

# MAINE STATE LEGISLATURE

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(EMERGENCY)  
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SECOND REGULAR SESSION

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ONE HUNDRED AND THIRTEENTH LEGISLATURE

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Legislative Document

NO. 2434

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H.P. 1781 House of Representatives, March 3, 1988  
Approved for introduction by a majority of the  
Legislative Council pursuant to Joint Rule 27.  
Reference to the Committee on Agriculture suggested and  
ordered printed.

EDWIN H. PERT, Clerk  
Presented by Speaker MARTIN of Eagle Lake.  
Cosponsored by Representatives McGOWAN of Canaan,  
ALIBERTI of Lewiston and Senator COLLINS of Aroostook.

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STATE OF MAINE

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

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1 AN ACT Relating to Horse Racing and Racing  
2 Facilities.  
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4 **Emergency preamble.** Whereas, Acts of the  
5 Legislature do not become effective until 90 days  
6 after adjournment unless enacted as emergencies; and

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

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

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

7       Whereas, this Act should become effective for the  
8 harness racing season of 1988 in order to provide  
9 additional funds for the State Harness Racing  
10 Commission to operate efficiently; and

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

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

19       Sec. 1. 7 MRSA §62, first ¶, as amended by PL  
20 1987, c. 395, Pt. A, §31, is further amended to read:

21       There shall be appropriated annually from the  
22 State Treasury a sum of money equal to 5% of the  
23 amount contributed under Title 8, section 275, and  
24 additional sums of money as provided and limited by  
25 Title 8, section 274, which shall be known as the  
26 state stipend for aid and encouragement to  
27 agricultural societies and hereafter designated as the  
28 "stipend." Forty-four percent of the amounts  
29 contributed under Title 8, section 274, shall be  
30 divided for reimbursements in equal amounts to each  
31 recipient of the Stipend Fund which conducts  
32 ~~parimutuel~~ pari-mutuel racing in conjunction with its  
33 annual fair if the recipient has improved its racing  
34 facilities and has met the standards for facility  
35 improvements set by the commissioner for the  
36 recipients. If a recipient has not complied with the  
37 individual standards set by the commissioner, yearly  
38 reimbursements shall be paid in equal amounts to those  
39 recipients which have met such standards. A sum equal

1 to 8% of the amount collected under Title 8, section  
2 274 shall be divided for reimbursement in amounts in  
3 proportion to the sums expended for premiums in the  
4 current year to each recipient of the Stipend Fund  
5 which does not conduct ~~parimutuel~~ pari-mutuel  
6 racing, if the recipient has improved its facilities  
7 and has met the standards for facility improvements  
8 set by the commissioner for the recipients. From the  
9 state stipend the commissioner may expend annually a  
10 sum not to exceed ~~2%~~ 13% for administrative and  
11 inspection services and for administration of the  
12 State's standardbred horses program and the Sire  
13 Stakes Fund, as established by Title 8, section 281.  
14 The balance of this stipend shall be divided among the  
15 legally incorporated agricultural clubs, societies,  
16 counties and fair associations of the State, hereafter  
17 in this Title designated as "societies," according to  
18 the following schedule and method. The stipend shall  
19 be divided pro rata among the legally incorporated  
20 societies according to the amount of premiums and  
21 gratuities actually paid in full and in cash or  
22 valuable equivalent by those societies upon horses,  
23 cattle, sheep, swine, poultry and agricultural and  
24 domestic ~~product~~ products, provided that each of  
25 the qualifying societies which do not conduct  
26 ~~parimutuel~~ pari-mutuel racing shall receive shares  
27 which, considering the amount of premiums and  
28 gratuities actually paid during the fair season in  
29 question, are not less than the equivalent amount  
30 received by such societies during the 1976 fair  
31 season, and provided further, that no such society  
32 whether specifically mentioned in this Title or  
33 otherwise is entitled to any share of the stipend  
34 unless it shall have complied with the following  
35 requirements, which shall be considered by the  
36 commissioner as the basis upon which his apportionment  
37 of the stipend shall be made as provided in this  
38 section. No premiums or gratuities may be considered  
39 by the commissioner in apportioning the amount of  
40 stipend to which any society is entitled except those  
41 offered and paid upon horses, cattle, sheep, swine,  
42 poultry, vegetables, grain, fruit, flowers, products  
43 derived from horses, cattle, sheep, swine, home canned  
44 foods, grange exhibits, farm exhibits, boys' and  
45 girls' club exhibits, exhibits of the mechanical arts,  
46 domestic and fancy articles

