

# MAINE STATE LEGISLATURE

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# 126th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2014

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Legislative Document

No. 1680

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H.P. 1203

House of Representatives, December 30, 2013

**An Act To Protect the Integrity of Funding for Harness Racing  
Purses**

(EMERGENCY)

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

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

*Millicent M. MacFarland*  
MILLCENT M. MacFARLAND  
Clerk

Presented by Representative MAREAN of Hollis.  
Cosponsored by Senator COLLINS of York and  
Representatives: DILL of Old Town, KINNEY of Limington, PARRY of Arundel, SANBORN  
of Gorham, Senators: FLOOD of Kennebec, VALENTINO of York.

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

3           **Whereas,** this legislation needs to take effect before the expiration of the 90-day  
4 period in order to provide protection for funds used to pay purses in harness horse racing  
5 as soon as possible; and

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

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

11           **Sec. 1. 8 MRSA §272-B, first ¶,** as repealed and replaced by PL 2007, c. 211, §1  
12 and affected by §2, is amended to read:

13           Notwithstanding any other provision of this chapter, up to 3% of funds designated to  
14 supplement purses may be paid to a statewide association of horsemen in accordance with  
15 this section. A statewide association of horsemen, referred to in this section as "the  
16 association," means an association of horsemen qualified as a tax-exempt organization  
17 under 26 United States Code, Section 501(c)(6) before January 1, 2007 whose officers are  
18 authorized by the membership to negotiate with a person licensed to conduct racing under  
19 section 271 on behalf of the association's membership.

20           **Sec. 2. 8 MRSA §272-C** is enacted to read:

21           **§272-C. Trust account**

22           **1. Establishment; deposits.** A licensee conducting live racing in the State shall  
23 establish a trust account for the benefit of the persons who race horses at that licensee's  
24 facility. All funds that by statute must be used to pay purses must be deposited in that  
25 account and used exclusively to pay purses, including all funds distributed to or retained  
26 by the licensee to pay or supplement purses or to fund the association pursuant to section  
27 272-B.

28           **2. Payment if licensee fails to conduct racing.** If a licensee fails to conduct a race  
29 meet during a calendar year, all funds held in the trust account established under this  
30 section by that licensee must be returned to the commission, which shall return to the  
31 licensee any amount that represented a reimbursement that equaled an overpayment of  
32 purses. Any remaining balance of the trust account must be redistributed by the  
33 commission to the trust accounts of all racetracks that continue to conduct live racing in  
34 the State, with each track receiving that portion of money determined by multiplying the  
35 amount of money available for redistribution by a fraction, the numerator of which is the  
36 number of race dates at that racing venue during the prior calendar year and the  
37 denominator of which is the total number of race dates throughout the State during that  
38 year, except that those funds received by a licensee pursuant to section 298 must be  
39 returned to the fund to supplement harness racing purses established in section 298 and  
40 must be distributed according to that section.

1           **Sec. 3. 8 MRSA §275-A, sub-§1**, as amended by PL 2003, c. 401, §10, is further  
2 amended to read:

3           **1. Commercial track.** "Commercial track" means a harness horse racing track  
4 licensed under this chapter to conduct harness horse racing with pari-mutuel wagering  
5 that:

6           A. If the population of the region is 300,000 or more, based on the 1990 U.S.  
7 Census, conducted racing on more than 100 days in each of the previous 2 calendar  
8 years, except that if a racetrack that qualifies as a commercial track under this  
9 paragraph ceases operation, a separate racetrack operated by the owner or operator of  
10 the racetrack that ceased operation qualifies as a commercial track, and for all  
11 purposes is considered the same commercial track as the track that ceased operation,  
12 if the population of the region of that separate racetrack is 300,000 or more, based on  
13 the 1990 U.S. Census, and the sum of the number of days on which racing was  
14 conducted at the track that ceased operation and the number of days on which racing  
15 was conducted at the separate racetrack equals at least 100 days in each of the 2  
16 preceding calendar years. If a racetrack that qualifies as a commercial track under  
17 this paragraph ceases operation, one new racetrack opening in a region with a  
18 population of 300,000 or more qualifies as a commercial track if it conducts racing on  
19 at least 100 days in a calendar year. Days on which racing was conducted by the  
20 racetrack that ceases operation count toward the 100 days required of the new  
21 racetrack; or

22           B. If the population of the region is less than 300,000, based on the 1990 U.S.  
23 Census, conducted racing on more than 25 days in each of the previous 2 calendar  
24 years, except that if a racetrack that qualifies as a commercial track under this  
25 paragraph ceases operation, a separate racetrack operated by the owner or operator of  
26 the racetrack that ceased operation qualifies as a commercial track, and for all  
27 purposes is considered the same commercial track as the track that ceased operation,  
28 if the population of the region of that separate racetrack is less than 300,000, based on  
29 the 1990 U.S. Census, and the sum of the number of days on which racing was  
30 conducted at the track that ceased operation and the number of days on which racing  
31 was conducted at the separate racetrack equals at least 26 days in each of the 2  
32 preceding calendar years. If a racetrack that qualifies as a commercial track under  
33 this paragraph ceases operation, one new racetrack opening in a region with a  
34 population of less than 300,000 qualifies as a commercial track if it conducts racing  
35 on more than 25 days in a calendar year. Days on which racing was conducted by the  
36 racetrack that ceases operation count toward the more than 25 days required of the  
37 new racetrack.

38 For the purposes of this subsection, "region" is determined by measuring a distance of 50  
39 miles from the center of the racing track along the most commonly used roadway, as  
40 determined by the Department of Transportation, drawing a circle around the center of  
41 the racing track using that 50-mile measurement and excluding those municipalities or  
42 unorganized territories that do not have boundaries contained entirely by that circle.

43           **Emergency clause.** In view of the emergency cited in the preamble, this  
44 legislation takes effect when approved.

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**SUMMARY**

This bill requires a person licensed by the Department of Agriculture, Conservation and Forestry, State Harness Racing Commission to conduct harness horse racing to establish a trust account for the benefit of the persons who race horses at that licensee's facility. All funds that by statute must be used to pay purses must be deposited in that account and used exclusively to pay purses. If a licensee fails to conduct a race meet during a calendar year, all remaining funds held in the trust account established by that licensee must be returned to the commission and redistributed by the commission to the trust accounts of all racetracks that continue to conduct racing. It also requires a statewide association of horsemen to have been qualified as a tax-exempt organization under federal law before January 1, 2007 in order to be eligible to receive funds designated to supplement purses. It allows one new racetrack to replace a commercial track that closes.