. One of the key factors in having improved racing in Maryland is the strength and vigor of the Racing Commission. Provision for greater strength of the operating arm of the Commission is desirable.
15. This Committee recommends that special interests not be specifically represented on the Racing Commission. The Commission as it is presently constituted wherein all the members are impartial to special interests is the most satisfactory method of administering racing subject to Conclusion 14 above.
16. The Racing Commission must be cognizant of any conflict of interest arising from out-of-state ownership of race tracks by Maryland interests and the Racing Commission must be alert to take any action necessary to prevent any injury to Maryland racing arising out of any such conflict of interest.

17. The pari mutuel take of 12% gives Maryland mile tracks a competitive advantage. The tracks have not exploited this advantage whatsoever. It is recommended that the tracks utilize this competitive advantage fully. The State ought to observe carefully the exploitation by the tracks of this advantage. If it is not exploited successfully, the State ought to consider the subject further.
18. Cooperation among the mile tracks in the allocation of stalls, keeping facilities available for training, and in public relations and publicity is essential to the maintenance of Maryland's competitive position as a major racing state. The present mutual antagonism and distrust among the mile tracks is detrimental to the orderly conduct and the quality of Maryland racing. If this situation is not remedied, the State ought to take any steps necessary. As a corollary to cooperation among the tracks, the mile tracks ought to make every effort to enlist the cooperation of State and local police to facilitate traffic flow on big race days and of the Roads Commission in planning new roads to provide easy access to the tracks.
19. The Committee feels any unusual means of stimulating betting at Maryland race tracks are not suitable for introduction into the picture at this time. Among "unusual means" the Committee would include Pic-Six type betting and any form of off-track betting.
20. Spouses of owners, trainers, and jockeys, ought to be eligible for passes, such passes to be issued upon application in conjunction with passes issued to their spouses.
21. A Legislative Council Committee ought to be established on a continuing basis to provide a current and continuous liaison between the General Assembly and the Racing Commission.
22. A review of the details of this report ought to be made the last quarter of 1961.

I. Purses

It is generally agreed that the size of the purses to be run for attracts owners or induces them to race somewhere else where the purse structure is richer.

<i>Percentage of Track's Take to Purses</i>	<i>Per Diem Attendance 1959</i>		<i>Per Diem Total Net Purses Dis- tributed 1959</i>	<i>Minimum Purses</i>	<i>Per Diem Mutuel 1959</i>
45.87—50.19	11,539	Maryland	33,925	2,500	\$1,030,051
42.68	13,776	Delaware*	35,850	2,500	\$1,120,001
42.38—43.02	19,661	New Jersey	41,663	3,000	\$1,778,723
43.38—51.62†	23,217	New York*	57,000	3,500	\$2,244,538

* Non-profit racing

† Excluding Saratoga

It is apparent from the figures above that Maryland is on the low side in total purse distribution when major Maryland racing is compared with that in those states with which Maryland is competitive. The obvious remedy is simply to raise the amount of money devoted to purses. The answer is not that simple because there must be enough left for the track owners to operate other departments.

The amount of purses paid out each day in Maryland is directly related to the pari mutuel handle as established by agreement between the organization representing the horsemen and the track managements, 48% of the track's share going into purses. It will be noted from Column 1 in the foregoing table that the percentage of the tracks' take going into purses in Maryland is more favorable for the horsemen than is that percentage in Delaware (non-profit racing) or New Jersey. The Maryland proportion going to horsemen compares more than favorably with that in New York where racing is conducted on a non-profit basis. Saratoga is not included because that track is maintained purely as an institution. At Saratoga, 96.78% of the track's share of the pari-mutuel handle goes into purses. Obviously no business can be conducted on 3.28% of 6% of the pari mutuel handle.

Considering that Maryland has a very favorable purse structure from the standpoint of the proportion of the total monies available distributed and taking note of the fact that Maryland is limited not by penury on the part of the tracks, but by the number of people who come racing in Maryland, we must look to some other means of raising purses without destroying the tracks' ability to operate at all.

One obvious way to create more purse money is to make the customers pay for it, i.e., raise the pari mutuel bite 1% and put it all into purses. That would, on the basis of 1959 figures provide \$10,300.00 more for purses per day average. It would, however, destroy one large although completely unexploited advantage Maryland possesses, the lowest pari mutuel bite in the east.

There are many who contend that the customer doesn't know or care what the pari mutuel take is. Informed testimony before the Committee strongly indicates that the hard core of day-to-day bettors do know and care what the pari mutuel bite is. The large bettor, many times, bets thousands of dollars for a horse to show and pay him as little as 10% on his investment. An increase of only 1% in the pari mutuel bite from 12% to 13% could reduce his return on a large show bet from \$2.40 to \$2.20 a reduction of 50%. It is obvious that anybody betting large sums of money to make a relatively small profit could hardly help but be aware of this.

That Maryland has the most favorable pari mutuel take for the bettor is a selling point. That this has not been sold to the public by the tracks is extremely unfortunate.

One way of raising the level of purses in each race and at the same time raising the quality of Maryland racing was suggested by the horsemen themselves. Since it is the horsemen who make their livings from the purses, their recommendation ought to be heard.

The Horsemen's Benevolent and Protective Association suggests reducing the number of races per day from nine to eight. They say eight races are all that the pari mutuel wagering can sustain if Maryland wants quality racing.

None of the tracks in Maryland or elsewhere has any evidence to support the contention that nine races produce more net revenue than eight. It is generally agreed that nine races raise betting about 5%, although there is no evidence to show that normal growth would not have raised the betting anyway.

Per Diem Pari Mutuel Handle

	1958 (8 races)	1959 (9 races)
Bowie	\$ 920,000.	\$1,016,000.
Laurel	\$1,084,000.	\$1,065,000.
Pimlico	\$ 951,000.	\$1,030,000.

The figures in the table above show that betting at two of the mile tracks on a *per diem* basis increased from 1958 to 1959, whereas comparable figures for the third mile track show a decrease. The two tracks showing a *per diem* increase are the tracks with winter racing and it will be recalled that the winter weather both at the beginning of 1958 and the end of the year was severe. In any case, however, it would be difficult to prove from these figures that nine races produce any more wagering than eight. Also, it must be pointed out that nine races cost more than eight to run. In addition to the purses, there are the expenses of paying pari mutuel sellers and cashiers for an additional race, keeping all the plant facilities in operation longer each day, and so forth. Furthermore, nine races must be run with shorter intervals between races which may reduce the betting by shutting out late bettors.

It is therefore recommended that the Racing Commission require the three Maryland mile tracks to reduce the number of races per day to eight and distribute the same total purse monies (fixed percentage of the pari mutuel take) as are now spread over nine races, except on Saturdays, holidays, and stake race days, when the tracks at their own discretion may have nine races. It is further recommended that the monies available from deleting one race from the schedule, (a minimum of \$2,500) be added half to the highest priced race on the program and half to the next highest, excluding stakes, if the highest purse on the program does not exceed \$7,500. If the highest priced race written for the day does exceed \$7,500, the added \$2,500 available will be put on to the purses of the next two highest priced races.

The reason for adding the ninth race monies on to the highest priced races instead of raising the minimum purse is to attract more of the better horses. Maryland has all it needs of the horses which will run for a \$2,500 purse. They have nowhere else to go.

As a further means of increasing purses and consequently the quality of Maryland racing, as well as to revive the Maryland thoroughbred breeding industry, it is recommended that a Maryland-Bred Racing Fund be established by legislation, such Fund and method for accumulating and distributing it to be patterned after that which has proven so highly successful in Illinois. Before making specific recommendations as to how this fund would be established, here are the words of Mr. Paul Serdar, former Chairman of the Illinois Horse Racing Board (Racing Commission), on the benefits to Illinois. He says:

“The Illinois Racing Program has succeeded beyond our wildest expectations. The program is expanding rapidly . . .

“Several of the track managers in the State of Illinois were skeptical and very much concerned . . . today they are the most enthusiastic supporters of the plan . . . there is an increase in revenue . . . and, of course, this brings into competition a high calibre of material . . .

“Illinois has grown from the bottom of the list (number of thoroughbred foals registered with the Jockey Club) to the third leading state in the nation.” (Note: Illinois moved from 8th in 1957 to 4th in 1959)

The Illinois Racing Program to which Mr. Serdar refers is a program whereby a portion of the revenue from the ninth race is set aside to provide a pool of \$500,000.00 to be distributed at Illinois tracks in races for Illinois-bred horses.

It is recommended that a similar fund be established in Maryland for the dual purpose of (1) providing more purse money to attract better horses to provide higher quality racing to attract more attendance and wagering at the tracks and (2) of reviving the Maryland thoroughbred breeding industry which several witnesses before this committee testified is waning.

A) A fund of \$600,000 would be established starting in 1961, such fund to be exclusively for purses at Maryland mile tracks for thoroughbreds conceived in Maryland by a stallion standing in Maryland and foaled in Maryland out of a mare domiciled in Maryland for the entire year of the cover producing the foal and the entire year in which the foal is dropped. If the stallion was brought into the State before the breeding season and had not stood for service in any other State in that calendar year, upon specific application to the Racing Commission, the owner may request and the Commission can order that foals of the stallion's service in Maryland are eligible for Maryland-Bred races. Likewise if a stallion leaves the State in the year of and after service for good cause, including sale of the stallion, and again on application to it, the Commission may order that foals of the stallion's service are eligible for Maryland-Bred races. A similar provision for mares leaving the State for good cause after the foal has been dropped would be provided. Income to the fund would commence in 1961. Since it would be impossible to distribute proceeds from the fund to foals conceived under the rules governing the distribution of the fund until 1964 and impossible to have it apply to horses as old as four until 1966, schedules for distribution, during the years of 1961 through 1965 are detailed below as well as final rules.