1 produced in the farm home and pulling contests by  
2 horses and oxen. No society is entitled to any share  
3 of the stipend unless it has first obtained a license  
4 issued pursuant to section 65. No society, the Maine  
5 State Pomological Society excepted, may receive from  
6 the State a sum greater than that actually raised and  
7 paid by the society as premiums and gratuities in the  
8 classes provided and in no case may any society be  
9 entitled to any share of the stipend unless it has  
10 raised and paid in premiums in the classes set forth  
11 at least \$200. No society may receive any portion of  
12 the stipend in excess of \$10,000, except that such  
13 limitation shall not apply to any additional stipend  
14 provided for by Title 8, section 274. No society may  
15 receive any portion of such stipend unless it has  
16 regularly entered and displayed in an attractive  
17 manner upon its exhibition grounds distinct exhibits  
18 or entries of vegetables, fruits, grains or dairy  
19 products, or of subordinate and other granges and 4-H  
20 clubs, of a quality acceptable to the commissioner or  
21 his regularly authorized agent and of varieties known  
22 to be common or standard to the county in which such  
23 exhibition if held.

24 **Sec. 2. 8 MRSA §274, sub-§1, as enacted by PL**  
25 **1981, c. 705, Pt. Q, §2, is amended to read:**

26 1. Sale of pari-mutuel pools. Within the  
27 enclosure of any race track where a race or race meet  
28 licensed and conducted under this chapter is held, but  
29 not elsewhere, the sale of pari-mutuel pools by the  
30 licensee, under such rules as may be prescribed by the  
31 commission, is permitted and authorized. Commissions  
32 on pools of regular wagers other than exotic wagers  
33 shall not in any event or at any track exceed ~~16%~~  
34 18% of each dollar wagered, and commissions on pools  
35 of exotic wagers shall not in any event or at any  
36 track exceed ~~25%~~ 26% of each dollar wagered, plus  
37 the odd cents of all redistribution to be based on  
38 each dollar wagered, whether regular wagers or exotic  
39 wagers, exceeding a sum equal to the next lowest  
40 multiple of 10, known as "breakage," which breakage  
41 shall be retained by the licensee. For the purpose of  
42 this chapter, "exotic wagers" means those in which the  
43 bettor selects 2 or more horses in one or more races

1 in a single wager. The maximum shall include the tax  
2 on regular wagers and the tax on exotic wagers  
3 prescribed in section 275.

4 Sec. 3. 8 MRSA §274, sub-§2, as amended by PL  
5 1985, c. 444, §3, is further amended to read:

6 2. Payment to Treasurer of State. Each person,  
7 association or corporation licensed to conduct a race  
8 or race meet under this chapter shall pay to the  
9 Treasurer of State a sum equal to ~~1.13%~~ of the total  
10 contributions of regular and exotic wagers to all  
11 pari-mutuel pools 1.203% of the total contributions  
12 of regular wagers and 1.18% of the total contributions  
13 of exotic wagers to all pari-mutuel pools conducted or  
14 made at any race or race meet licensed under this  
15 chapter. The Treasurer of State shall distribute  
16 the total amount so collected credit .073% of the  
17 total contributions of regular wagers and .050% of the  
18 total contributions of exotic wagers to all  
19 pari-mutuel pools, to the stipend fund provided by  
20 Title 7, section 62, and shall distribute the balance  
21 in the following manner.

22 A. The first \$295,000 of the total amount,  
23 regardless of when actually collected, shall be  
24 credited to the Stipend Fund, provided by Title 7,  
25 section 62.

