

MAINE STATE LEGISLATURE

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PROGRAM EVALUATION REPORT

**MAINE STATE HARNESS RACING
COMMISSION**

**DEPARTMENT OF AGRICULTURE,
CONSERVATION AND FORESTRY**

**Submitted in fulfillment of the requirements of
Title 3, Chapter 35**

January 2016

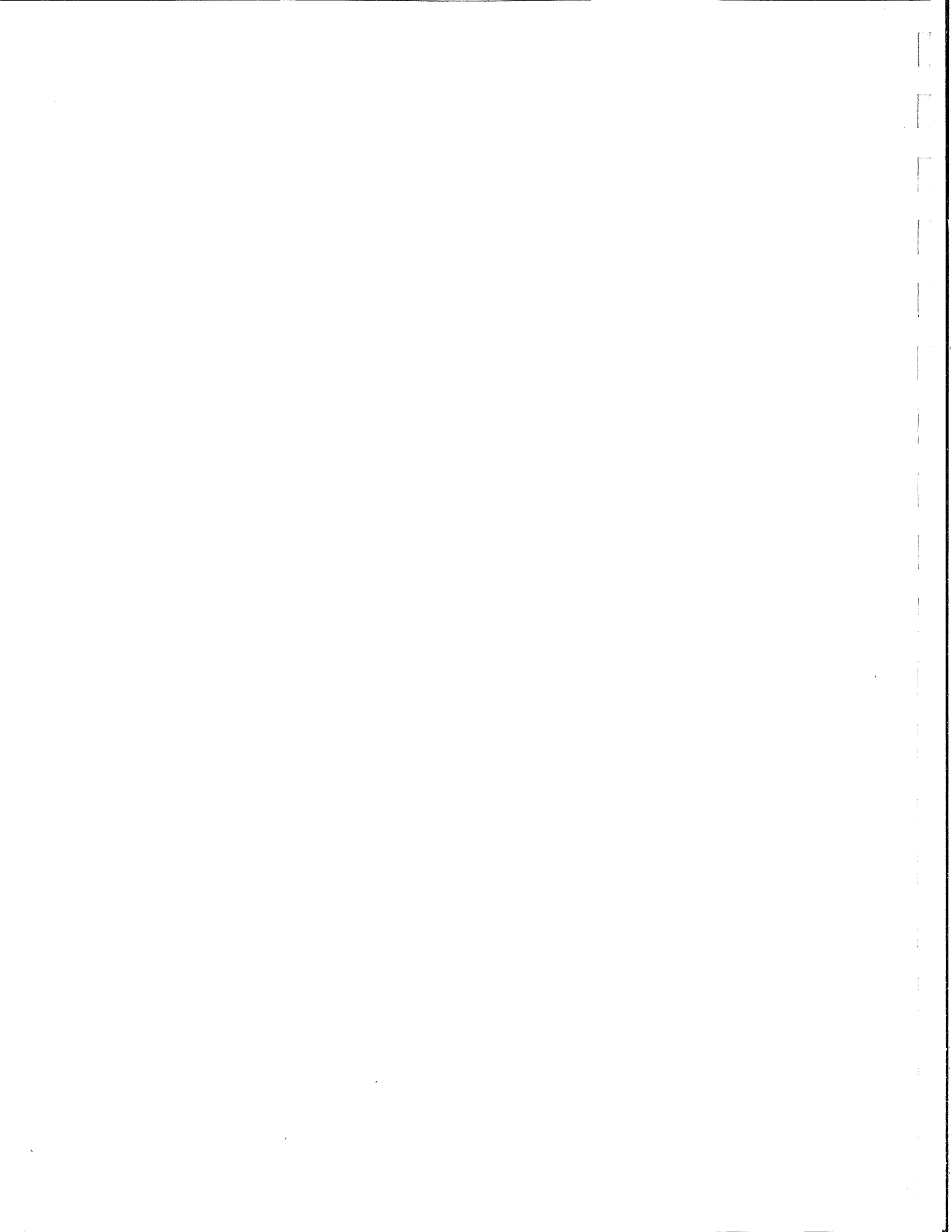


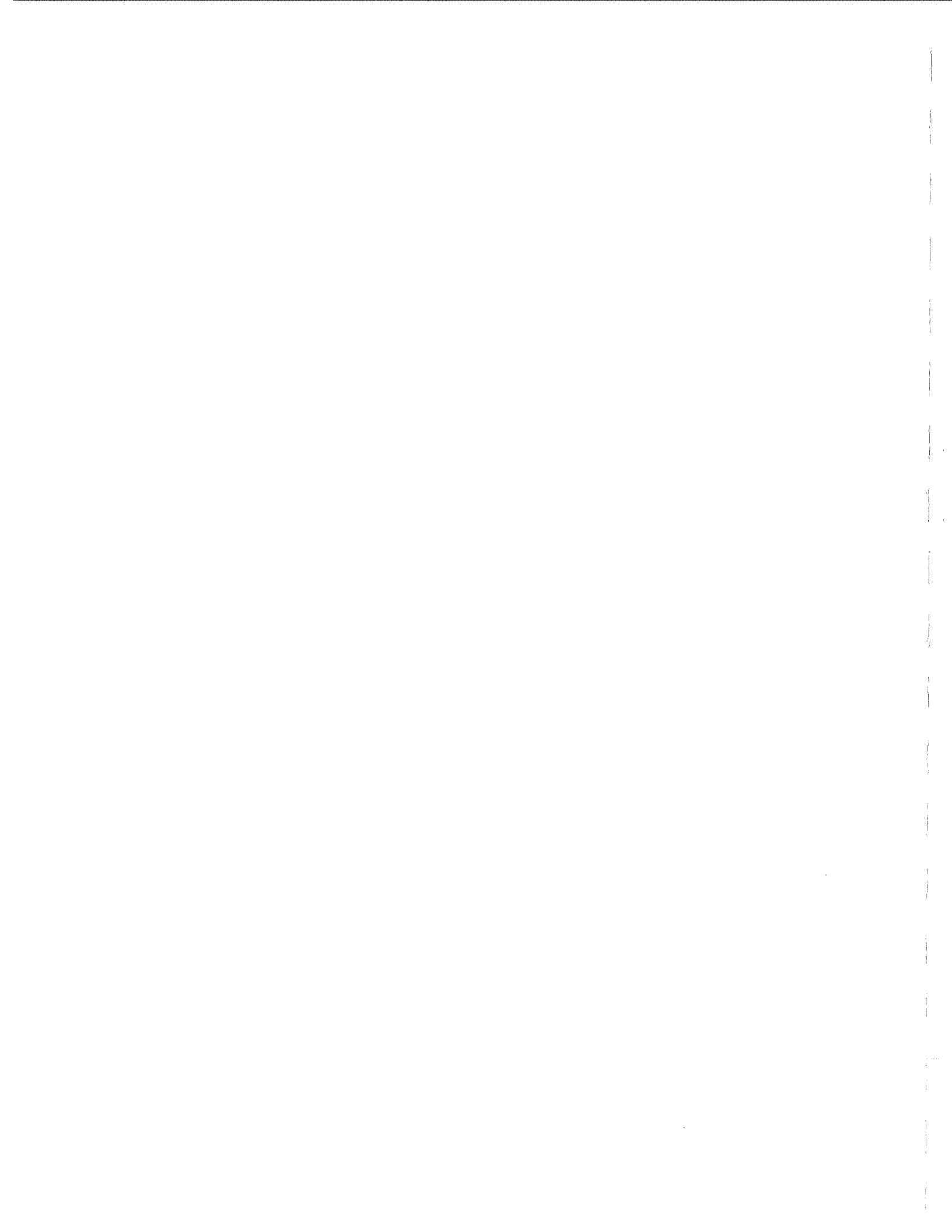
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SECTION I