1. During 1961, eight races will be run at each mile track for a purse of \$5,000.00 for horses foaled (per Maryland Breeders Association registration certificate) in Maryland. This purse will be paid out of the Maryland-Bred Racing Fund and will be over and above the percentage of purse distribution agreed upon between the horsemen and the tracks. The tracks may add to these purses if they wish. Other than in the months of January, February, March and April, two races (25% of the total) at each track shall be for two-year-olds. No race for horses over the age of two shall be less than a mile. Other than in the months of January, February, March and April, the following distances are applicable. Two races (25%) per track under the Maryland-Bred Racing Fund shall be under a mile and a quarter. Two races (25%) per track shall be over a mile and a quarter, but not over a mile and a half. Two races per track (25%) shall be no shorter than a mile and a half. Under the Fund, during January, February, March and April, no race shall be shorter than one mile.

2. In 1962—same as 1961

3. In 1963—same as 1961.

4. In 1964—two races per week with purses paid from the Maryland-Bred Racing Fund of which one-half the races are for two-year-olds conceived under the Maryland-Bred Racing Fund plan by a stallion standing the entire year of cover in Maryland out of a mare domiciled in Maryland the entire year of both cover and foaling, the foal being dropped in Mary-

land. No race for two-year-olds after September 1 will be at a distance less than one mile. These races will carry purses of \$12,500 each. The other half of the races will be for older Maryland-Breds (per Maryland Breeders Registration Certificate). These races will carry purses of \$5,000 each. The races for older horses, except during January, February, March and April will be a mile or more with 25% between a mile and a mile and a quarter, 50% between a mile and a quarter and a mile and a half, and 25% not less than a mile and a half.

5. In 1965—two races per week shall be run under the Maryland-Bred Racing Fund plan with half the races being for two-year-olds and half for three-year-olds foaled in Maryland by a stallion standing the entire year of his service producing this foal in Maryland out of a Maryland mare. Each race shall be run for a purse of \$12,500 to be paid from the Maryland-Bred Racing Fund. The tracks are free to add to the purses if they wish. The distance provisions shall be the same as in 1964.

6. In 1966 and thereafter—two \$12,500 races per week for Maryland-Breds as defined above, with not more than 25% for two-year-olds and the rest for older horses with the distance provisions remaining the same after April.

When fractions or percentages as set forth above occur, the fraction shall be assigned to the race for older horses or to the longer race.

If any of these races fails to draw five separate entries, the purse shall remain in the Maryland-Bred Racing Fund.

B) This fund must come, of course, from racing itself. There are several reasonable possibilities. The one detailed below appears to be the most feasible.

The total breakage in 1959 amounted to \$1,570,640. This breakage was divided half to the State and half to the mile tracks. It is suggested that one-third of the breakage going to the State and one-third of the breakage going to the tracks be diverted to the Maryland-Bred Racing Fund, such diversion going directly off the top of the pari mutuel receipts. Such contributions (based upon 1959 figures) would cost the tracks roughly \$42,000 net and the State \$261,773 each year after the plan has reached its maximum pay-outs in 1964. The cost will be only a fifth (a little over \$8,000 net per track and a little over \$50,000 by the State) of that amount up to 1964, although the salutary effect upon Maryland livestock breeding would be immediate. Losses in revenue to the State and tracks would be temporary because they would be offset by increases in betting under the Maryland-Bred Racing Fund as well as by the immediate growth of the Maryland breeding industry. In the first year of the operation of the Fund, the contributions to the Fund would amount to (based on 1959 figures) \$523,546 with pay-outs amounting to \$120,000. When the amount in the Fund reaches \$600,000., further contributions by the State and the tracks will cease until the Fund by reason of distributions in purses drops below \$250,000, at which time contributions by the tracks and the State will resume until the Fund is brought up to \$600,000. Funds will be under the supervision of the Racing Commission and purse distribution will be made by the Racing Commission. Funds will be deposited with the Comptroller. Idle funds will be invested in United States treasury bills only with income from such investments accruing to the Maryland-Bred Racing Fund.

The Maryland-Bred Racing Fund must not be allowed to influence normal purse distributions as agreed upon between the track and horsemen. All Maryland-Bred Racing Fund purses must be over and above and in addition to any purses, stakes, or breeders' bonuses and not be allowed to dilute normal purse distribution.

The purpose of including provisions for the distances of the races to be run is to encourage the importation of quality stallions and mares into Maryland to breed long-running horses to run for the Fund purses. A corollary effect would be to put the stamp of quality on foals bred in Maryland which would enhance the stature of Maryland as a breeding center throughout the world. These distance specifications are a bold step, but they would make "Maryland-bred" a hallmark of quality and would engender favorable publicity for Maryland breeding and racing. Also, longer races have been shown to produce more betting than short races.

The effects of this Fund program when it reaches full stature by 1964 would be to add \$25,000 per week to Maryland purses. This alone would raise the average daily purse distribution to \$38,092 (based on 1959 figures) which is higher than Delaware's and not far below New Jersey's (see table at beginning of this section). If the additional money is distributed as suggested hereinbefore to the better class horses, the Maryland purses can be used not only to stay even with, but to draw horses from New Jersey. None of these purse advantages ought to go to the cheapest horses. It is unfortunate for the cheapest horses, and for their connections, but to foster mediocrity is not the way to build Maryland racing. There are always plenty of the cheap horses and too few of the good ones.

Another way of looking at the effect of the Maryland-Bred Racing Fund and going to eight races is to consider the "as if" effects. Although actually only the \$25,000 per week is added to the purses the effect available to the tracks of raising purses for the better horses is as if \$2,500 per day were added by eliminating the ninth race, another \$833 per day were added by eliminating two purses per week which the tracks must pay out by means of the Maryland-Bred Racing Fund, and, of course, adding the physical sum of \$25,000 per week, or \$4,167 per day from the Maryland-Bred Racing Fund. Below is shown the effective funds which can, if properly used by the tracks, amplify the monies available for better horses.

	<i>Per Diem</i>
Present daily distribution	\$33,925.00
Nine to eight races (normal day)	2,500.00
Purses released by Fund (average)	833.00
Money added by Fund (average)	4,167.00
Total	\$41,425.00

This structure or way of looking at the effects of the Fund and the eight races (if properly used by the tracks) brings Maryland up to the level of New Jersey and far above Delaware. To repeat, the effect would be dependent upon the use of these monies by the tracks to raise the purses for the better horses and leave those for the cheaper horses low.

It must be clearly stated in the law that the Fund purses are not to be used by the tracks to reduce the present purse distribution in the bargaining between the tracks and the horsemen. The Racing Commission will have to be diligent in enforcing this by whatever means is necessary or else the overall purse advantage of the Fund purse distribution will be lost.

Another aspect of the Maryland-Bred Racing Fund is that the success of Illinois with a similar plan has drawn breeding stock from other states. (See table below) It would seem reasonable that other states will commence setting up plans like this as a matter of protecting themselves from losing breeding stock. If Maryland comes in early, this State will

be established and other states will, over the next several years, have to defend themselves against Maryland. If Maryland tarries, we will probably find ourselves being forced into such a plan later anyway with only the lessened advantages of a tardy and defensive measure.

THOROUGHBRED FOALS REGISTERED WITH THE JOCKEY CLUB

1957			1958			1959		
	No. of Foals	%		No. of Foals	%		No. of Foals	%
Kentucky	3,061	28.5	Kentucky	2,934	26.3	Kentucky	3,093	25.6
California	1,502	14.0	California	1,560	14.0	California	1,687	14.0
Virginia	625	5.8	Virginia	635	6.9	Virginia	700	5.8
Maryland	485	4.5	Maryland	523	4.7	Illinois	529	4.4
Texas	346	3.2	Texas	370	3.3	Maryland	424	3.5
Oklahoma	270	2.5	Illinois	352	3.2	Texas	384	3.2
Washington	269	2.5	Oklahoma	313	2.8	Washington	339	2.8
Illinois	267	2.5	Washington	303	2.7	Oklahoma	331	2.8
Florida	237	2.2	Florida	277	2.5	Florida	312	2.6
Colorado	222	2.1	Penna.	253	2.3	Penna.	254	2.1
Total all States, Hawaii, Puerto Rico, Canada, Cuba, and Mexico	10,757	.		11,159			12,039	

SOURCE: RACING CALENDAR

II. Mile Racing

It is not the province of this Committee to suggest a schedule for the allocation of racing dates at mile tracks. However, the testimony and the data presented to this Committee have brought out a number of important factors which we feel must be considered by the Racing Commission in the allocation of racing dates.

The present schedule of split meetings at two of the major tracks with one meeting per track being a twelve-day meeting are unsatisfactory because it is not worthwhile for horsemen to bring horses to a track for a twelve-day meeting. No testimony heard by this Committee disagreed with that premise. It is therefore recommended that, under the present structure of 120 days of mile racing divided equally among three tracks, split meetings be eliminated. Looking to the future, the Committee believes that, if additional days of racing become available to the mile tracks, there may be a point at which a continuous meeting at one track becomes too long and public interest flags. When the racing days become available to mile tracks, it is the feeling of this Committee that split meetings of not less than 25 days each could be considered with each track being treated equally.

One of several compelling reasons for the recommendation by this Committee that Maryland's 40-day meetings be consecutive is to provide Maryland tracks with something better to offer horsemen.

Winter racing in Maryland may not be the highest quality racing, but it does provide racing free of competition from other major tracks in the middle Atlantic states. The relation between competitive and non-competitive racing is demonstrated by the figures below:

Average Saturday Betting (April 1960)

Before Garden State Opened	1,736,422
After Garden State Opened	1,351,950
Ratio of before to after	1.28

It is therefore the recommendation of this Committee that the Racing Commission bear in mind in the allocation of racing dates that non-competitive racing dates provide the best revenue. We must face the fact that in the future Maryland may have to meet increased competition and not have non-competitive dates available. Therefore, it is necessary to establish an integrated racing circuit.

The facts show that Saturday racing produces nearly twice the betting that is produced on week days.