26 B. From the next \$55,000 of the total amount,  
27 regardless of when actually collected, 75% shall  
28 be paid and returned by the end of each calendar  
29 year to those persons, associations and  
30 corporations which during that calendar year  
31 conducted an extended meet pursuant to a license  
32 granted by the commission as provided in section  
33 271. As used in this chapter, the term "extended  
34 meet" means any series of harness horse races,  
35 except harness horse races conducted by an  
36 agricultural society at the time of its annual  
37 fair. This payment shall be divided in the  
38 proportion that the contributions of regular and  
39 exotic wagers to pari-mutuel pools made or  
40 conducted at the extended meets of each licensee  
41 during that calendar year bear to the total

1 contributions of regular and exotic wagers to  
2 pari-mutuel pools made or conducted at the  
3 extended meets of all licensees during that  
4 calendar year. Licensees sharing in this  
5 distribution shall use 1/2 of the funds so  
6 received for the purpose of supplementing purse  
7 money.

8 The remaining 25% shall be credited to the Stipend  
9 Fund, provided in Title 7, section 62.

10 C. From the balance of the total amount in excess  
11 of \$350,000, regardless of when actually  
12 collected, 80% shall be paid and returned by the  
13 end of each calendar year to those persons,  
14 associations and corporations which during that  
15 calendar year conducted an extended meet pursuant  
16 to a license granted by the commission in section  
17 271. This payment shall be divided in the  
18 proportion that the contributions of regular and  
19 exotic wagers to pari-mutuel pools made or  
20 conducted at the extended meets of each licensee  
21 during that calendar year bear to the total  
22 contributions of regular and exotic wagers to  
23 pari-mutuel pools made or conducted at the  
24 extended meets of all licensees during that  
25 calendar year. Licensees sharing in this  
26 distribution shall use 1/2 of the funds so  
27 received for the purpose of supplementing purse  
28 money.

29 The remaining 20% shall be credited to the Stipend  
30 Fund, provided by Title 7, section 62.

31 Sec. 4. 8 MRSA §274, sub-§3, as enacted by PL  
32 1981, c. 705, Pt. Q, §2, is amended to read:

33 3. Payment to commission. A sum equal to  $\pm$   
34  $\frac{1}{2}\%$  .1566% of the total contributions on exotic  
35 wagers and a sum equal to .073% of the total  
36 contributions on regular wagers shall be paid to the  
37 commission to be credited to the Sire Stakes Fund,  
38 provided in section 281.

39 Sec. 5. 8 MRSA §275, first ¶, as repealed and

1 replaced by PL 1981, c. 705, Pt. Q, §3, is amended to  
2 read:

3       On the effective date of this paragraph each  
4 person, association or corporation licensed to conduct  
5 a race meet under this chapter shall pay to the  
6 Treasurer of State, to be credited to the General Fund  
7 of the State, a sum equal to .70% of the total  
8 contributions of regular wagers and 3.80% of the total  
9 contributions of exotic wagers to all pari-mutuel  
10 pools conducted or made at any race or race meet  
11 licensed under this chapter. Beginning January 1,  
12 1983, each person, association or corporation licensed  
13 to conduct a race meet under this chapter shall pay to  
14 the Treasurer of State, to be credited to the General  
15 Fund of the State, a sum equal to .50% of the total  
16 contributions of regular wagers and 2.27% of the total  
17 contributions of exotic wagers to all pari-mutuel  
18 pools conducted or made at any race or race meet  
19 licensed under this chapter. If the total of the  
20 regular and exotic wager exceeds \$37,000,000 for any  
21 calendar year, 72% of the revenue credited to the  
22 General Fund under this section attributable to this  
23 excess shall be returned by the Treasurer of State to  
24 commercial meet licensees. As used in this chapter,  
25 the term "commercial meet" means any meeting where  
26 harness racing is held with an annual total of more  
27 than 25 racing days duration with pari-mutuel  
28 wagering. This payment shall be divided in the  
29 proportion that the contributors of regular and exotic  
30 wagers of pari-mutuel pools made or conducted at the  
31 commercial meets of each licensee during the calendar  
32 year bear to the total contributions of regular and  
33 exotic wagers to pari-mutuel pools made or conducted  
34 at the commercial meets of all licensees during that  
35 calendar year. Licensees sharing in this distribution  
36 shall use 1/2 of the funds so received for the purpose  
37 of supplementing purse money. The other 1/2 of this  
38 distribution is to be used by the commercial licensees  
39 for improving its racing facilities for the benefit of  
40 the public, horse owners, horsemen and horsewomen, and  
41 to increase the revenue to the State from the increase  
42 in pari-mutuel wagering resulting from such  
43 improvements. For the purpose of this section,