EXECUTIVE SUMMARY

The Maine State Harness Racing Commission (hereinafter referred to as the “Commission”) was established in 1935 as the State Racing Commission. It received its present name in 1951, and in 1973 was placed within the Department of Agriculture. Over the last 25 years, the Commission’s responsibilities have been steadily expanded to include drug testing, off-track betting, simulcasting, and—most significantly—collection of in-state wagering revenue which is subsequently redistributed to support Maine bred race horses, commercial tracks, harness racing purses, off-track betting and Maine’s agricultural fairs.

The Commission employs an Executive Director, a Program Director, a half-time Office Associate II, a half-time Resource Administrator, two Stewards, a Veterinarian (85% Harness Racing) and two Harness Racing Technicians. The Commission staff performs a variety of regulatory oversight functions as well as licensing, financial management, and disbursements. In 2015, the Commission staff was faced with an unprecedented volume of drug prosecution cases, which severely taxed the available staff resources and diverted staff attention from normal responsibilities.

A variety of socioeconomic trends are threatening the economic viability and the future of harness racing in Maine. Those trends include the unlawful use of drugs and supplements to gain a racing advantage, a resulting credibility problem that discourages investment in the industry; intense competition for wagering dollars; high overhead associated with operating harness racing venues; a wide variety of entertainment options available to the public; and the gradual evolution away from an agrarian way of life which fostered interest in horses and farm animals. These and other factors now leave harness racing in Maine at a critical juncture and on the brink of viability as an industry. For a more complete discussion of the challenges facing Maine harness racing, see Section J. Emerging Issues.

In light of the issues now facing Maine’s harness racing industry, a swift resolution of the drugging concern coupled with new and innovative solutions to the other issues will be necessary if harness racing is to remain viable over the long term. Consequently, the Commission welcomes the support and ideas of the Maine Legislature in confronting these issues.

SECTION II—STATUTORY

A. ENABLING AND AUTHORIZING LAWS

5 M.R.S.A. Section 12004-G, subsection 32 authorizes establishment of the Maine State Harness Racing Commission as a public policy board.

8 M.R.S.A. Chapter 11 (Sections 261 through 300) provides regulatory oversight authority to the Commission for a variety of functions necessary to the operation and integrity of harness racing, including but not limited to: licensing of participants; veterinary supervision of race horses; racing oversight by the state stewards and other track officials; regulation of off-track betting facilities; human and horse drug testing; and financial management of wagering revenue that benefits the industry.

B. DESCRIPTION OF PROGRAMS ADMINISTERED BY THE MAINE STATE HARNESS RACING COMMISSION

1. Licensing of participants, officials, tracks and off-track betting; granting of race dates

Statutory Basis

8 M.R.S.A. Sections 263-A, 268-271, 275-A through 275-O, 279 through 279-D, 283

Objectives

The Commission is charged with a broad range of licensing functions relating to harness racing and its participants. This program establishes standards to ensure that the industry operates in a manner that fosters fairness, integrity, transparency and professionalism. For instance, drivers and trainers must first achieve minimum competency standards before qualifying for a license and horse owners must provide proof of adequate liability insurance. Similarly, the Presiding and Associate Track Judges must fulfil minimum continuing education standards to qualify for licensing. In addition, this program sets minimum age restrictions, allows for background checks to be completed, and requires assurance of financial capabilities for all participants.

Tracks and off-track betting facilities must submit detailed applications that go before the Commission for determination of whether facilities are in good operating condition and have the financial means to operate responsibly. Facilities that fall under either category are subject to scheduled and random oversight by the Commission. In addition, race dates are assigned to licensed facilities in a manner that most benefits the entire industry.

The Commission has the right to refuse, revoke or suspend a licensee found in violation of Commission statutes or rules, or otherwise found not to be in good standing in other racing jurisdictions.

Future Goals

- Create an online self-service portal for licensees.

2. Oversight and enforcement at harness racing facilities and pari-mutuel betting facilities

Statutory Basis

8 M.R.S.A. Sections 268 - 272, 275-A through 275-E, 275-N, 277 - 279, 279-C

Objectives

The objective of the oversight and enforcement program is to ensure that licensed facilities are in good condition, are operating in a professional manner, and are adhering to pertinent laws. At all races, qualified judges and stewards approved and licensed by the Commission are present and charged with enforcing applicable laws and otherwise upholding the integrity of the sport. These officials are required to submit written reports documenting their activities, the conduct of the race meetings and their decisions to the Commission.

Future Goals

- Mandate regular training sessions for all track officials, - i.e. judges, state stewards, and starters in order to ensure that everyone is kept up-to-date and informed on the harness racing rules.

3. Drug testing of horses, drivers, and licensees

Statutory Basis

8 M.R.S.A. Sections 279-A and 279-E

Objectives

The purpose of this program is to ensure that horses are not racing with prohibited substances in their system. Once a horse has been checked into the paddock, trainers of horses participating in any race must present their horse for testing—either pre or post-race—at the discretion of the State Veterinarian, Presiding Judge, or State Steward. The winning horse of each race is always tested along with any other horses that are selected.

In order to provide a safe environment in the paddock and on the track, random or scheduled drug/alcohol testing of any licensee (i.e. a driver, trainer, groom, starting gate driver, or any licensee who enters the paddock) is permitted at the discretion of the State Steward. In addition, whenever drivers, judges, and starting gate drivers participate on a race day they are required to submit to a breath analyzer test.

Future Goals

- Conduct more pre-race testing on horses in efforts to detect the presence of drugs undetectable post-race.
- Obtain more out-of-competition blood samples on race horses to 1) keep owners/trainers honest, and 2) detect the presence of “blood doping” substances that are undetectable on race days.
- For human testing, research drug testing options for 1) instant tests, and/or 2) different labs to send the drug tests that would provide quicker test results.
- Research and establish standard referee labs to speed up the split sample process.