1960 Average Handle

	<i>Saturday</i>	<i>Weekdays (Including holidays)</i>	<i>Ratio of Saturday to Week</i>
*Bowie	1,772,269	892,854	1.99
*Laurel (spring)	1,591,754	905,235	1.76
**Pimlico (spring)	1,405,795	697,738	2.01

* Non-Competitive
** Competitive

Because of the ratio of Saturday betting to betting on week days, it is the suggestion of this Committee that every effort be made by the Racing Commission in scheduling mile-track racing to include as many Saturdays as possible even if that means a few dark days either during meetings or between meetings. It must be pointed out that racing at Garden State Park, Hollywood Park, and Santa Anita is conducted with a dark day during the week and those are the three most successful tracks in the country along with Aqueduct which has practically an unlimited population upon which to draw and 162 days of racing (in 1961). The 3-1/3 million population of the Baltimore-Washington area is distinctly better than that of Philadelphia-Camden and roughly half that of Los Angeles.

*1960 Population
per 1,000*

Baltimore-Washington ¹	3,328
Philadelphia-Camden ²	2,750
Los Angeles ³	6,669
New York ⁴	9,001

Horsemen would object to dark days or five-day weeks, but Garden State, Hollywood and Santa Anita get horses. It is possible that five days of racing a week over an extended season are all that can be supported by the economic potential of the areas from which our customers are drawn.

¹ Includes Baltimore, D. C., and Anne Arundel, Baltimore, Calvert, Cecil, Charles, Harford, Howard, Montgomery, Prince George's, St. Mary's, and Somerset Counties.

² Includes Philadelphia, Camden, and Camden, Burlington, and Gloucester Counties in New Jersey.

³ Los Angeles City and Orange County.

⁴ Includes Bronx, Kings, New York, Queens, and Richmond (New York City) plus Nassau County.

Further to the discussion above, this Committee feels that the Racing Commission in scheduling Maryland mile racing must give thought to the creation of a circuit integrated with Delaware's summer thoroughbred racing. If horsemen can be offered a circuit of Maryland-Delaware-Maryland racing, they would be attracted to race in Maryland. A year-round racing circuit in the Maryland-Delaware area would be an attraction to horsemen which would hardly be hurt by the inconvenience of a few dark days. That there is already a natural Maryland-Delaware circuit is demonstrated by the figures below:

% Maryland Bred Winners

Bowie (1960)	18%
Laurel (1960 spring)	19%
Pimlico (1960 spring)	25%
Delaware (1960)	22%

The importance of solidifying a Maryland-Delaware circuit is brought more clearly into focus by the possibility of Pennsylvania's entering thoroughbred racing and establishing its circuit integrated with Delaware.

Within the framework of limiting Maryland racing to a total of 276 days (not including two days of steeplechasing at Fair Hill), this Committee wants to point out that mile racing yields the greatest revenue to the State, the tracks, and the horsemen. The figures given below demonstrate the relative importance of mile, half-mile, and harness racing.

Per Diem Revenues to the State, 1959

Mile tracks	\$58,735.24
Half-mile tracks	\$14,719.46
Harness tracks	\$12,703.49

On the basis of these figures, it is the recommendation of this Committee that any consolidation of facilities or reversion of racing dates and subsequent re-assignment be done with the view toward amplifying and consolidating mile racing, and, over a period of time, provide mile racing in the fine racing weather of September and October.

In connection with the amplification of mile racing, this Committee would like to suggest that the Racing Commission be extremely rigid in demanding that the physical facilities of all racing plants be kept modern and efficient in all respects. The Racing Commission, we feel, must demand that those things which in its judgment must be done are done. The Racing Commission ought not to allow any racing association to plead lack of funds in the Racing Fund as a reason for not making necessary improvements because, in the case of each of the mile tracks at least, the management has clearly and flatly stated that it does not need guaranteed racing dates to support the amortization of bank loans as a means of getting such loans from banks. The management of each mile track has stated before the Committee categorically that it has private sources of funds available. Therefore, the mile tracks ought not to be able to plead lack or unavailability of funds as an excuse for not installing any improvements which the Racing Commission deems necessary to support first class racing.

III. Half-Mile Racing

Virtually the only proponents of half-mile racing are the operators of the half-mile tracks. Even some of the people who run half-mile horses have expressed the view that it is unwise over the long range to design racing to accommodate mediocrity. Nobody breeds half-mile horses because everybody would like to get a Native Dancer. Half-mile horses are simply those which cannot compete in better company.

Half-mile tracks grew up as adjuncts to county fairs. In 1920, (the first year of legalized pari mutuel wagering in Maryland and thus the first year of the existence of a Maryland Racing Commission) there were three fair tracks with pari mutuel wagering. Hagerstown had two five-day meets and Timonium and Marlboro had one each of five days. There were 47 other days of fair racing with meets of duration of as few as two days. These other fairs included Cambridge, Pocomoke, Wicomico, Montgomery County, Frederick, Cambridge (colored), and Wicomico (colored). These fair race meetings had no pari mutuel wagering.

In 1960, we had five half-mile meetings of twelve days each only one of which was staged in conjunction with a *bona fide* fair although fairs were held on the premises of all the half-mile tracks because the law required it. Even in the case of the non-profit race meeting held in conjunction with the State fair, nobody has demonstrated to the Committee that there was any connection between the racing and the fair other than financial and providing facilities and personnel. It therefore appears that the original conception of having race meets run as adjuncts to fairs no longer pertains.

In the case of most of the half-mile tracks, the fairs and the race meetings must be held separately because the premises could not support a concurrent fair and race meeting.

It must be further pointed out that there are 22 fairs plus 6 livestock exhibitions in Maryland. Only 5 of the fairs have racing and pari mutuel wagering. The necessity of having the latter to support the former (aside from racing revenues to the Fair Board, facilities, and personnel) is not clear.

Of the total of 276 racing dates per year in Maryland, half-mile tracks have 60 or 22%. (In 1959, there were 283 total days of racing because of carry overs from 1958). Of the total revenues to the State, half-mile tracks contributed only 9% in 1959. Mile tracks had 44½% of the days and yielded 78% of the total revenue to the State from racing. In 1959, half-mile racing yielded \$14,719.46 per day to the State whereas mile racing yielded \$58,735.24 per day.

One of the half-mile tracks in Western Maryland has had to petition the Racing Commission in each of the past two years to conduct its racing days at another track because it could not get horses to race. Because of increased competition and other factors it is extremely doubtful that horses could be attracted in the future.

The half-mile track in Harford County has stable facilities in such condition (inadequate and unsanitary) that the expenditure of hundreds of thousands of dollars would be required to put the premises in suitable condition for continued racing. With wagering running below \$4,000,000 in 1960 and slightly above that figure in 1959, the revenues realized by the track from betting (11% of the first \$1,500,000 bet, 6% of all over that amount, plus ½ of the breakage) for a total of \$324,325, plus ad-

mission, concessions, and so forth would be unlikely to support the normal expenses in purses and other outlays necessary to run a race meeting plus a capital investment of the order needed to make the plant first class.

The half-mile track in Southern Maryland, although it is consistently the most successful of the half-mile tracks will need to make extensive capital improvements to its premises within the next several years.

Although the other tracks in Western Maryland and the State fair track have more adequate facilities for half-mile racing, capital expenditures will have to be made over the next several years by each of these two tracks.

The situation with respect to the half-mile tracks gives rise to two problems calling for immediate attention.

The first is in connection with the track which has had to petition the Racing Commission in both 1959 and 1960 to hold its meetings at other tracks because it was unable to attract horses to hold a meeting on its own premises. By its own petition, that track can no longer conduct race meetings on its own premises. It is therefore the recommendation of this Committee that the twelve days assigned to that track revert to the State and be re-assigned to the three mile tracks (4 days for each) by the Racing Commission.

To reimburse the stockholders, it is the recommendation of this Committee that the net earnings after taxes averaged for the last five years of racing at that track be capitalized at the rate of 10% and the present appraised worth of all real and other property be subtracted from the capitalized earnings, the remainder being the amount by which the owners will be reimbursed. The reimbursement is to be borne equally by the three mile tracks and is to be paid over a period of years.

With respect to the Harford County half-mile track which is in immediate need of extensive rehabilitation, this situation must be treated differently because this track is a going concern.

It is the recommendation of this Committee that any financially responsible and financially capable private interest (or interests) approved by the Racing Commission be allowed to purchase the racing association and petition the General Assembly to transfer the racing days to adequate premises approved by the Racing Commission. If the intended purchaser is a mile track, the three mile tracks must participate jointly and equally in the purchase of the Harford County association and the racing days must be apportioned equally among the three mile tracks.

Further to the foregoing, it is the recommendation of this Committee that any responsible and approved (by the Racing Commission) interest be allowed to negotiate for the purchase of any half-mile track and be allowed to petition the General Assembly to transfer the racing days to more adequate (approved by Racing Commission) premises, with the provision that if a mile track becomes the purchaser, all three mile tracks must share equally in the purchase and in the allocation of racing days.

There is precedence for the purchase of racing associations. All three mile tracks were purchased privately by their present owners from their previous owners. There is also precedent for the joint purchase by the mile tracks of a going racing association and the equal division of the

dates and subsequent transfer of those dates i.e. Havre de Grace, subject to the approval of the General Assembly.

Since half-mile racing makes substantial contributions to the Fair Board with which the Fair Board is able to support Maryland livestock and agriculture, provisions must be made to insure the revenues to the Fair Board. There are, however, more aspects to the contributions of half-mile racing to the Fair Board than money. The five tracks provide both personnel and premises for conducting fairs. If, on the other hand, special provisions are made to provide State revenues to support a fair formerly supported (premises and personnel) by half-mile race meeting the 17 other fairs which support themselves would have some cause for complaint. Aside from insuring current revenues plus some means of transition from a half-mile meeting fair to a self-supporting fair, the problem is one for the Fair Board, but it is well to be aware of the problem.

The present law provides that half the breakage at the half-mile tracks be for the use of the Fair Board. In 1959, this amounted to \$130,380.23. It further provides that the harness tracks pay to the Fair Board 1/10% of all wagering over \$2,000,000, but not in excess of \$3,500 per track. The mile tracks contribute \$12,000 each to the Fair Board. Excepting the payments by the mile tracks, the law further provides that from one quarter of all revenues collected by the State from the half-mile tracks including breakage revenues plus such contributions from harness tracks (Fair Board tax) as is necessary, shall make up \$250,000 to be paid to the Fair Board "and used for the promotion of State and county agricultural fairs and exhibits."

