



## **118th MAINE LEGISLATURE**

## **SECOND REGULAR SESSION-1998**

Legislative Document

No. 2169

H.P. 1542

House of Representatives, January 26, 1998

An Act to Reduce Costs and Increase Efficiency of the Regulation and Promotion of Harness Racing.

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Legal and Veterans Affairs suggested and ordered printed.

JOSEPH W. MAYO, Clerk

Presented by Representative KERR of Old Orchard Beach. Cosponsored by Representative MACK of Standish, Senator: MICHAUD of Penobscot. Be it enacted by the People of the State of Maine as follows:

Sec. 1. 8 MRSA §264, as amended by PL 1997, c. 528, §7, is repealed and the following enacted in its place:

6 §264. Employees

8 The department shall contract with or employ, and shall prescribe the duties of, all persons it determines necessary to 10 carry out the purposes of this chapter. Except as provided in this section, the appointment and compensation of this staff are 12 subject to the Civil Service Law.

14 Notwithstanding the provisions of this section, all officials whose presence regularly is required at a race meet 16 must be licensed by the commission and hired on an annual basis by the licensee in accordance with section 279-C. After a 18 presiding or associate judge hired under this section has begun employment, the licensee may terminate the employment of that 20 official only with the consent of the commission.

When practicable, the commission shall consolidate the duties of officials, including those duties of racing stewards
and presiding judges.

Sec. 2. 8 MRSA §272-A, sub-§2, as enacted by PL 1997, c. 474, §2 and affected by §6, is amended to read:

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Bargaining agent funding. One and one-half percent of
the amounts deposited in the trust account each month must be
paid to the exclusive bargaining agent for horsepersons at that
face-track racetrack if that a representative has been elected
pursuant to section 285 285-A.

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Sec. 3. 8 MRSA 272-A, sub-3, B, as enacted by PL 1997, c. 474, 2 and affected by 5, is amended to read:

38 в. Any money borrowed pursuant to this subsection must be repaid to the licensee's trust account with interest 40 calculated equal to the coupon issue yield equivalent, as determined by the United States Secretary of the Treasury, of the average accepted auction price for the last auction 42 of 52-week United States Treasury bills settled immediately 44 prior to the date from which the interest is calculated, plus 4%, in equal daily deposits over the balance of the calendar year beginning with the day after the money is 46 borrowed, except that prepayment may be made without penalty 48 and without consent being required. Repayment on a different schedule is permitted pursuant to the written authorization 50 of the exclusive bargaining agent elected pursuant to

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section 285 <u>285-A</u>, but in any event any repayment must be paid no later than December 31st of the year the funds were borrowed.

Sec. 4. 8 MRSA §272-A, sub-§5, as enacted by PL 1997, c. 474, §2 and affected by §6, is amended to read:

5. Repayment from distribution under section 275-J. If by 8 January 1st of any year a licensee has not repaid in full any money borrowed pursuant to subsection 3, the exclusive bargaining 10 agent elected pursuant to section 285 285-A at that track shall notify the commission of the amount of the outstanding debt. The 12 commission shall withhold that amount from the next payment due to that licensee under section 275-J and conduct a hearing to 14 determine whether in fact money borrowed pursuant to subsection 3 has not been repaid. If the commission finds that any borrowed 16 amount remains unpaid, the commission shall deposit directly into the licensee's trust account the amount of the withheld money 18 needed to repay the loan and shall tender any balance to the licensee. 20

Sec. 5. 8 MRSA §285, as enacted by PL 1997, c. 474, §5, is reallocated to 8 MRSA §285-A.

Sec. 6. 8 MRSA §285, sub-§10, as enacted by PL 1997, c. 528, §46 and affected by §47, is amended to read:

10. Fund created. The Harness Racing Promotional Fund is established to carry out the purposes of this section. The fund consists of all amounts dedicated to it in section 291 and all other funds donated to or otherwise obtained by the board for use of the board. Money in the fund is subject to allocation by the Legislature. Unexpended balances in the fund at the end of the fiscal year may not lapse, but must be carried forward to be used for the same purposes.

That portion of the fund, exclusive of money raised by the board, that exceeds the administrative costs of the board must be paid 38 to licensees as reimbursement for promotional expenses incurred by the licensees and approved in advance by the board. Each 40 licensee is entitled to receive as reimbursement for approved 42 promotional expenses a portion of the fund, net of money raised by the board and the administrative costs of the board, that is 44 determined by multiplying that amount by a fraction the numerator of which is the number of race days raced by that licensee and the denominator of which is the number of race days raced by all 46 licensees entitled to reimbursement from the fund. 48

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3.6

This subsection is repealed July 1, 1999.