4. Collection and disbursement of wagering revenue

Statutory Basis

8 M.R.S.A. Sections 272-B and 286 - 300

Objectives

The Commission collects and deposits the revenue from wagering fees and licensing revenue and then distributes the money in accordance with prescribed statutory formulas. The percentages of the wagering revenue that are distributed depend on the source of the revenue. Places of wagering include live racing, off-track intrastate and off-track interstate, and wagering revenue from slot machines from Maine’s two licensed gambling facilities.

The accounts where wagering money is deposited include the Commission’s Operating Fund, the Agricultural Fair Stipend Fund, the Sire Stakes Fund, the Harness Racing Promotional Board Fund, the Purse Supplement Fund, the Fund to Support Racing at Commercial Tracks and the Off Track Betting Simulcast Fund. These funds are crucial for supplying revenue to facilities related to the harness racing industry and Maine’s Agricultural Fairs.

Future Goals

- Modernize the Commission’s technology capacity to streamline submission, management, and distribution of the revenues.

5. Promotion and support for the Maine Standardbred race horse breeding industry

Statutory Basis

8 M.R.S.A. Sections 281, 281-A and 288

Objectives

The Commission is charged with a variety of responsibilities intended to “encourage and promote the breeding of a strain of Maine Standardbreds.” Those responsibilities include registration of in-state stallions, registration of in-state two and three-year old Standardbred race horses, establishment and oversight of dedicated races for Maine-bred horses (referred to as the “Sire Stakes”), and collection and disbursements of wagering revenue to promote Sire Stakes racing and to supplement the Sire Stakes purses.

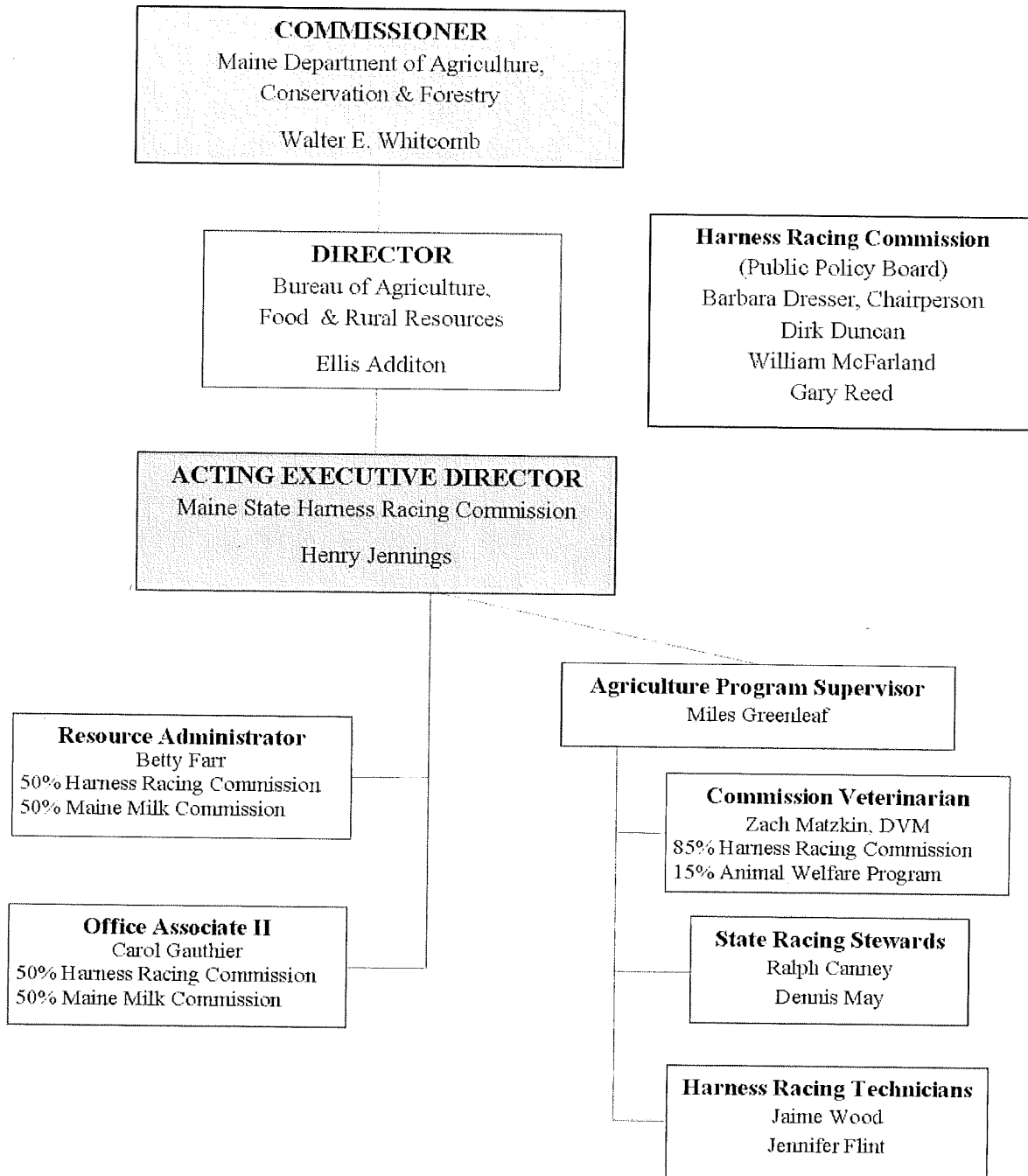
Future Goals

- The Commission hopes to collaborate with the industry to increase the number and quality of Maine-bred race horses and to enhance the popularity of the Sire Stakes program.

C. ORGANIZATIONAL STRUCTURE

Maine State Harness Racing Commission

Organizational Structure





D. COMPLIANCE WITH FEDERAL AND STATE HEALTH AND SAFETY LAWS

The Commission takes proactive measures to ensure compliance with all federal and state health and safety laws and certifies that it will comply with all federal standards relating to nondiscrimination which include, but are not limited to (a) Title VI of the Civil Rights Act—prohibits discrimination on the basis of race, color or national origin, (b) Title XI of the Education Amendments of 1972—prohibits discrimination on the basis of sex, (c) Section 504 of the Rehabilitation Act of 1973—prohibits discrimination on the basis of handicaps and (d) The Age Discrimination Act of 1975—prohibits discrimination on the basis of age.