If one or more half-mile tracks is absorbed into the mile circuit, the income from half-mile racing *per se* will be reduced. It is therefore suggested, in order that any consolidation of racing facilities will not eventuate in a reduction of the Fair Board's contribution to Maryland agricultural and livestock industry, the same provisions as are now in the law remain except that the Comptroller be required to pay the Fair Board the \$250,000, the sum coming from the half-mile track revenues as specified and the contributions of harness tracks as specified with any difference between the sums so available and the \$250,000 to come from the total revenues paid to the Comptroller from all types of racing. This will not work to the disadvantage of the General Fund because it is anticipated that racing days moved will increase, not decrease, total income.

In the case of a reversion of racing dates to the State, the facilities previously available for conducting a fair will be in the hands of the owners and will therefore be available for the use of fairs if the owners so wish.

It is further recommended by this Committee that Article 78B, Section 15 of the Maryland Code be revised to omit Pocomoke Agricultural Fair Association, Inc., from those authorized to be licensed to conduct racing. It is the opinion of the Committee, on the basis of the foregoing discussion, that consolidation, not further dispersion of racing, is desirable. It is further recommended that the law again be revised after the half-mile track now unable to operate or any other track not conducting racing has been disposed of, to eliminate the name of that track from the list of those authorized to be granted racing days.

IV. Harness Racing

In 1959, harness racing yielded to the State \$12,703.49 per day in revenue. Half-mile racing with half the number of days per track yielded \$14,719.46 per day to the State in revenue. Mile tracks yielded \$58,735.24 per day to the State. Harness tracks in 1959 had 33½% of the 283 days of racing available (including two days of steeplechasing plus six days of mile racing carried over from 1958) but yielded only 13% of the total racing revenue to the State. (Mile tracks, with 44½% of the racing days, yielded 78% of the racing revenue.)

The foregoing makes it apparent that harness tracks in Maryland, at the very least, ought not to be the subjects of special consideration. It is therefore the recommendation of this Committee that harness tracks be allowed to maintain their racing dates as presently allocated under the law, but that if any harness track is not able to continue operation and maintain its facilities up to the standards required to offer first class facilities to the patrons and horsemen and first class racing, such standards to be the same as required for other tracks, such harness track be allowed to sell its assets to any qualified and approved (by the Racing Commission) interest. If that interest is a mile track, all three mile tracks must participate equally in the purchase and the subsequent re-allocation of racing days. If any harness track is unable to continue operation and is not purchased, its racing days revert to the State and will be re-allocated by the General Assembly in the best interests of the State.

Any interest which purchases a harness track and is the beneficiary of the re-allocation of the racing dates will have to carry the harness track's \$3,500 per year contribution to the Fair Board.

The testimony before the Committee indicated that harness racing has little effect on thoroughbred racing unless it is conducted at the same time as flat racing and in close proximity to a flat race meeting. It is therefore recommended that the Racing Commission endeavor to schedule harness racing so that it fits as nearly as possible with the period when major flat racing is not operating. The effect upon a half-mile flat race meeting north or west of Baltimore by harness racing near Washington is considered negligible. If there must be an overlap of harness racing with flat racing, it is recommended that it be between half-mile racing north and west of Baltimore and harness racing in the vicinity of Washington.

It was agreed by all who testified before the Committee that harness racing on the Eastern Shore has no effect on any other racing in Maryland. It is therefore recommended that the Racing Commission allow the Eastern Shore harness track to operate its 24 racing days when it wishes.

The harness tracks operating south of Baltimore testified that a study of automobile license plates in their parking lots during meetings indicates that nearly two thirds of their patronage is from Washington and Virginia. In view of this source of patronage of two of the harness tracks, it is the thought of this Committee that the two tracks south of Baltimore be encouraged to combine their operations to lighten the overhead of each in order to provide for the expansion and improvement of facilities for the public and the horsemen.

V. Racing Commission

The Committee has heard the suggestion that the several interests in Maryland racing be specifically represented on the Racing Commission.

It is the opinion of the Committee that to have the several interests in Maryland racing specifically represented on the Commission would cause the Commission to be less effective in its administration of racing as a whole than it is within the framework of its present structure.

The opinion of the Committee is borne out by the opinions the Committee has heard from other states which also conduct several types of racing. The consensus is that a commission made up of persons whose attention is directed to the administration of all racing is effective and satisfactory.

With no reflection on the work being done by the present Racing Commission, it is the feeling of the Committee that the work of the Racing Commission could be facilitated by the appointment of a full-time Executive Director of Racing given sufficient authority to enforce the rules and regulations of the Racing Commission under the direction of the Commission, such Executive Director of Racing to be appointed by the Racing Commission and to serve at the pleasure of the Commission.

As a corollary to this discussion of ways to facilitate the operation of the Racing Commission, it is suggested that the Commission require that all racing associations make whatever changes in their physical facilities as are necessary or desirable to keep those facilities modern and efficient without regard to how much a particular association might at any given time have in the Racing Fund. The necessity or desirability for improvements shall be the governing factor and no racing association ought to be able to avoid the directives of the Racing Commission by pleading inadequate funds in the Racing Fund.

VI. Money-Making Devices

There are many ways which have been tried or suggested to increase wagering and thereby revenues to the State. Among those devices (commonly referred to as gimmicks) are Pic-Six type betting, off-track betting, and double racing programs (one in the morning and one in the evening).

It is the opinion of this Committee that any or all of these devices or similar devices are not suitable for introduction into Maryland racing at this time because they overemphasize the betting aspects of racing and depreciate the sport. If the present balance moves much further towards pure gambling, it is the feeling of this Committee that the ever-present opposition to racing could crystalize and put racing out of business entirely. Betting in connection with horseracing is a privilege and, if overdone, could reasonably be expected to be withdrawn by public demand.

If it is ever in the future deemed necessary or advisable from the standpoint of revenue to have off-track betting, the Committee would be inclined to suggest that the plan submitted to it in connection with this study or a similar plan would offer the best means of controlling off-track betting. The essence of the plan is to charge admission to local movie houses which are tied in with the closed-circuit television and the pari mutuels at the track so the customer can bet and see the actual races at the local movie house.

VII. Passes

The present law does not provide for the issuance of tax free passes to spouses of trainers, jockeys, and owners. It is the recommendation of the

Committee that the law be amended to provide that the spouses of trainers, jockeys, and owners be eligible to receive non-transferable passes only in conjunction with passes issued to their spouses.

VIII. Conflict of Interest, Ownership of Tracks Outside Maryland By Interests Operating Tracks In Maryland

It is the opinion of this Committee that the major or controlling ownership either directly or indirectly of a race track outside Maryland by those holding a major or controlling interest in a Maryland race track can provide the means and opportunity for that interest to have an adverse effect on Maryland racing. The Maryland Racing Commission ought to be cognizant of this fact and ought to use its authority to grant (or withhold) racing dates and other privileges in Maryland if the Maryland interest uses its outside interest to the detriment of Maryland racing. Within the concept of the foregoing is the allocation of stalls at a Maryland track as an inducement to come or penalty for not coming to a track outside the State owned by the owners (or operators) of a Maryland track and any other conflict of interest or use or abuse of a privilege which use or abuse could accrue to the disadvantage of Maryland racing in any respect.

IX. Inter Track Cooperation

The thought has been expressed before the Committee that the major tracks in Maryland make patrons feel unwelcome whereas in other states the major tracks made a studied effort to make patrons feel welcome. It is therefore suggested that the three major tracks together study ways and means of making the surroundings more congenial for the customers. Specifically, many of the personnel employed by the Maryland tracks to deal with the public are somewhat less than polite.

Further on the subject of public relations, it is suggested that the Maryland tracks actively cooperate as do the three major tracks in New Jersey in publicity and public relations.

On the same subject, it is necessary to have cooperation among the tracks on maintaining of training facilities in order to make racing in Maryland attractive and practical for horsemen. In Florida, regulations provide that the stalls and racing surfaces of all the three tracks in the vicinity of Miami must remain open while there is racing at any of the tracks. The Committee feels that the Racing Commission ought to require that all three tracks remain open and maintain their running surfaces in usable shape when any one of the tracks is operating public racing if necessary to accommodate the horses to maintain the meeting in progress.

It is the impression of this Committee that the feeling of mutual antagonism among the three mile tracks is distinctly detrimental to the orderly conduct of and the quality of Maryland racing. It is the recommendation of this Committee that if this antagonism persists to the detriment of present Maryland racing or if the antagonism inhibits the growth of Maryland racing to its heretofore unrealized potential, the General Assembly study the establishment of a non-profit corporation to run Maryland mile racing or the taking over of mile racing by the State.

As a corollary to the necessity for achieving closer cooperation among the mile tracks, this Committee, on the basis of testimony before it and on the basis of personal experience, recommends that each of the mile tracks tries to enlist the cooperation of the Baltimore City Police (in the case of Pimlico) or the State and local police (Bowie and Laurel) in

facilitating the flow of automobile traffic in and out on major racing days. The Rose Bowl Football Game in Pasadena, the Kentucky Derby in Louisville, and the Army-Navy Football Game in Philadelphia, provide notable examples of just how far cooperation of local and State police can go and the remarkable results from the standpoint of fast traffic flow which can be achieved.

This Committee further recommends that each mile track establish some liaison with State Roads Commission so that accessibility to the mile tracks can be brought to the attention of those who plan Maryland's system of highways. Accessibility to the major tracks is a factor in determining Maryland's income from racing and ought therefore to be brought to the attention of the Roads Commission by the mile track operators.

X. Carry Over of Racing Days From One Year to the Next

It is the opinion of this Committee that carrying over of racing days from one year to the next because of cancellations for weather or other emergency does not contribute to orderly scheduling of race meets. It is therefore recommended that the Racing Commission ought to consider the time of year in which racing days are granted and allow for dark days or for intervals between meets so that any days lost one year can be made up in that year and not carried over into the next year. Thus, any racing days lost in a given calendar year and not made up in the same year shall be retired and not carried over to the next year.

