

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

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**Legislative Document**

**No. 625**

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H. P. 506 House of Representatives, February 23, 1977  
Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Higgins of Scarborough.

Cosponsors: Mrs. Najarian of Portland, Messrs. Whittemore of Skowhegan, Rideout of Mapleton.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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**AN ACT Relating to Tax on Pari-mutuel Pools and State Stipend Law.**

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**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, harness racing is one of Maine's most important recreational activities; and

Whereas, harness racing is vital for the continued prosperity of those agricultural societies which conduct pari-mutuel racing; and

Whereas, the harness racing industry is in jeopardy because of increased costs of maintenance and labor and is in immediate need of relief; and

Whereas, people, whether Maine citizens or tourists, who support harness racing should be permitted to engage in various kinds of pari-mutuel betting; and

Whereas, this Act should become effective for the harness racing season of 1977 in order to provide additional funds for the Harness Racing Commission to operate efficiently; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

**Sec. 1. 7 MRSA § 62, 7th sentence, is amended to read:**

Said stipend shall be divided pro rata among the legally incorporated societies ~~not heretofore provided for~~ according to the amount of premiums and gratuities actually paid in full and in cash or valuable equivalent by said societies upon horses, cattle, sheep, swine, poultry and agricultural and domestic product, ~~but~~ provided that each of the qualifying societies which do not conduct pari-mutuel racing shall receive shares which, considering the amount of premiums and gratuities actually paid during the fair season in question, are not less than the equivalent amount received by such societies during the 1976 fair season, and provided further, that no such society whether specifically mentioned in this Title or otherwise shall be entitled to any share of the stipend unless it shall have complied with the following requirements, which shall be considered by the commissioner as the basis upon which his apportionment of the stipend shall be made as provided in this section.

**Sec. 2. 8 MRSA § 274, 2nd sentence, as amended by PL 1971, c. 433, § 1, is further amended to read:**

Commissions on ~~such~~ pools of regular wagers other than exotic wagers shall in no event and at no track exceed ~~19%~~ 16% of each dollar wagered, and commissions on pools of exotic wagers shall in no event and at no track exceed 25% of each dollar wagered, plus the odd cents of all redistribution to be based on each dollar wagered, whether regular wagers or exotic wagers, exceeding a sum equal to the next lowest multiple of 10, known as "breakage," which breakage shall be retained by the licensee. For the purposes of this chapter, "exotic wagers" shall mean those in which the bettor selects 2 or more horses in one or more races in a single wager.

**Sec. 3. 8 MRSA § 274, 3rd sentence, as last amended by PL 1973, c. 391, § 1, is further amended to read:**

Said maximum shall include the ~~5%~~ 1% tax on regular wagers and the 5½% tax on exotic wagers prescribed in section 275.

**Sec. 4. 8 MRSA § 274, as last amended by PL 1973, c. 391, § 1, is further amended by adding at the end the following new sentence:**

A sum equal to 1½% of the total contributions on exotic wagers shall be paid to the commission to be credited to the trust account entitled Sire Stakes Fund provided in section 281.

**Sec. 5. 8 MRSA § 275, 1st paragraph, as amended by PL 1973, c. 391, § 2, is further amended to read:**

Each person, association or corporation licensed to conduct a race or race meet under this chapter shall pay to the Treasurer of State, to be credited to the General Fund of the State, a sum equal to ~~5%~~ 1% of the total contributions of regular wagers and 5½% of the total contributions of exotic wagers to all pari-mutuel pools conducted or made at any race or race meet licensed under this chapter.

Sec. 5. 8 MRSA § 275, 2nd ¶, 1st sentence, as amended by PL 1973, c. 391, § 2, is further amended to read:

A sum equal to ~~1/5 of the tax~~ 1% of the total contributions on regular wagers and a sum equal to 2½% of the total contributions on exotic wagers on all pari-mutuel pools conducted or made at any race or race meet licensed under this chapter shall be paid and returned to the licensees for the purpose of supplementing purse money.

Sec. 6. 8 MRSA § 275, as amended by PL 1973, c. 391, § 2, is further amended by adding at the end the following new paragraph:

A sum equal to 1½% of the tax on exotic wagers on all pari-mutuel pools conducted or made at any race or race meet licensed under this chapter shall be retained by the licensees.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

#### FISCAL NOTE

Enactment of this bill will provide an increase in state revenue of over \$13,000 in each year of the biennium.

#### STATEMENT OF FACT

The purpose of this bill is to reconstruct the commissions on pari-mutuel pools to retain an industry essential to the State of Maine and increase state revenue.