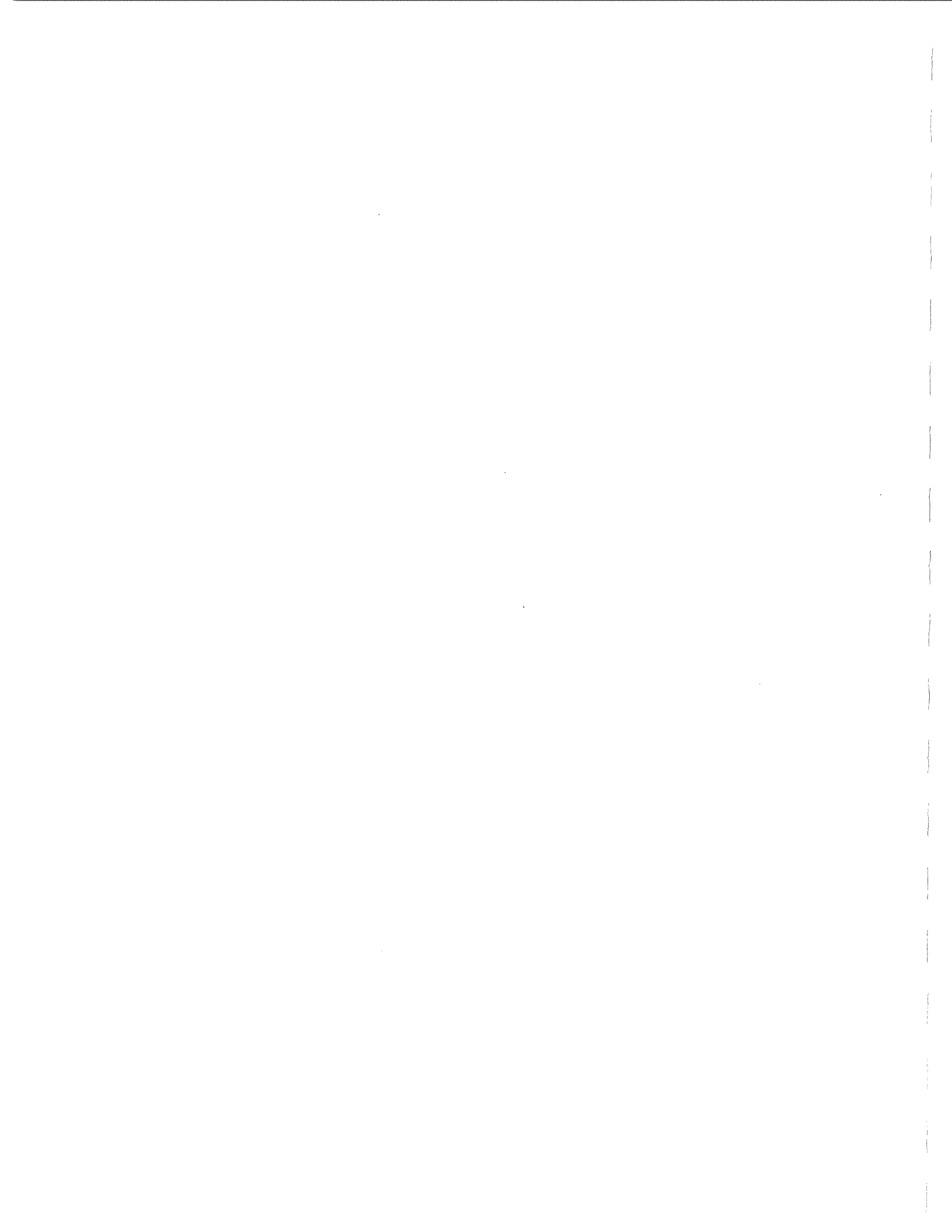
The Commission, as a unit of the Department of Agriculture, Conservation and Forestry, participates in safety compliance inspections conducted by the Maine Bureau of Labor Standards. Work site evaluations have been performed for all employees using video display terminals in order to provide specific recommendations to enhance employee safety, comfort and efficiency. Ergonomic workstations have been obtained, when necessary, for all employees to implement the recommendations contained in the work site evaluations.

E. FINANCIAL SUMMARY

The Commission is responsible for the collection and redistribution of wagering revenue from three sources: the Bangor Racino, the Oxford Casino, and regular and exotic wagers from licensed in-state pari-mutuel harness racing wagering facilities. Almost \$12 million annually is received from these revenue sources, which is redistributed according to statutory formulas to provide financial support to racing purses, Maine-bred race horses (Sire Stakes), commercial tracks, off-track betting, harness racing promotion, and agricultural fairs.

The Commission has been completely funded by dedicated wagering and /or licensing revenues since the end of State Fiscal Year 2008, after the harness racing industry worked with the Maine Legislature to replace the General Fund revenue on which it was partially dependent.

In State Fiscal Year 2015, the Commission expended approximately \$1 million for operational purposes, with approximately \$900,000 of the expended funds allocated between personal services and contractual services for drug testing.