Although the Racing Commission at present has the authority to transfer racing dates from one track to another in event of an emergency, it is the recommendation of this Committee that days lost be made up at the same track at the same meeting at which those days are lost if possible.

XI. Night Racing

The Committee cannot predict whether night racing would be successful in Maryland or not.

The thought has been expressed that night racing is associated with inferior racing. This contention is to some extent substantiated by the fact that the only night racing in the United States is conducted at minor tracks. No major track has engaged in night racing. It is entirely possible that night racing in Maryland could further depreciate the image of Maryland racing.

On the other hand, if a private interest wishes to try night racing bearing the cost of possible failure upon itself with no liability or responsibility to the State and if that private interest can provide facilities to conduct night racing in a manner satisfactory to the Racing Commission, it is the opinion of the Committee that it would not necessarily be detrimental to the State and the Racing Commission could lend its support to such a venture.

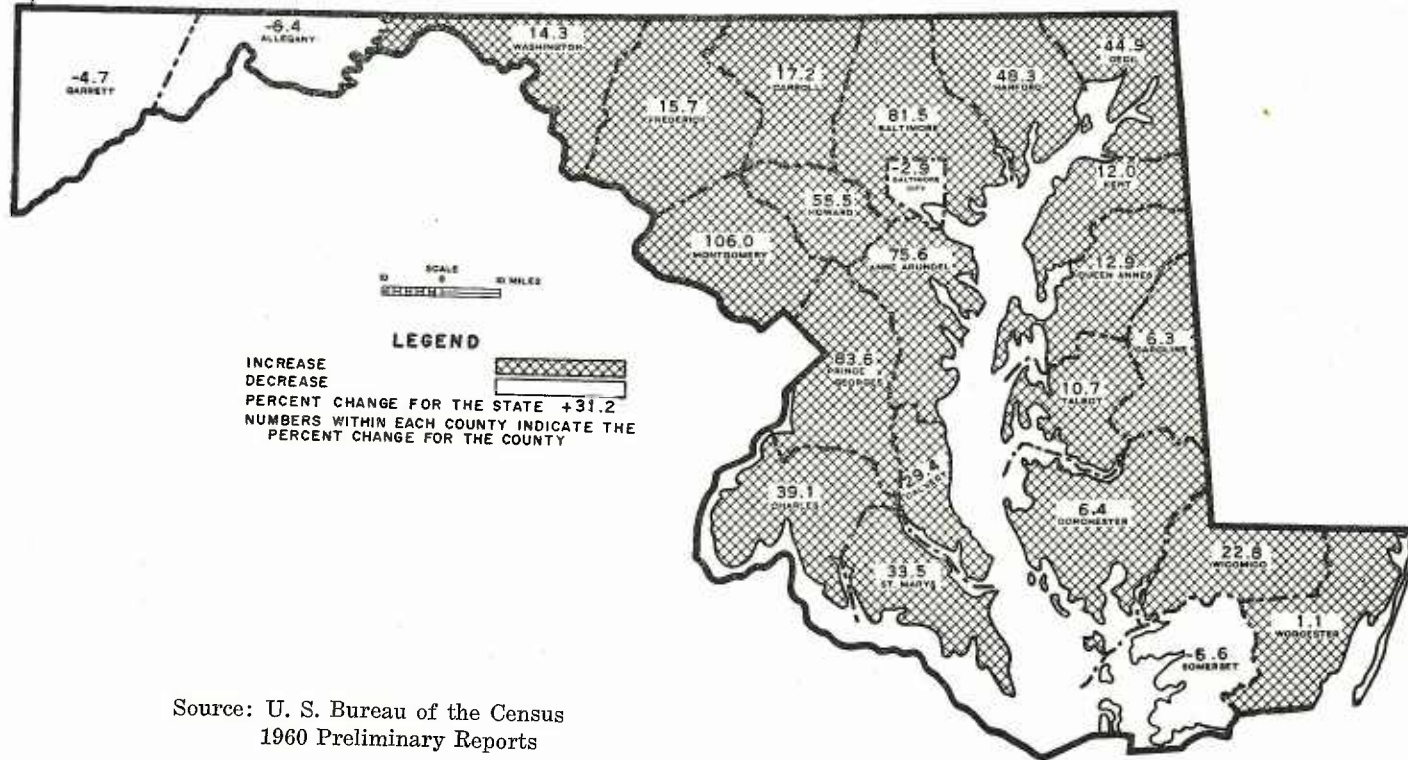
XII. Continuation of a Legislative Council Committee

It is recommended that a Legislative Council Committee to study racing be continued after the conclusion of this study for the purpose of providing a current and continuous liaison between the General Assembly and the administration of Maryland racing.

It is further recommended that this whole report be reviewed in detail in the light of current results one year from now, in the fall of 1961.

APPENDIX A
 MARYLAND

PERCENT CHANGE IN POPULATION, BY COUNTY, 1950 TO 1960
 (BASED ON PRELIMINARY 1960 DATA)



Source: U. S. Bureau of the Census
 1960 Preliminary Reports

APPENDIX B
 PARI MUTUEL TAKE, BREAKAGE, LICENSE FEES, AND
 PAYMENTS BY MARYLAND TRACKS

	Pari Mutuel Take, %	To State %	To Tracks %		Breakage, %		Daily License	Payments to Fair Board	Payments to Maryland Horse Breeders
			To Track	To Racing Fund	To State	To Tracks			
Mile Tracks	12	5	6½	½	50	50	\$1,000	\$12,000	\$3,000
Half-Mile Tracks	12	1% up to \$1,500,000, 6% over \$1,500,000	11% up to \$1,500,000, 6% over \$1,500,000		50 (for Fair Board)	50	\$50	Minimum \$250,000 paid by Comptroller from breakage plus harness track contribution. Def- icit below \$250,- 000, from ½ mile income to Comp- troller.	.....
Harness Tracks	15	3½ up to \$3,000,000, 7% over \$3,000,000	11½ up to \$3,000,000, 8% over \$3,000,000		0% if wagering under \$4,000,000 100% of all breakage for meeting if wager over \$4,000,000	100% up to \$4,000,000 0% of total breakage for meeting if wager over \$4,000,000	\$25	1/10% all money wagered over \$2,- 000,000 but not over \$3,500 total	.....

Source: Annotated Code of Maryland (1957 Ed. and 1960 Supp.)

APPENDIX C

PARI MUTUEL HANDLE

(1947-1960)

Amount Bet	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Mile Tracks														
Havre de Grace	\$22,283,831	\$15,634,486	\$18,159,185	\$17,454,177	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bowie	21,801,432	21,398,698	19,426,534	15,964,081	\$19,488,199	\$30,166,311	\$35,994,516	\$31,644,074	\$33,577,338	\$32,352,116	\$41,145,216	\$31,261,292	\$46,918,378	\$32,510,437
Laurel	23,649,019	20,687,833	15,440,474	17,395,375	30,415,411*	33,305,971	31,054,979	36,993,505	34,472,376	30,681,406	41,395,206	43,387,737	41,762,705	41,304,666
Pimlico	27,694,150	22,841,543	19,426,848	19,980,729	29,761,568*	32,402,480	32,754,864	33,347,822	35,549,491	51,284,978	34,331,899	42,087,336	41,105,345	NA
Total	\$95,428,432	\$80,553,560	\$72,453,041	\$70,974,362	\$79,626,178	95,874,762	\$99,804,359	\$101,985,401	\$103,599,205	\$114,318,500	\$116,872,321	\$116,736,365	\$129,786,428	.....
Half Mile Tracks														
Bel Air	\$3,739,425	\$3,592,754	\$3,293,908	\$2,890,078	\$3,688,964	\$3,905,322	\$4,271,770	\$3,978,963	\$3,968,360	\$4,309,952	\$3,750,154	\$4,589,829	\$4,207,048	\$3,853,075
Timonium	3,141,903	3,149,900	3,078,539	2,720,430	3,573,958	4,071,776	4,169,284	3,909,804	4,111,152	4,616,489	3,869,728	5,459,620	4,529,427	4,860,550
Cumberland	2,640,087	2,645,472	2,145,636	1,904,924	2,121,098	1,889,754	1,935,231	1,710,226	1,667,780	2,241,696	2,322,115	2,431,494	2,733,872	4,639,445
Hagerstown	2,543,416	2,626,151	2,120,062	1,618,410	2,846,342	3,512,712	3,859,779	3,644,558	3,227,358	4,087,891	4,081,930	4,058,077	2,814,500	3,525,247
Marlboro	3,086,643	2,667,842	3,373,287	3,350,899	3,686,007	4,196,099	3,361,474	4,092,960	4,719,504	4,779,507	5,097,135	5,313,822	4,583,612	4,805,250
Total	\$15,151,474	\$14,682,119	\$14,011,432	\$12,484,741	\$15,916,369	\$17,575,663	\$18,597,538	\$17,336,511	\$17,694,154	\$20,035,535	\$19,121,062	\$21,852,842	\$18,868,459	\$21,683,567
Harness														
Rosecroft .....	.....	.....	\$4,231,778	\$5,099,896	\$5,532,369	\$6,718,525	\$6,935,687	\$6,268,752	\$6,256,881	\$6,461,569	\$6,996,975	\$6,744,640	\$6,630,323	\$6,892,324
Laurel .....	.....	\$3,707,051	5,274,093	5,485,593	6,067,996	6,452,467	6,568,245	5,843,777	6,351,342	6,857,275	6,125,386	6,107,861	5,586,244	4,665,603
Baltimore .....	.....	.....	.....	4,286,425	5,326,767	5,018,765	6,033,220	5,504,468	5,239,519	3,902,514	5,688,697	5,000,851	4,819,775	5,290,042
Ocean Downs .....	.....	.....	2,246,070	1,992,862	2,560,128	2,747,763	3,122,745	2,681,944	2,862,070	3,188,920	2,485,303	2,416,878	2,704,492	2,452,005
Total .....	.....	\$3,707,051	\$11,751,941	\$16,864,776	\$19,487,260	\$20,737,520	\$22,659,897	\$20,298,941	\$20,709,812	\$20,410,278	21,296,361	20,270,230	19,740,834	19,299,974
Steeplechase														
Fair Hill .....	.....	.....	.....	.....	.....	.....	46,755	52,198	71,100	66,227	72,845	92,890	96,072	91,226
Total	\$110,579,906	\$98,942,730	\$98,216,414	\$100,143,879	\$115,029,807	\$134,187,945	\$141,108,549	\$139,673,051	\$142,074,271	\$154,830,540	\$157,362,589	\$158,952,397	\$168,491,793	NA