1 "improvements" means the amount paid out for new  
2 buildings or for permanent improvements made to  
3 improve the facilities utilized by the licensee for  
4 conduct of its racing meetings; or the amount expended  
5 in restoring property or in improving the facility or  
6 any part of the facility which results in the addition  
7 or replacement of a fixed asset. In general, the  
8 amounts referred to as improvements include amounts  
9 paid which add to the value, improve or substantially  
10 prolong the useful life of the race track utilized by  
11 the licensee for the conduct of its racing meeting.  
12 Amounts paid or incurred for repairs and maintenance  
13 of property, interest expense or lease payments in  
14 connection with the capital improvements are not  
15 improvements within the meaning of this section. In  
16 addition, 9% of the revenue credited to the General  
17 Fund under this section attributable to this excess  
18 shall be distributed to the stipend fund provided by  
19 Title 7, section 62. Further, 9% of the revenue  
20 credited to the General Fund under this section  
21 attributable to this excess shall be paid to the  
22 commission to be credited to the Sire Stakes Fund,  
23 provided in section 281. Each licensee shall  
24 calculate on an annual basis the difference between  
25 the sum paid by him pursuant to this paragraph, as it  
26 then existed, for calendar year 1981 and the sum paid  
27 by him pursuant to this paragraph for each  
28 succeeding calendar year 1987. One-half of this  
29 difference shall be used for the purpose of  
30 supplementing purse money.

31 Sec. 6. 8 MRSa §275, 2nd ¶, as amended by PL  
32 1985, c. 444, §4, is further amended to read:

33 A sum equal to 1% of the total contributions on  
34 regular wagers and a sum equal to 1% of the total  
35 contributions on exotic wagers on all pari-mutuel  
36 pools conducted or made at any race or race meet  
37 licensed under this chapter shall be paid and returned  
38 to the licensees for the purpose of supplementing  
39 purse money. A sum equal to ~~1~~ 1/2% of the total  
40 contributions on exotic wagers on all pari-mutuel  
41 pools conducted or made at any race or race meet  
42 licensed under this chapter shall be retained by the  
43 licensee ~~and shall be added to purse money.~~ This sum

1 shall be divided equally among the licensees in the  
2 proportion that the number of racing days of a  
3 licensee granted by the commission and actually raced  
4 bears to the total number of racing days granted in  
5 any one year by the commission and actually raced by  
6 licensees. Payments shall be made to said licensees by  
7 the end of the calendar year. A sum equal to 1.797%  
8 of the total contributions on exotic wagers and .348%  
9 of the total contributions on regular wagers on all  
10 pari-mutuel pools conducted or made at any race or  
11 race meet licensed under this chapter shall be  
12 retained by the licensee and added to purse money.

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

16 STATEMENT OF FACT

17 The purpose of this bill is to create more funding  
18 for an industry which has an economic impact on the  
19 State of some \$200 million. The racing industry  
20 creates thousands of full-time and part-time jobs. It  
21 further supplements financial support to the state  
22 fairs and 4-H activities.

23 Because of increased costs of farm products,  
24 maintenance, labor and increased land values, the  
25 racing industry has become a marginal operation for  
26 race track owners and horsemen and women. Failure of  
27 this industry will result in the loss of money to the  
28 General Fund and other tax revenue.

29 This bill increases revenues to the industry of  
30 approximately \$800,000 to provide for increased purses  
31 for horsemen and women, to provide track owners with  
32 necessary capital improvement funds, to increase the  
33 Sire Stakes Program and to provide funds for the  
34 Department of Agriculture, Food and Rural Resources  
35 for certain programs.

36 The above funding will be accomplished by  
37 increasing the take on straight betting by 2% and by  
38 increasing the take on exotic betting by 1%. A cap  
39 will be imposed on the State's tax at the level of  
40 \$37,000,000. It has become necessary for similar

1 changes to take place in this industry throughout the  
2 United States.

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