FINANCIAL SUMMARY: OTHER SPECIAL REVENUE

Harness Racing Other Special Revenue Program 0320	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
12 AMUSEMENT TAX	\$ -	\$ -	\$ -	\$ 2,500.00	\$ 3,410.00	\$ 2,180.00	\$ 6,670.00	\$ 7,260.00	\$ 5,905.00	\$ 6,705.00
13 BETTING TAXES	\$ 6,578,963.21	\$ 10,236,677.08	\$ 10,337,203.51	\$ 13,764,346.77	\$ 13,948,764.53	\$ 13,608,771.58	\$ 13,596,034.74	\$ 13,150,818.76	\$ 12,215,214.17	\$ 12,226,327.57
14 LICENSING FEES	\$ -	\$ -	\$ -	\$ 66,455.00	\$ 66,060.00	\$ 63,834.00	\$ 60,898.61	\$ 58,800.00	\$ 57,140.00	\$ 51,365.00
20 FINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175.00	\$ -	\$ 200.00	\$ -
25 PRIVATE SOURCES	\$ -	\$ -	\$ 166,000.00	\$ 76,678.35	\$ 52,575.11	\$ -	\$ -	\$ -	\$ -	\$ -
26 MISC INCOME	\$ 668,490.29	\$ 687,615.91	\$ 624,018.35	\$ 618,830.09	\$ 578,644.47	\$ 583,521.11	\$ 583,942.59	\$ 537,166.06	\$ 466,365.02	\$ 478,612.57
27 INTERGOVERNMENTAL	\$ 72,844.40	\$ 62,276.06	\$ 53,420.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28 SALE AND COMP LOSS OF PROP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 7,320,297.90	\$ 10,986,569.05	\$ 11,180,642.74	\$ 14,528,810.21	\$ 14,649,454.11	\$ 14,258,306.69	\$ 14,247,720.94	\$ 13,754,044.82	\$ 12,744,824.19	\$ 12,763,010.14
TRANSFERS										
TOTAL TRANSFERS IN/OUT	\$ (70,349.92)	\$ (148,301.95)	\$ (204,580.33)	\$ (178,727.45)	\$ (251,298.42)	\$ (265,899.48)	\$ 258,070.32	\$ (340,616.23)	\$ (193,470.99)	\$ (100,817.55)
EXPENSES (Personnel)										
TOTAL PERSONNEL EXPENSES	\$ 20,861.24	\$ 48,735.12	\$ 57,227.77	\$ 452,746.75	\$ 451,739.17	\$ 425,263.26	\$ 474,748.72	\$ 485,950.44	\$ 536,024.78	\$ 533,471.09
EXPENSES (All Other)										
40 PROF. SERVICES, NOT BY STATE	\$ 51,680.86	\$ 99,243.21	\$ 185,439.99	\$ 245,505.72	\$ 219,423.28	\$ 166,669.19	\$ 138,415.56	\$ 313,113.17	\$ 344,599.49	\$ 315,536.31
41 PROF. SERVICES, BY STATE	\$ 8,240.00	\$ 8,542.00	\$ -	\$ 287,664.00	\$ 285,536.00	\$ 169,133.00	\$ 254,735.00	\$ 98,440.00	\$ 1,740.00	\$ 6,360.00
42 TRAVEL EXPENSES, IN STATE	\$ -	\$ 305.58	\$ -	\$ 11,249.23	\$ 10,623.72	\$ 9,998.32	\$ 11,086.99	\$ 7,091.60	\$ 5,863.31	\$ 3,962.39
43 TRAVEL EXPENSES, OUT OF STATE	\$ -	\$ -	\$ 2,741.92	\$ -	\$ -	\$ -	\$ 882.80	\$ 2,883.60	\$ (28.42)	\$ 755.00
46 RENTS	\$ -	\$ 1,233.75	\$ -	\$ 18,111.23	\$ 17,940.50	\$ 18,659.33	\$ 20,831.79	\$ 16,273.47	\$ 13,575.46	\$ 12,296.83
47 REPAIRS	\$ -	\$ -	\$ -	\$ 2,919.55	\$ 1,240.00	\$ -	\$ 5,642.75	\$ -	\$ 472.16	\$ -
48 INSURANCE	\$ 51.94	\$ 70.06	\$ 56.10	\$ 732.19	\$ 800.77	\$ -	\$ 667.42	\$ -	\$ 546.57	\$ 648.58
49 GENERAL OPERATIONS	\$ 4,886.48	\$ 2,820.74	\$ 6,488.49	\$ 25,080.76	\$ 20,708.43	\$ 23,142.92	\$ 25,328.84	\$ 18,900.62	\$ 22,165.02	\$ 21,102.93
50 TRAINING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58.05	\$ 53.96	\$ -	\$ -
51 COMMODITIES - FOOD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83.01
53 TECHNOLOGY	\$ -	\$ 2,074.36	\$ -	\$ -	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -
54 CLOTHING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55 MINOR EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,409.92	\$ -	\$ -	\$ -
56 OFFICE & OTHER SUPPLIES	\$ 1,387.52	\$ -	\$ 479.88	\$ 37,919.80	\$ 28,184.52	\$ 25,564.47	\$ 21,251.51	\$ 23,303.07	\$ 18,954.63	\$ 15,769.36
64 GRANTS TO PUB AND PRIV ORGNS	\$ 5,331,663.59	\$ 10,212,589.77	\$ 10,775,484.42	\$ 12,628,242.98	\$ 13,467,590.66	\$ 13,102,163.24	\$ 13,139,710.58	\$ 12,803,551.42	\$ 11,845,750.34	\$ 11,626,542.15
80 INTEREST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.58	\$ -
82 ADMINISTRATIVE CHARGES AND FEE	\$ -	\$ -	\$ -	\$ -	\$ (20.00)	\$ -	\$ (20.00)	\$ 60.00	\$ (20.00)	\$ -
85 STA-CAP	\$ 536.43	\$ 1,528.76	\$ 3,082.44	\$ 16,153.40	\$ 15,357.58	\$ 10,139.15	\$ 10,890.50	\$ 17,088.78	\$ 37,251.11	\$ 46,773.24
TOTAL ALL OTHER EXPENSES	\$ 5,398,446.82	\$ 10,328,408.23	\$ 10,973,773.24	\$ 13,273,578.86	\$ 14,067,385.46	\$ 13,525,469.62	\$ 13,630,891.71	\$ 13,300,759.69	\$ 12,290,872.25	\$ 12,049,829.80
TOTAL EXPENSES	\$ 5,419,308.06	\$ 10,377,143.35	\$ 11,031,001.01	\$ 13,726,325.61	\$ 14,519,124.63	\$ 13,950,732.88	\$ 14,105,640.43	\$ 13,786,710.13	\$ 12,826,897.03	\$ 12,583,300.89



FINANCIAL SUMMARY: GENERAL FUND

Harness Racing General Fund Program 0320	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
12 AMUSEMENT TAX	\$ 2,710.00	\$ 2,400.00	\$ 2,510.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 BETTING TAXES	\$ 915,504.58	\$ 901,515.53	\$ 764,471.95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 LICENSING FEES	\$ 66,824.14	\$ 67,034.57	\$ 66,525.00	\$ 265.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 FINES	\$ 12,350.00	\$ 15,955.00	\$ 16,575.00	\$ 16,575.00	\$ 14,825.00	\$ 14,050.00	\$ 16,000.00	\$ 16,525.00	\$ 10,950.00	\$ 13,400.00
25 PRIVATE SOURCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26 MISC INCOME	\$ (25.00)	\$ 764.00	\$ 1,210.00	\$ (1,150.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27 INTERGOVERNMENTAL	\$ (74,791.42)	\$ (64,350.34)	\$ (53,420.88)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28 SALE AND COMP LOSS OF PROP	\$ 4.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 922,576.70	\$ 923,318.76	\$ 797,871.07	\$ 15,690.00	\$ 14,825.00	\$ 14,050.00	\$ 16,000.00	\$ 16,525.00	\$ 10,950.00	\$ 13,400.00
TRANSFERS										
TOTAL TRANSFERS IN/OUT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES (Personnel)										
TOTAL PERSONNEL EXPENSES	\$ 398,964.07	\$ 362,808.93	\$ 390,467.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES (All Other)										
40 PROF. SERVICES, NOT BY STATE	\$ 73,174.61	\$ 80,286.54	\$ 97,852.26	\$ 4,167.22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41 PROF. SERVICES, BY STATE	\$ 361,052.05	\$ 377,139.03	\$ 316,433.92	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42 TRAVEL EXPENSES, IN STATE	\$ 16,130.25	\$ 10,824.70	\$ 11,286.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43 TRAVEL EXPENSES, OUT OF STATE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46 RENTS	\$ 21,149.03	\$ 20,810.47	\$ 15,630.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47 REPAIRS	\$ 1,034.84	\$ 5,670.00	\$ 2,962.39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48 INSURANCE	\$ 357.21	\$ 456.48	\$ 673.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49 GENERAL OPERATIONS	\$ 18,586.08	\$ 25,401.34	\$ 24,338.44	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50 TRAINING	\$ -	\$ 210.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51 COMMODITIES - FOOD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53 TECHNOLOGY	\$ 3,065.31	\$ 16,747.83	\$ 14,489.82	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54 CLOTHING	\$ -	\$ 104.95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55 MINOR EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56 OFFICE & OTHER SUPPLIES	\$ 28,388.38	\$ 20,058.28	\$ 26,792.23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64 GRANTS TO PUB AND PRIV ORGNS	\$ 257,665.69	\$ 253,901.32	\$ 298,683.52	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80 INTEREST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82 ADMINISTRATIVE CHARGES AND FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85 STA-CAP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ALL OTHER EXPENSES	\$ 780,603.45	\$ 811,610.94	\$ 809,141.72	\$ 4,167.22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 1,179,567.52	\$ 1,174,419.87	\$ 1,199,608.74	\$ 4,167.22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