* Includes Share Havre de Grace meet

Source: Annual Reports of Maryland Racing Commission

APPENDIX D
Per Diem Wagering By Year*

Year	Popu- lation of Md. M	Personal Income of Md. M ² \$	Mile		Half-Mile			Harness		Steeplechase				
			Total Wagered	Days	Total Wagered	Days	Per Day	Total Wagered	Days	Per Day	Total Wagered	Days	Per Day	
1947	2,256	3,046	95,428,433	100	954,284	15,151,474	50	303,030	.....	....	.....	.....	....	.....
8	2,271	3,309	80,553,560	100	805,536	14,682,119	50	293,642	3,707,051	20	185,353	.....	....	.....
9	2,329	3,384	72,453,041	100	724,530	14,011,432	50	280,229	11,751,941	60	195,866	.....	....	.....
1950	2,364	3,755	70,974,362	100	709,744	12,484,741	50	249,695	16,864,776	80	210,810	.....	....	.....
1	2,442	4,323	79,626,178	100	796,262	15,916,369	50	318,327	19,487,260	80	243,591	.....	....	.....
2	2,493	4,716	95,874,762	100	958,748	17,575,663	50	351,513	20,737,520	80	259,219	.....	....	.....
3	2,532	5,028	99,804,359	99	1,008,000	18,597,536	50	371,951	22,659,897	80	283,249	46,755	2	23,378
4	2,632	5,084	101,985,401	101	1,009,756	17,336,511	50	346,730	20,298,941	78	260,243	52,198	2	26,049
5	2,782	5,453	103,599,205	100	1,035,992	17,649,154	50	352,983	20,709,812	81	255,677	71,100	2	35,550
6	2,838	5,998	114,318,500	119	960,660	20,035,535	60	333,926	20,410,278	92	221,851	66,227	2	33,114
7	2,895	6,323	116,872,321	116	1,007,520	19,121,062	60	318,684	21,296,361	95	224,172	72,845	2	36,423
8	2,956	6,566	116,736,365	119	980,978	21,852,842	60	364,214	20,270,230	95	213,371	92,890	2	46,445
59	3,031	NA	129,786,428	126	1,030,051	18,868,459	60	314,474	19,740,834	95	207,798	96,072	2	48,036
60	3,075	NA	NA	112	NA	21,683,567	59	367,518	19,299,974	97	198,969	91,226	2	45,613

*Source: Annual Reports of Maryland Racing Commission

APPENDIX E
RACING DAYS AND REVENUES*

	Maryland Tracks	Racing Days	Revenue to State \$M
1920.....	4M	69	393.5
1.....	4M	93	805.2
2.....	4M	92	662.8
3.....	4M	92	695.8
4.....	4M	92	705.4
5.....	4M	92	715.7
6.....	4M	92	703.7
7.....	4M	92	694.1
8.....	4M	92	716.7
9.....	4M	92	727.6
1930.....	4M	92	663.2
1.....	4M	97	660.4
2.....	4M	100	585.5
3.....	4M	100	899.9
4.....	4M	100	863.3
5.....	4M	100	915.0
6.....	4M	100	949.3
7.....	4M5H	100—49	1,008.6
8.....	4M5H	100—50	908.7
9.....	4M5H	100—50	1,180.1
1940.....	4M5H	100—50	1,361.4
1.....	4M5H	100—50	1,879.6
2.....	4M5H	100—50	1,734.3
3.....	1M3H	50—30	1,411.7
4.....	2M4H	100—40	2,836.6
5.....	2M4H	82—40	3,791.9
6.....	4M5H	100—50	4,086.1
7.....	4M5H	100—50	5,069.3
8.....	4M5H1T	100—50—20	4,554.7
9.....	4M5H3T	100—50—60	4,396.9
1950.....	4M5H4T	100—50—80	4,449.9
1.....	3M5H4T	100—50—80	5,418.6
2.....	3M5H4T	100—50—80	6,356.5
3.....	3M5H4T	99—50—80	6,666.9
4.....	3M5H4T	101—50—78	6,574.6
5.....	3M5H4T	100—50—81	6,681.8
6.....	3M5H4T	119—60—92	8,562.4
7.....	3M5H4T	116—60—95	8,934.8
8.....	3M5H4T	119—60—95	9,011.0
9.....	3M5H4T	126—60—95	9,495.0
1960.....	3M5H4T	112—59—97	N. A.

H=Half Mile
M=Mile
T=Harness

*Source: Annual Reports of Maryland Racing Commission

APPENDIX F
CHANGES 1947-1959

	Maryland	Delaware	New Jersey	New York	W. Va.
Wagering	+ 7.9%	+ 27.4%	+ 36.3%	+ 21.0%	+ 15.5%*
	(mile tracks)				
Purse Distribution					
Per race	+ 3.2%	+ 14%	+ 35%	+ 10%	+ 32%
Per day	+ 8½%	+ 17%	+ 37%	+ 31%	+ 62%
	(mile tracks)				
Population					
1947-58	+ 31%	+ 48%	+ 25%	+ 16%	+ 5%
Personal Income					
1947-58	+ 116%	+ 150%	+ 99%	+ 75%	+ 54%

*Only those tracks drawing from Maryland (Charles Town and Shenandoah Downs)

APPENDIX G
COMPARATIVE TAX FIGURES BY STATES

	1938			1959		
	Pari Mutuel Bite	Breakage	Tax to State	Pari Mutuel Bite	Breakage	Tax to State
California	12%	10¢	4%	15%	10¢	5% 1st 10M ² 6% next 10M ² 7% 20-75M ² 7½% 75-125M ² 8% over 125M ²
Delaware	7½%	5¢	3%	12%	10¢	½ breakage 1st 24M ² and all over
Florida	10%	5¢	3%	15%	5¢	8 + all breakage
Illinois	6½%	10¢	Daily lic. fee \$500 to \$2,500	14% Chicago	10¢	6 + ½ breakage
Kentucky	10%	10¢	Daily lic. fee \$500 to \$2,500	15% Downstate	10¢	4% to \$18M ² 6% over 18M ²
Maryland	8½%	5¢	1% pari mut. 15% net rev. Daily lic. \$6,000	14%	10¢	5 + ½ breakage
Massachusetts	10%	10¢	3½% pari mut. ½ break. Daily lic. \$400	12%	10¢	7 + ½ breakage
Michigan	7½%	10¢	Daily lic. \$2,500	14%	10¢	6½ + ½ breakage
New Hampshire	10%	5¢	3½%	13%	10¢	7 + ½ breakage
Rhode Island	10%	5¢	3½%	14%	10¢	8 + ½ breakage
West Virginia	10%	10¢	1% pari mut. Daily lic. \$250	15%	10¢	5¾
New York	NA	NA	NA	14¾%	10¢	10 (9 at Sar.) + 60% breakage (50% at Sar.)
New Jersey	NA	NA	NA	15%	5¢	7 on 1st 40M ² . 8% over 40M ² & all breakage
				13%	10¢	

APPENDIX H

A BILL

ENTITLED

AN ACT to repeal and re-enact, with amendments, Sections 4, 7 (b) and (c), 9, 11 (b), 14 (b), 15 (a), 19 (A), and 25 and to add new Sections 18A, 18B and 25A to follow immediately after Sections 18 and 25 thereof, of Article 78B of the Annotated Code of Maryland (1957 Edition), title "Racing Commission", sub-title "In General", to revise the racing laws of the State with respect to employees of the Maryland Racing Commission, number of racing days, disposition of breakage monies, racing licenses, transfers of racing days, purchases of racing associations, creating the Maryland-Bred Racing Fund and providing for the running of Maryland-Bred Fund races at mile tracks to encourage the breeding of thoroughbred horses in this State and the ownership of thoroughbred horses by residents of the State, and relating to racing in the State.

1 SECTION 1. *Be it enacted by the General Assembly of Maryland,*
 2 That Sections 4, 7 (b) and (c), 9, 11 (b), 14 (b), 15 (a), 19 (A),
 3 and 25 of Article 78B of the Annotated Code of Maryland (1957
 4 Edition), title "Racing Commission", sub-title "In General" be and
 5 the same are hereby repealed and re-enacted, with amendments, and
 6 that new Sections 18A, 18B and 25A be and they are hereby added
 9 to the same Article and sub-title of the Code to follow immediately
 10 after Section 18 and 25 thereof, to read as follows:

1 4.

2 (a) Said Commission shall meet at such times and places within
 3 the State of Maryland as the Commission shall determine. The
 4 members thereof shall be entitled to their reasonable expenses for
 5 each meeting so attended. A majority of the commissioners shall
 6 constitute a quorum for the transaction of any business, for the per-
 7 formance of any duty, or for the exercise of any power of the Com-
 8 mission. The Commission may appoint such officers, inspectors, and
 9 experts as may be necessary who shall serve during the pleasure of
 10 said Commission and may appoint [a secretary and] such clerks
 11 and stenographers as may be necessary, who shall be members of
 12 the merit system. [The secretary shall keep a record of all proceed-
 13 ings of the Commission, and shall preserve all books, maps, docu-
 14 ments and papers belonging to the Commission or intrusted to its
 15 care, and perform such other duties as the Commission may pre-
 16 scribe.] The Commission shall make an annual report to the Gover-
 17 nor on or before the first day of January, which report shall include
 18 a statement of receipts and disbursements by the Commission, and
 19 any additional information and recommendations which the Com-
 20 mission may deem of value.

