

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1219

S. P. 415

In Senate, March 10, 1981

Referred to the Committee on Taxation. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary of the Senate

Presented by Senator Kerry of York.

Cosponsor: Representative Tarbell of Bangor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Decrease the Tax on Harness Racing Licensees.

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

**Sec. 1.** 7 MRSA § 62, first sentence, as repealed and replaced by PL 1979, c. 672, § 12, is amended to read:

There shall be appropriated annually from the State Treasury a sum of money equal to ~~5%~~ 10% of the amount contributed under Title 8, section 275, and additional sums of money as provided and limited by Title 8, sections 274 and 333, which shall be known as the state stipend for aid and encouragement to agricultural societies and hereafter designated as the "stipend."

**Sec. 2.** 8 MRSA § 274, 4th sentence, as amended by PL 1977, c. 96, § 3, is further amended to read:

**Said** The maximum shall include the 1/2 of 1% tax on regular wagers and the ~~5-1/2%~~ 3% tax on exotic wagers prescribed in section 275.

**Sec. 3.** 8 MRSA § 275, first ¶, as last amended by PL 1979, c. 672, Pt. A, § 47, 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 ~~.87%~~ 1/2 of 1% of the total contributions

of regular wagers and ~~5.27%~~ 3% 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. 4. 8 MRSA § 275, 2nd ¶, 3rd sentence,** is amended to read:

This sum shall be divided equally among the licensees in the proportion that the number of racing days of a licensee granted by the commission bears to the total number of racing days granted in any one year by the commission; **provided that any licensee conducting an extended meet shall only participate in proportion to the number of racing days actually raced by it.**

**Sec. 5. 8 MRSA § 275, 2nd ¶,** as last amended by PL 1977, c. 564, §§ 40 & 41, is further amended by adding, after the 3rd sentence, a new sentence to read:

**An "extended meet," for purposes of this section, means a meet operated by a licensee that is not an agricultural fair association and which exceeds 30 continuous days in length.**

#### STATEMENT OF FACT

In 1980, numerous horsemen went out of business in this State. As the cost of operations in the harness racing industry continues to rise and the State continues its heavy taxation, the margin available for track owners and horsemen continues to shrink.

Massachusetts is now considering year-round racing and New Hampshire may soon be the site of a new multimillion dollar racing facility. Both of our neighboring states are going all out to encourage racing and are sure to hurt further the sagging racing scene here in this State. It is only a matter of time before the fairs, horsemen, tracks and the thousands of others dependent on this industry are simply priced out of the market.

This bill reduces the state takeout from regular and exotic wagers, making more money available for all participants.

Section 1 increases the percentage payment into the stipend fund so as to make sure that the reductions proposed in sections 2 and 3 do not result in a reduced payment into the stipend fund.

Sections 2 and 3 reduce the level of state taxation from .87% to 1/2 of 1% on regular wagers, and from 5.27% to 3% on exotic wagers.

Section 4 provides for a more equitable sharing of the purse supplement by tying the distribution to the number of assigned race days actually raced. Fairs and other licensees not conducting an extending meet would benefit by continuing to use the existing formula.

It is estimated that the harness racing industry in this State has an economic impact on the State in excess of \$65 million and supports thousands of jobs. Other

states which have granted similar tax relief as that proposed in this bill have experienced a dramatic increase in total handle and a rejuvenation of the entire industry. It is anticipated that similar results will be achieved in this State resulting in an overall positive revenue impact.