Sec. 7. 8 MRSA §286, as enacted by PL 1997, c. 528, §46, is amended to read: 2 §286. Calculation of distribution of commission 4 1. Live racing. The distribution of the commission on live 6 racing is calculated as percentages of the handle and distributed 8 as follows. On exotic wagers: 10 Α. The state share is 2.248%; 12 (1)(2) The Sire Stakes Fund share is 1.551%; 14 (3) The Stipend Fund share is 1.169%; 16 (4) The purse supplement share is 0.99%; 18 (5)--The-Harness-Raeing-Promotional-Fund-share-is-0.25%; 20 22 (6) The horsemen's purse share is 3.315%; and The track share is 16.477%. 24 (7) On regular wagers: 26 Β. (1) The state share is 0.493%; 28 The Sire Stakes Fund share is 0.072%; 30 (2) 32 (3) The Stipend Fund share is 1.186%; (4) The purse supplement share is 0.986%; 34 (5)--The-Harness-Racing-Promotional-Fund-share-is-0-25%; 36 38 (6) The horsemen's purse share is 0.526%; and The track share is 14.487%. 40 (7) 42 2. Off-track betting facility intrastate simulcasting. The distribution of the commission on simulcasting of races 44 originating at a racetrack in the State by an off-track betting facility is calculated as percentages of the handle and distributed as follows. 46 A. On exotic wagers: 48

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2	(1) The state share is 2.248% for an off-track betting facility located in the same municipality as a
4	commercial track and 2.578% for all other facilities;
	(2) The Sire Stakes Fund share is 1.551%;
6	(3) The Stipend Fund share is 1.169%;
÷ 8	(4)The-Harness-Raging-Promotional-Fund-share-is-0-25%;
10	(5) The horsemen's purse share is 7.871%;
12	(6) The track share is 7.922%; and
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16	(7) The off-track betting facility share is 4.659%.
18	B. On regular wagers:
20	(1) The state share is 0.493% for an off-track betting facility located in the same municipality as a
22	commercial track and 0.823% for all other facilities;
24	(2) The Sire Stakes Fund share is 0.072%;
	(3) The Stipend Fund share is 1.186%;
26	(4)The-Harness-Racing-Prometional-Fund-share-is-0-25%;
28	(5) The horsemen's purse share is 5.062%;
30	(6) The track share is 7.899%; and
32	(7) The off-track betting facility share is 2.718%.
34	3. Track intrastate simulcasting. The distribution of the
36	commission on simulcasting of races originating at a racetrack in the State by another racetrack in the State is calculated as
38	percentages of the handle and distributed as follows.
40	A. On exotic wagers:
42	(1) The state share is 2.248%;
44	(2) The Sire Stakes Fund share is 1.551%;
46	(3) The Stipend Fund share is 1.169%;
48	(4) The purse supplement share is 0.99%;
50	(5)The-Harness-Raging-Promotional-Fund-share-is-0-25%;

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2	(6) The horsemen's purse share is 4.305%; and
4	(7) The track share is 15.487%.
6	B. On regular wagers:
8	(1) The state share is 0.493%;
10	(2) The Sire Stakes Fund share is 0.072%;
12	(3) The Stipend Fund share is 1.186%;
14	(4) The purse supplement share is 0.986%;
16	<pre>{5}The-Harness-Racing-Promotional-Fund-share-is-0+35%;</pre>
18	(6) The horsemen's purse share is 1.512%; and
20	(7) The track share is 13.501%.
22	4. Off-track betting facility interstate simulcasting with
24	commingled pools. The distribution of the commission on simulcasting of races with commingled pools originating at a
26	racetrack in another state by an off-track betting facility is
28	calculated as percentages of the commission and distributed as follows.
30	A. On exotic wagers:
32	(1) The state share is 8.647% for an off-track betting
34	facility located in the same municipality as a commercial track and 9.801% for all other facilities;
36	(2) The Sire Stakes Fund share is 5.965%;
38	(3) The Stipend Fund share is 4.494%;
40	(4) The purse supplement share is 16.558%;
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	(5)TheHarnessRasingPromotionalFundshareis
44	0.962%,
44 46	
	9.962%; (6) The off-track betting facility share is 49.269%; and (7) The off-track betting facility simulcast fund
46	9.962%; (6) The off-track betting facility share is 49.269%; and