21 (b) *The Commission shall appoint an Executive Director of Racing*
 22 *who shall serve at the pleasure of the Commission. The Executive*
 23 *Director shall receive such salary as may be provided in the annual*
 24 *State budget. The Executive Director shall have the duty of im-*

25 *plementing and enforcing the directives of the Commission. He shall*
 26 *have the further duty of securing prompt compliance by licensees*
 27 *with the directives and orders of the Commission. The Executive*
 28 *Director shall keep a record of all proceedings of the Commission*
 29 *and shall preserve all books, maps, documents and papers belonging*
 30 *to the Commission or entrusted to its care, and perform such other*
 31 *duties as the Commission may prescribe.*

1 7.

2 (b) Said Racing Commission shall, [as soon as practicable during
 3 nineteen hundred and forty-three (1943) and on or before the first
 4 day of March of each year thereafter,] *within the time prescribed*
 5 *in Section 9 award all dates for mile racing in the State of Maryland*
 6 *[within the current year], but the said dates so awarded shall not*
 7 *exceed one hundred and [twenty (120)] eighty (180) days in the*
 8 *aggregate [, and the decision of the Commission on the ward of*
 9 *all such dates shall be final] in any year. No one person, firm, asso-*
 10 *ciation or corporation shall be given a license to conduct mile racing*
 11 *for more than sixty (60) days in one year, nor shall more than an*
 12 *aggregate of one hundred and twenty (120) days of racing be held*
 13 *in any one year at any track within the State of Maryland.*

14 (c) The Commission shall have the power to reject any applica-
 15 tion for a license for any cause which it may deem sufficient and the
 16 action of the Commission shall be final. [No one person, corporation
 17 or association shall be given a license to conduct racing for more
 18 than fifty-four (54) days in one year, nor shall more than an aggre-
 19 gate of seventy-two (72) days of racing be held in any one year on
 20 any track within the State of Maryland.]

1 9.

2 Said Commission [may in its discretion meet subsequent to the
 3 first day of March and award dates for racing] *shall on or before*
 4 *December 1 of each year meet and award dates for racing for the*
 5 *ensuing year within the limits hereinbefore provided on applications*
 6 *submitted to it, provided that the days so awarded in no way con-*
 7 *flict with the further provisions of this article; and provided, further*
 8 *that no license for a race meeting shall issue prior to the payment*
 9 *of the fees therefor at the rate hereinbefore provided. Notwith-*
 10 *standing any other provisions of the article, it is the intent of the*
 11 *General Assembly that the total number of days of all kinds of racing*
 12 *with pari mutuel betting (excluding steeplechasing) authorized by*
 13 *this article in any year shall not exceed two hundred and seventy-six*
 14 *(276) days. The word "days" as used herein shall refer to a period*
 15 *of twenty-four hours duration. The decision of the Commission on*
 16 *the award of all such dates shall be final.*

1 11.

2 (b) Each licensee, licensed under Section 7 of this article, may
 3 deduct and retain for its own account [one-half ($\frac{1}{2}$)] *one-third ($\frac{1}{3}$)*
 4 *of the breakage computed to the 10¢ and 6½% of the mutuel pool*
 5 *on all races conducted by it during the year, exclusive of the 5%*
 6 *State tax imposed by Section 14 of this article and exclusive of the*
 7 *special tax imposed by Section 12 of this article as a source of funds*
 8 *for grants toward capital improvements of those licensed under*
 9 *Section 7 of this article.*

1 14.

2 (b) In addition to the license fee, the tax on wagers and other taxes
 3 imposed by law, every person, firm, association or corporation licensed
 4 under Section 7 of this article shall, within five days after the close
 5 of each meeting, pay to the Maryland Racing Commission for the
 6 use of the State, ~~one-half (1/2)~~ *one-third (1/3)* of the breakage
 7 computed to the ten cents (10¢). The payment of said breakage shall
 8 be accompanied by a statement of the licensee, or his duly authorized
 9 agent, under oath, showing the total amount of breakage received
 10 at said meeting. The Commission shall promptly pay the ~~one-half~~
 11 ~~of the~~ breakage received by it under the provisions of this section
 12 to the Comptroller, as provided in Section 19 of this article.

1 15.

2 (a) In addition to licensing racing, as hereinbefore provided, the
 3 Racing Commission is authorized to issue licenses to the following
 4 organizations: Agricultural and Mechanical Association of Wash-
 5 ington County, Cumberland Fair Association, Inc., ~~Pocomoke Agri-~~
 6 ~~cultural Fair Association, Inc.~~ Harford County Fair Association,
 7 Inc., Southern Maryland Agricultural Fair Association of Prince
 8 George's County, and the Maryland State Fair and Agricultural
 9 Society, Incorporated. Such licensees shall permit the holders to con-
 10 duct a race meeting or meetings with betting privileges, not to ex-
 11 ceed twelve days for any one organization in any calendar year, pro-
 12 vided such meetings are held in connection with or for the benefit
 13 of bona fide county fairs or agricultural exhibitions and are held
 14 in compliance with all the provisions of this article.
 15

1 18A.

2 *(a) The Maryland-Bred Racing Fund is hereby created. The Fund*
 3 *shall be administered by the Commission and all payments from the*
 4 *Fund shall be made by the order of the Commission.*

5 *(b) On and after June 1, 1961, each mile track licensee under this*
 6 *article at the time it deducts and retains for its own account its*
 7 *share of the breakage as authorized in Section 11 (b), on all races*
 8 *conducted by it, shall deduct, in addition to its share of the breakage*
 9 *and the share of the breakage as authorized to the State in Section*
 10 *14 (b), and shall remit, within five days after the close of each meet-*
 11 *ing, one-third (1/3) of the breakage on all races conducted by it*
 12 *during the year to the Commission to be paid over to the Comptroller*
 13 *for credit to the Maryland-Bred Racing Fund. Monies paid over*
 14 *under this section shall be accumulated in the Fund until the sum of*
 15 *\$600,000, is aggregated, at which time all monies received to the*
 16 *credit of the Fund shall be diverted, and disbursed and distributed as*
 17 *provided in Section 19 herein. Whenever the balance in the Fund falls*
 18 *below \$250,000, all monies subsequently received to the credit of the*
 19 *Fund shall be paid into the Fund until the balance in the Fund is re-*
 20 *stored to \$600,000 at which time all subsequent monies received to the*
 21 *credit of the Fund shall be diverted, and disbursed and distributed*
 22 *as provided in Section 19 herein. Monies deposited in the Fund and*
 23 *not immediately required to pay purses for Maryland-Bred Races*
 24 *shall be invested only in United States treasury bills, and income*
 25 *from such investment shall be deposited into the Fund.*

26 (c)

27 (1) *Beginning with the year 1962 and thereafter, to encourage*
28 *the breeding of thoroughbred horses in Maryland the ownership*
29 *of thoroughbred horses by Maryland residents, each mile track*
30 *licensee shall provide for the running of races, to be known as "The*
31 *Maryland-Bred Fund Races", for the benefit of thoroughbred foals*
32 *conceived in Maryland in the year 1961 and thereafter by a stallion*
33 *standing in Maryland for the entire calendar year of the service*
34 *producing the foal out of a mare domiciled in Maryland for the en-*
35 *tire calendar year in which she was covered to produce the foal*
36 *in question and for the entire year during which the foal was dropped,*
37 *such foals to have been dropped in Maryland. If any stallion was*
38 *brought into the State for service prior to the breeding season in any*
39 *calendar year and had not stood for service in any other State in*
40 *that year, upon specific application to the Racing Commission, the*
41 *owner of such a stallion may request and the Commission may order*
42 *that the foals of any mare covered by the said stallion in such calendar*
43 *year shall be eligible for a Maryland-Bred Fund race.*

44 *If any stallion brought into the State for service in any calendar*
45 *year shall leave the State after the breeding season in that year*
46 *because of the death of his owner, the sale of the stallion or for any*
47 *reasonable emergency, if found by the Commission, the owner may*
48 *request and the Commission may order that the foal of any mare*
49 *covered by the said stallion in such calendar year shall be eligible*
50 *for a Maryland-Bred race.*

51 *Any mare producing an otherwise eligible Maryland-Bred Fund*
52 *foal shall be permitted to leave the State in the year in which the*
53 *foal was dropped and after the foal was dropped, because of the*
54 *death of the owner of the mare, the sale of the mare, or for any other*
55 *reasonable emergency, if found by the Commission, without making*
56 *the foal ineligible for a Maryland-Bred Fund race, when the owner*
57 *requests and the Commission orders that the foal in such case shall*
58 *be eligible for a Maryland-Bred Fund race. The Commission shall*
59 *provide for the registration of such foals, and no horse shall com-*
60 *pete in said races unless so registered with the Commission. The*
61 *Commission may prescribe such forms as are necessary to determine*
62 *the eligibility of such horses.*

63 (2) *During the years 1962, 1963 and 1964 as a temporary measure*
64 *to ensure payments from the Fund, any foal dropped in Maryland*
65 *according to Maryland Breeder's Association registration certificate*
66 *shall be eligible for Maryland-Bred Fund races run in such years.*
67 *The purse for every Maryland-Bred Fund race run in these years*
68 *shall be \$5,000. For the purpose of determining the number of Mary-*
69 *land-Bred Fund races to be run in these years, the distance provisions*
70 *for such races and any other conditions necessary to carry out the*
71 *intent of Maryland-Bred Fund races, a committee of three persons*
72 *appointed by the Commission is established. The Committee shall*
73 *be appointed by the Commission by December 1 of each of the years*
74 *1961, 1962 and 1963. The Committee shall consist of three persons,*
75 *one member of the Maryland Breeder's Association selected by the*
76 *Association, one person representing the mile racing associations,*
77 *selected by them, and one member of the Commission designated*
78 *by it. If any member other than the Commission member has not*
79 *been selected by December 1 of each of the years 1961, 1962, and*

80 1963, the Commission shall make an appointment for the organi-
81 zation failing to so select a member of the committee.