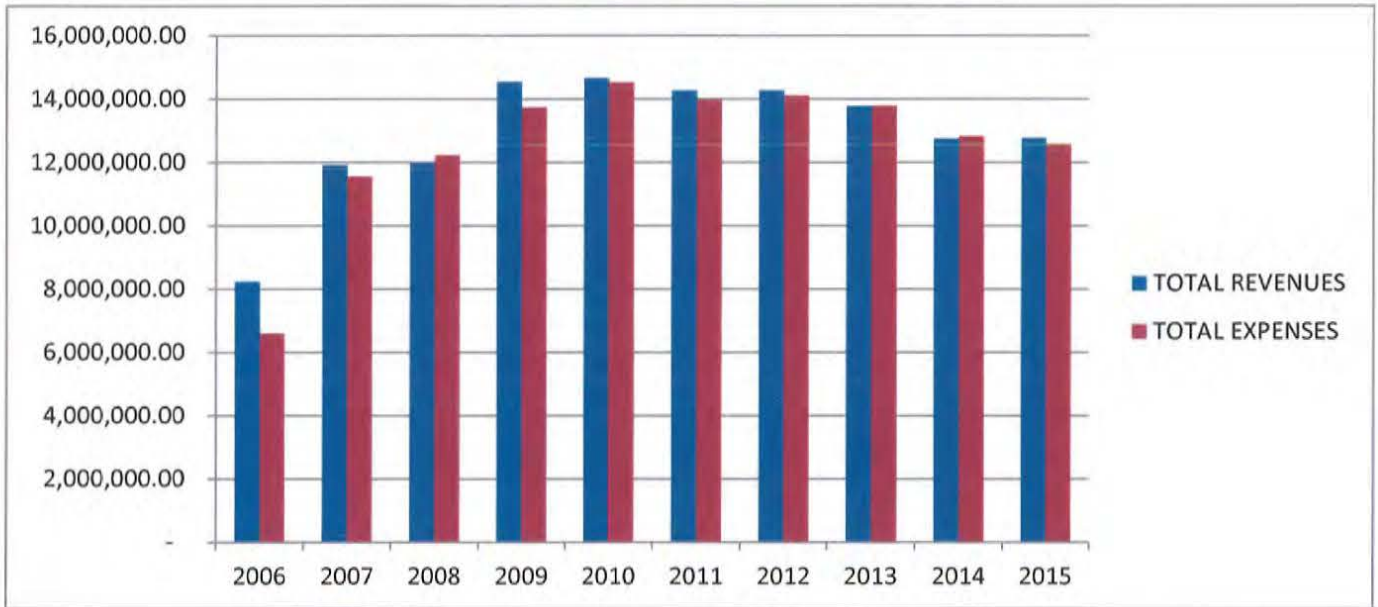


FINANCIAL SUMMARY: ALL FUNDS

Harness Racing - All Funds Program 0320	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
12 AMUSEMENT TAX	\$ 2,710.00	\$ 2,400.00	\$ 2,510.00	\$ 2,500.00	\$ 3,410.00	\$ 2,180.00	\$ 6,670.00	\$ 7,260.00	\$ 5,905.00	\$ 6,705.00
13 BETTING TAXES	\$ 7,494,467.79	\$ 11,138,192.61	\$ 11,101,675.46	\$ 13,764,346.77	\$ 13,948,764.53	\$ 13,608,771.58	\$ 13,596,034.74	\$ 13,150,818.76	\$ 12,215,214.17	\$ 12,226,327.57
14 LICENSING FEES	\$ 66,824.14	\$ 67,034.57	\$ 66,525.00	\$ 66,720.00	\$ 66,060.00	\$ 63,834.00	\$ 60,898.61	\$ 58,800.00	\$ 57,140.00	\$ 51,365.00
20 FINES	\$ 12,350.00	\$ 15,955.00	\$ 16,575.00	\$ 16,575.00	\$ 14,825.00	\$ 14,050.00	\$ 16,175.00	\$ 16,525.00	\$ 11,150.00	\$ 13,400.00
25 PRIVATE SOURCES	\$ -	\$ -	\$ 166,000.00	\$ 76,678.35	\$ 52,575.11	\$ -	\$ -	\$ -	\$ -	\$ -
26 MISC INCOME	\$ 668,465.29	\$ 688,379.91	\$ 625,228.35	\$ 617,680.09	\$ 578,644.47	\$ 583,521.11	\$ 583,942.59	\$ 537,166.06	\$ 466,365.02	\$ 478,612.57
27 INTERGOVERNMENTAL	\$ (1,947.02)	\$ (2,074.28)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28 SALE AND COMP LOSS OF PROP	\$ 4.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 8,242,874.60	\$ 11,909,887.81	\$ 11,978,513.81	\$ 14,544,500.21	\$ 14,664,279.11	\$ 14,272,356.69	\$ 14,263,720.94	\$ 13,770,569.82	\$ 12,755,774.19	\$ 12,776,410.14
TRANSFERS										
TOTAL TRANSFERS IN/OUT	\$ (70,349.92)	\$ (148,301.95)	\$ (204,580.33)	\$ (178,727.45)	\$ (251,298.42)	\$ (265,899.48)	\$ 258,070.32	\$ (340,616.23)	\$ (193,470.99)	\$ (100,817.55)
EXPENSES (Personnel)										
TOTAL PERSONNEL EXPENSES	\$ 419,825.31	\$ 411,544.05	\$ 447,694.79	\$ 452,746.75	\$ 451,739.17	\$ 425,263.26	\$ 474,748.72	\$ 485,950.44	\$ 536,024.78	\$ 533,471.09
EXPENSES (All Other)										
40 PROF. SERVICES, NOT BY STATE	\$ 124,855.47	\$ 179,529.75	\$ 283,292.25	\$ 249,672.94	\$ 219,423.28	\$ 166,669.19	\$ 138,415.56	\$ 313,113.17	\$ 344,599.49	\$ 315,536.31
41 PROF. SERVICES, BY STATE	\$ 369,292.05	\$ 385,681.03	\$ 316,433.92	\$ 287,664.00	\$ 285,536.00	\$ 169,133.00	\$ 254,735.00	\$ 98,440.00	\$ 1,740.00	\$ 6,360.00
42 TRAVEL EXPENSES, IN STATE	\$ 16,130.25	\$ 11,130.28	\$ 11,286.03	\$ 11,249.23	\$ 10,623.72	\$ 9,998.32	\$ 11,086.99	\$ 7,091.60	\$ 5,863.31	\$ 3,962.39
43 TRAVEL EXPENSES, OUT OF STATE	\$ -	\$ -	\$ 2,741.92	\$ -	\$ -	\$ -	\$ 882.80	\$ 2,883.60	\$ (28.42)	\$ 755.00
46 RENTS	\$ 21,149.03	\$ 22,044.22	\$ 15,630.05	\$ 18,111.23	\$ 17,940.50	\$ 18,659.33	\$ 20,831.79	\$ 16,273.47	\$ 13,575.46	\$ 12,296.83
47 REPAIRS	\$ 1,034.84	\$ 5,670.00	\$ 2,962.39	\$ 2,919.55	\$ 1,240.00	\$ -	\$ 5,642.75	\$ -	\$ 472.16	\$ -
48 INSURANCE	\$ 409.15	\$ 526.54	\$ 729.16	\$ 732.19	\$ 800.77	\$ -	\$ 667.42	\$ -	\$ 546.57	\$ 648.58
49 GENERAL OPERATIONS	\$ 23,472.56	\$ 28,222.08	\$ 30,826.93	\$ 25,080.76	\$ 20,708.43	\$ 23,142.92	\$ 25,328.84	\$ 18,900.62	\$ 22,165.02	\$ 21,102.93
50 TRAINING	\$ -	\$ 210.00	\$ -	\$ -	\$ -	\$ -	\$ 58.05	\$ 53.96	\$ -	\$ -
51 COMMODITIES - FOOD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83.01
53 TECHNOLOGY	\$ 3,065.31	\$ 18,822.19	\$ 14,489.82	\$ -	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -
54 CLOTHING	\$ -	\$ 104.95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55 MINOR EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,409.92	\$ -	\$ -	\$ -
56 OFFICE & OTHER SUPPLIES	\$ 29,775.90	\$ 20,058.28	\$ 27,272.11	\$ 37,919.80	\$ 28,184.52	\$ 25,564.47	\$ 21,251.51	\$ 23,303.07	\$ 18,954.63	\$ 15,769.36
64 GRANTS TO PUB AND PRIV ORGNS	\$ 5,589,329.28	\$ 10,466,491.09	\$ 11,074,167.94	\$ 12,628,242.98	\$ 13,467,590.66	\$ 13,102,163.24	\$ 13,139,710.58	\$ 12,803,551.42	\$ 11,845,750.34	\$ 11,626,542.15
80 INTEREST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.58	\$ -
82 ADMINISTRATIVE CHARGES AND FEE	\$ -	\$ -	\$ -	\$ -	\$ (20.00)	\$ -	\$ (20.00)	\$ 60.00	\$ (20.00)	\$ -
85 STA-CAP	\$ 536.43	\$ 1,528.76	\$ 3,082.44	\$ 16,153.40	\$ 15,357.58	\$ 10,139.15	\$ 10,890.50	\$ 17,088.78	\$ 37,251.11	\$ 46,773.24
TOTAL ALL OTHER EXPENSES	\$ 6,179,050.27	\$ 11,140,019.17	\$ 11,782,914.96	\$ 13,277,746.08	\$ 14,067,385.46	\$ 13,525,469.62	\$ 13,630,891.71	\$ 13,300,759.69	\$ 12,290,872.25	\$ 12,049,829.80
TOTAL EXPENSES	\$ 6,598,875.58	\$ 11,551,563.22	\$ 12,230,609.75	\$ 13,730,492.83	\$ 14,519,124.63	\$ 13,950,732.88	\$ 14,105,640.43	\$ 13,786,710.13	\$ 12,826,897.03	\$ 12,583,300.89



**FIGURE 1:
HARNESS RACING COMMISSION
REVENUE VS. EXPENDITURE**



F. RULES AND REGULATIONS

Summary of Rules and Rulemaking

Chapter 1 Administration

Statutory Authority 8 M.R.S.A. §§ 263-A, 268, 275-C, 279-A, 279-B, 281

Effective Date February 22, 1993

Last Amended October 20, 2010

This chapter contains definitions, rules of construction, sulky standards, licensing requirements and fees set forth by the Commission.

Chapter 3 Officials and Race Track Personnel

Statutory Authority 8 M.R.S.A. §§ 263-A, 268, 275-C, 279-A, 279-B, 281

Effective Date February 22, 1993

Last Amended July 22, 2013

This chapter describes the responsibilities, duties, and restrictions of the various licensed race officials who have administrative responsibility for enforcing these rules. It also refers to other licensed personnel having responsibilities relating to racing.

Chapter 5 Tracks

Statutory Authority 8 MRSA §§ 263-A, 268, 272-B, 279-A and B

Effective Date February 22, 1993

Last Amended August 19, 2014

This chapter contains the requirements of the racing Associations to conduct race meets in the state and includes, but is not limited to: equipment, bonding, licensing, personnel, and the regulations of racing.

Chapter 7 Racing

Statutory Authority 8 MRSA §§ 263-A, 268, 275-C, 279-A, 279-B, 281

Effective Date February 22, 1993

Last Amended August 19, 2014

This chapter shall set forth all rules specific to all facets of racing. This shall include the procedures for the assembling and drawing of races, the standards that horses and participants are held to, starting and racing rules, and proper procedures for placing and purse distribution. To facilitate understanding of this chapter it is arranged sequentially in the order in which the various elements of racing should occur. For example, the draw comes before the starting rules, the starting rules before the racing rules, etc.