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в. On regular wagers: 2 (1)The state share is 2.739% for an off-track betting facility located in the same municipality as 4 Б commercial track and 4.405% for all other facilities; 6 (2) The Sire Stakes Fund share is 0.400%; 8 (3) The Stipend Fund share is 6.590%; 10 The purse supplement share is 8.399%; (4) 12 (5)---The--Harness--Racing--Promotional--Fund--share--is 1-389%+ 14 The off-track betting facility share is 60.190%; 16 (6) and 18 (7) The off-track betting facility simulcast fund share is 18.627%. 20 22 5. Track interstate simulcasting with commingled pools. The distribution of the commission on simulcasting of races with 24 commingled pools originating at a racetrack in another state by a racetrack in the State is calculated as percentages of the 26 commission and distributed as follows. 28 A. On exotic wagers: 30 The state share is 8.647%; (1)32 The Sire Stakes Fund share is 5.965%; (2)34 The Stipend Fund share is 4.494%; (3) 36 (4) The purse supplement share is 3.809%; 38 (5)---The--Harness--Racing--Promotional--Fund--share--is 40 0-962%+ 42 The horsemen's purse share is 16.558%; and (6) (7) The track share is 59.565%. 44 On regular wagers: 46 в. 48 (1) The state share is 2.739%; 50 (2) The Sire Stakes Fund share is 0.400%;

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2 (3) The Stipend Fund share is 6.590%; (4) The purse supplement share is 5.479%; 4 (5)---The--Harness--Raging--Prometienal--Fund--share--is 6 1-389%+ 8 (6) The horsemen's purse share is 8.399%; and 10 The track share is 75.004%. (7) 12 Off-track betting facility interstate simulcasting with б. noncommingled pools. The distribution of the commission on 14 simulcasting of races with noncommingled pools originating at a 16 racetrack in another state by an off-track betting facility is calculated as percentages of the handle and distributed as follows. 18 A. On exotic wagers: 20 22 (1) The state share is 2.248%; The Sire Stakes Fund share is 1.551%; (2) 24 26 (3) The Stipend Fund share is 1.169%; The purse supplement share is 4.305%; 28 (4) (5)---The--Harness--Rading--Promotional--Fund--share--is 30 0-250%+ 32 (6) The off-track betting facility share is 13.110%; 34 and 36 (7)The off-track betting facility simulcast fund share is 3.367%. 38 On regular wagers: в. 40 (1)The state share is 0.493%; 42 (2)The Sire Stakes Fund share is 0.072%; 44 The Stipend Fund share is 1.186%; (3) 46 (4) The purse supplement share is 1.512%; 48 (5)---The--Harness--Rading--Promotional--Fund--share--is 50 0-250%+

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2	(6) The off-track betting facility share is 11.134%; and
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б	(7) The off-track betting facility simulcast fund share is 3.353%.
8	7. Track interstate simulcasting with noncommingled pools.
10	The distribution of the commission on simulcasting of races with noncommingled pools originating at a racetrack in another state
12	by a racetrack in the State is calculated as percentages of the handle and distributed as follows.
14	A. On exotic wagers:
16	(1) The state share is 2.248%;
18	(2) The Sire Stakes Fund share is 1.551%;
20	(3) The Stipend Fund share is 1.169%;
22	(4) The purse supplement share is 0.990%;
24	(5)TheHarnessRacingPremetionalFundshareis 0.250%;
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28	(6) The horsemen's purse share is 4.305%; and
30	(7) The track share is 15.487%.
	B. On regular wagers:
32	(1) The state share is 0.493%;
34	(2) The Sire Stakes Fund share is 0.072%;
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38	(3) The Stipend Fund share is 1.186%;
40	(4) The purse supplement share is 0.986%;
42	(6)TheHarnessRaeingPremetionalFundshareis
* 4	0-250% <i>+</i>
44	(6) The horsemen's purse share is 1.512%; and
46	(7) The track share is 13.501%.
48	Sec. 8. 8 MRSA §291, as enacted by PL 1997, c. 528, §46, is
50	repealed.

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Sec. 9. Effective date. That section of this Act that amends the Maine Revised Statutes, Title 8, section 286; and that section of this Act that repeals Title 8, section 291 take effect July 1, 1999.

## **SUMMARY**

The purpose of this bill is to reduce the costs to the State 10 of harness racing and to increase the promotion and regulation of live harness racing.

This bill distributes the Harness Racing Promotional Fund, 14 net of the administrative cost of the Harness Racing Promotional Board and net of all money raised by contributions to the board, 16 among those licensees that conduct live racing based upon the number of days the individual licensee conducted live racing 18 compared to the number of days live racing was conducted by all 19 licensees. Such distribution is available, however, only as 20 reimbursement for promotional expenses approved in advance by the board.

This bill also requires licensees to hire only officials 24 licensed by the commission to run race meets and eliminates the obligation of the Department of Agriculture, Food and Rural 26 Resources to contract for the services of persons to serve as presiding and associate track judges. The bill prohibits 28 licensees from dismissing such race officials except with the consent of the State Harness Racing Commission. The commission 30 is required, if practicable, to consolidate the duties of officials at race meets.

This bill repeals the Harness Racing Promotional Fund 34 effective July 1, 1999.

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