82 (3) In 1965 and every year thereafter, two races each week in
83 each year shall be run at each mile track for a purse for each race
84 of \$12,500, paid from the Fund for Maryland-Bred horses as defined
85 in paragraph (1) above of this sub-section. Not more than twenty-
86 five per centum (25%) of the races shall be run for two-year-old
87 horses and the remainder of the races shall be run for horses older
88 than two years. After September 1, no race for the two-year-old
89 horses shall be run at a distance of less than one mile. Other than
90 in the months of January, February, March, and April, races for
91 horses older than two years shall be run at distances of one mile or
92 more. Twenty-five per centum (25%) of the races at each track for
93 horses above the age of two shall be run at a distance not less than
94 one mile but not greater than one mile and a quarter; fifty per centum
95 (50%) of the races shall be run at a distance not less than one mile
96 and a quarter, but not over one mile and a half; and twenty-five per-
97 centum (25%) of the races shall be run at a distance not less than
98 one mile and a half.

99 (d) The purses authorized above shall be paid by the Commission
100 out of the Fund. The dates of the running of said races shall be
101 determined by the Commission in cooperation with each mile track
102 licensee, but in no event shall said races be scheduled by the Com-
103 mission so as to interfere with the duly scheduled racing program
104 of the licensee. The amounts of the purses and the conditions for
105 each race shall be determined in sufficient advance time to permit
106 mile track licensees to include the purses and the conditions in their
107 stake and condition books. If any Maryland-Bred Fund race fails
108 to attract at least five separate qualified entries, then the Commission
109 shall cancel the race and the purse shall not be paid out of the
110 Fund. In the event the Commission cancels any race it shall notify
111 the mile track licensee in time to permit the licensee to schedule a
112 substitute race.

113 (e) The mile track licensee may, but is not required to, add to any
114 purse offered by the Commission in any "Maryland-Bred Fund Race".

115 (f) Any purse money authorized herein and actually paid for any
116 Maryland-Bred Fund Race run at any mile track in this State is
117 hereby declared to be specifically excluded or exempted from, not
118 to be included in or to have any relation to the purses, stakes or
119 breeders' bonuses paid or offered by any mile track association for
120 any races other than Maryland-Bred Fund races, and which other
121 purses, stakes or breeders' bonuses are determined by agreement or
122 formula between each such association and any organization repre-
123 senting the horsemen.

1 18B.

2 (a) Notwithstanding any other provisions of this article, when
3 the Commission finds that any racing association licensed under this
4 article (excluding a steeplechase licensee) shall not be able to race
5 the days assigned to it at its premises because of inadequate facili-
6 ties on its premises, the Commission may transfer the association's
7 assigned racing days to other licensed premises for one year. If the
8 Commission finds some good cause exists because of an emergency,
9 it may permit transfer of the assigned racing days for a second

10 consecutive year. By December 1 of any year in which the Com-
 11 mission has transferred the assigned racing of an association for
 12 that year, and the Commission finds that no emergency exists to
 13 permit transfer of the days assigned to such association for a second
 14 consecutive year, or by December 1 of any year in which the assigned
 15 racing days of an association have been transferred for a second
 16 consecutive year because of an emergency, in either of which cases
 17 if the Commission finds the facilities on the premises of the asso-
 18 ciation are inadequate, the days last assigned to such association
 19 shall revert to the State and be reassigned by the Commission jointly
 20 to mile track associations subject to the approval of the General
 21 Assembly at its next subsequent session.

22 (b) Notwithstanding any other provisions of this article, it is the
 23 intent of the General Assembly that any financially responsible and
 24 financially capable interest, which is approved by the Commission,
 25 upon its purchase of any licensed association or upon any consolida-
 26 tion of licensed associations may request reassignment to it of the
 27 racing days of the association or associations. If the purchasing
 28 interest is a mile track licensee, the Commission shall require that
 29 mile track licensees participate jointly in the purchase and the racing
 30 days reassigned shall be reassigned jointly among mile track licensees.

31 (c) When the racing days assigned to any association have re-
 32 verted to the State as provided in subsection (a) above, the Com-
 33 mission shall require when request is made by any association for
 34 reassignment of part or all of the reverted days that the basis of
 35 restitution to the association which days have reverted shall be de-
 36 termined by capitalization of its net profits after taxes for the last
 37 five years it conducted racing on its own premises preceding the
 38 year in which it was purchased, less the current assessed value of
 39 its real and other property. Reimbursement, in case the purchasing
 40 interest is a mile track licensee, shall be shared jointly by the mile
 41 tracks.

1 19A.

2 All sums collected by the Racing Commission, under the provisions
 3 of this article, shall be paid over to the Comptroller, and shall be
 4 disbursed and distributed, except where otherwise provided, as fol-
 5 lows:

6 (1) There are to be allocated and credited to the general funds of
 7 the State: (a) One-half of all revenues collected from licensees
 8 licensed under Section 7 of this article; (b) one-half of all revenues
 9 collected from licensees licensed under Section 15 of this article;
 10 (c) one-half of all revenues collected from the licensees licensed under
 11 Section 17 of this article not required to be paid to the Maryland
 12 State Fair Board as provided in paragraph (3) of this subsection;
 13 (2) Except as hereinafter in subsection (D) provided, there shall
 14 be divided among and allocated and paid to the several counties of
 15 the State and to Baltimore City on the basis of population, according
 16 to the latest available federal census: (a) Twenty-four thousand dol-
 17 lars (\$24,000) plus one-half of all breakage and license fees and two-
 18 fifths ($\frac{2}{5}$) of all wagering revenues collected from licensees licensed
 19 under Section 7 of this article; (b) one-quarter of all revenues col-
 20 lected from licensees licensed under Section 15 of this article; (c)
 21 one-half of all breakage and license fees, one-quarter ($\frac{1}{4}$) of all

22 revenue arising out of the tax on all money wagered not in excess
 23 of \$2,000,000, and nine-twentieths (9/20) of all revenues arising out
 24 of the tax on all money wagered in excess of \$2,000,000 collected
 25 from licensees licensed under Section 17 of this article not required
 26 to be paid to the Maryland State Fair Board as provided in para-
 27 graph (3) of this subsection; provided, however, that before pay-
 28 ment of such revenues to the several counties of the State and Balti-
 29 more City, the Comptroller shall first pay out of such revenues the
 30 sums required to be paid by Section 2 of Article 22 and thereafter
 31 the balance of such revenue shall be divided, allocated and paid to the
 32 several counties and Baltimore City as hereinbefore provided; ex-
 33 cept that no funds shall be divided among, allocated or paid to any
 34 of the several counties of the State or to the City of Baltimore as
 35 aforesaid unless it shall have levied, in its current fiscal year, taxes
 36 sufficient to collect a minimum of one dollar per capita in revenue
 37 and unless it shall have certified a copy of said levy to the State
 38 Comptroller; and provided further, that any moneys otherwise distri-
 39 butable as hereinbefore provided, which shall not be distributed
 40 at the close of the fiscal year of any such county or the City of
 41 Baltimore because of failure of any county or the City of Baltimore
 42 to make such levy and certification, shall revert to the general fund
 43 of the State treasury. Per capita revenue shall be computed for pur-
 44 poses of this subsection by using the population figures furnished
 44a by the latest federal census or by an official local census, whichever
 45 is latest.

46 (3) [One-quarter of all revenues collected from licensees licensed
 47 under Section 15 of this article and such portion of the revenues
 48 collected from licensees licensed under Section 17 of this article, as
 49 together with one-quarter of all revenues collected from licensees
 50 licensed under Section 15 of this article, including breakage paid
 51 to the Comptroller for the use of the Maryland State Fair Board
 52 under Section 16 of this article, shall be equal to the sum of \$250,000
 53 shall be allocated and paid to the Maryland State Fair Board and
 54 used for the promotion of State and county agricultural fairs and
 55 exhibits.]

56 *The sum of two hundred and fifty thousand dollars (\$250,000)*
 57 *shall be allocated and paid to the Maryland State Fair Board for the*
 58 *promotion of State and county agricultural fairs and exhibits. This*
 59 *sum shall consist of one-quarter of all revenues collected from licensees*
 60 *licensed under Section 15 of this article, the revenues collected from*
 61 *licensees licensed under Section 17 of this article, including break-*
 62 *age paid to the Comptroller for the use of the said Board under*
 63 *Section 16 of this article, and such portion of any revenues not*
 64 *specifically allocated in paragraphs (1) and (2) above as is necessary*
 65 *to aggregate the sum of two hundred and fifty thousand dollars*
 66 *(\$250,000).*

67 (4) All revenues not hereinabove specifically allocated shall be
 68 credited to the general funds of the State.

1 25.

2 [If in any year any licensee under the provisions of this article
 3 shall not be able to conduct the full number of authorized days of
 4 racing because of inclement weather conditions, the Racing Com-
 5 mission may authorize that licensee during the next succeeding year

6 to conduct races for the day or days so missed, in addition to the
7 normal number of days for that year.】

8 *Every licensee under the provisions of this article shall race all*
9 *days assigned to it in any calendar year in that calendar year, and*
10 *any assigned days not raced in any such year shall be lost to the li-*
11 *icensee and shall not be raced in any other year.*

1 25A.

2 *The Commission shall not approve any method or system of betting*
3 *on the running of horse races where the betting is actually done or*
4 *carried on by the bettor at locations away from any premises licensed*
5 *under this article, regardless of whether such method or system is*
6 *connected with the pari mutuel betting system located on any li-*
7 *icensed premises.*

1 SEC. 2. *And be it further enacted,* That if any provision of this Act
2 or the application thereof to any person or circumstances is held in-
3 valid, such invalidity shall not affect the other provisions or any other
4 application of this Act which can be given effect without the invalid
4 provision or application, and to this end the provisions of this Act
6 are hereby declared to be severable.

1 SEC. 3. *And be it further enacted,* That this Act shall take effect
2 June 1, 1961.