Chapter 9 Sire Stakes

Statutory Authority 8 MRSA §§ 263-A, 268, 275-C, 279-A, 279-B, 281

Effective Date February 22, 1993

Last Amended August 19, 2014

This chapter pertains to the establishment of a Breeders Stakes program to encourage and develop a Maine breed of Standardbred horses pursuant to 8 MRSA §281. If no exception is provided in this chapter, the general body of harness racing rules and regulations shall apply to the Sire Stakes program and Sire Stakes races.

Chapter 11 Medication and Testing

Statutory Authority 8 M.R.S.A. §§ 263-A, 268, 275-C, 279-A, 279-B, 281

Effective Date February 22, 1993

Last Amended August 19, 2014

This chapter contains rules for equine medication including, but not limited to: prohibited substances, types of tests, methods of testing, responsibilities of race track personnel, purse redistribution and penalties.

Chapter 13 Pari-Mutuel

Statutory Authority 8 MRSA §§ 263-A, 268, 275-C, 279-A, 279-B, 281

Effective Date February 22, 1993

Last Amended July 24, 2013

This chapter discusses methods of maintaining and verifying Win, Place and Show pools, multiple-pool wagers and contains the requirements for bonding of the Mutuel director, plant security and conduct within the Mutuel enclosure.

Chapter 15 Off-Track Betting

Statutory Authority 8 MRSA §§ 263-A, 268, 275-C, 279-A, 279-B, 281

Effective Date February 22, 1993

Last Amended May 29, 2001 (Repealed and Replaced)

This chapter contains the licensing rules and operational criteria for off-track betting.

Chapter 17 Rule Violations; Penalties

Statutory Authority 8 MRSA §§ 263-A, 268, 275-C, 279-A, 279-B, 281

Effective Date February 22, 1993

Last Amended May 28, 2015

This chapter contains the penalty provisions for violations of the racing rules by Associations or participants.

Chapter 19 Protests, Appeals and Race Date Assignment Hearings

Statutory Authority 8 MRSA §§ 263-A, 268, 275-C, 279-A, 279-B, 281

Effective Date February 22, 1993

Last Amended October 21, 2008

This chapter discusses protests and appeals of decisions and rulings of judges and officials of tracks, including filing requirements and deadlines, and Licensing and Race Date Assignment Hearings.

Chapter 21 General Hearing Procedures

Statutory Authority 8 MRSA §§ 263-A, 268, 275-C, 279-A, 279-B, 281

Effective Date February 22, 1993

Last Amended July 19, 2006

This chapter establishes hearing procedures which apply to appeal hearings, licensing hearings, race date assignment hearings, advisory rulings, petitions, and miscellaneous hearings conducted by the Commission.

Regulatory Agenda

AGENCY UMBRELLA-UNIT: **01-017**

AGENCY NAME: Maine Department of Agriculture, Conservation and Forestry, **Maine State Harness Racing Commission**

CONTACT PERSON: Mari Wells-Eagar, 22 SHS, Augusta, Maine 04333, (207) 287-4909, mari.wells@maine.gov

EMERGENCY RULES ADOPTED SINCE THE LAST REGULATORY AGENDA: None

EXPECTED 2014-2015 RULE-MAKING ACTIVITY:

CHAPTERS 1 through 21 and/or New Rule: Various Titles

STATUTORY AUTHORITY: 8 MRSA §§263-A; 268, 275-C, 279-A and B, 281

PURPOSE: The Maine State Harness Racing Commission will continue to update its rules to meet the needs of an ever-changing industry.

SCHEDULE FOR ADOPTION: Prior to October 1, 2016

AFFECTED PARTIES: Harness horse licensees, track owners and operators, pari-mutuel wagering facilities and those affiliated with the harness racing industry.

CONSENSUS-BASED RULE DEVELOPMENT: Not Contemplated

CONTACT PERSON: Henry Jennings, 28 SHS Augusta, ME 04333, (207) 287-3221, henry.jennings@maine.gov

G. COORDINATION WITH OTHER AGENCIES

- The Commission shares the services of an Office Associate II and Resource Administrator and shares the cost of these positions equally.
- The Commission coordinates with United States Trotting Association to obtain licensee and horse information. The USTA also provides the Maine Presiding and Associate Judges a required training every 2 years.
- The Commission works closely with the Gambling Control Board in its licensing of commercial race tracks and slot operations.
- The Commission works closely with the Association of Racing Commissioners International on model rules and drug enforcement standards.

H. IDENTIFICATION OF CONSTITUENCIES SERVED

- Wagering public
- Occupational licensees (owners, trainers, drivers, grooms and pari-mutuel tellers)
- Licensed officials
- Licensed pari-mutuel facilities

- Agricultural fair management
- Standardbred breeders
- Harness Racing Promotional Board
- Licensed vendors
- Other racing jurisdictions
- United States Trotting Association
- General public

I. USE OF ALTERNATIVE DELIVERY SYSTEMS

- The Commission provides copies of all occupational license applications through the Department's web site.
- The Commission continues to contract for 1) professional/technical services provided in the field (veterinarians and veterinary technicians), and 2) professional financial reviews and assessments.
- The Commission is evaluating the feasibility of an online self-service portal for licensing and other services.

J. EMERGING ISSUES

The Maine harness racing industry is currently facing a number of critical challenges which threaten the viability of the industry in both the short and long term. Many of these issues are interrelated and arise – in general – from a societal trend in which Maine's population continues to migrate away from an agrarian lifestyle. As a result, agriculture and livestock are no longer a part of the daily life for most Mainers, and thus there is a diminishing knowledge and attraction to large animals like race horses and the associated sport and profession. Nowadays, the number of available entertainment options is virtually limitless which creates intense competition for the public's dollars and attention.

Horse supply is reaching crisis stage. Owning race horses has become much more expensive than it was when most of the public lived on or near farms. In addition, harness racing wagering has decreased, which reduces the purses. Concerns about drug use on race horses discourage prospective race horse owners because they question whether they can compete fairly and because they are reluctant to buy horses that may have been drugged due to health concerns. Finally, horse owners are concerned that drug use will tarnish the reputation of the sport, further diminishing its appeal to the public. All of these factors combine to create a perfect storm of reluctance for horse owners to continue to invest in the sport. When there are fewer horses to race, it results in smaller fields, which are less appealing to the wagering public.

Drug situation is escalating. Not only does an increase in drug violations create an increased amount of time-consuming work for the Commission and its staff, it also drives up testing costs and severely damages public perception of the harness racing industry as a whole. In addition, honest horsemen are less apt to invest and stay involved in this industry if they are forced to compete against horsemen willing to use prohibitive substances to gain a competitive advantage.

Harness racing wagering has experienced a precipitous decline. There are a multitude of ways one can choose to be entertained today and a growing number of ways to wager one's money. Online betting (such as fantasy football), casinos containing slots, card games, etc. now present intense competition for wagering dollars. For those who remain interested in wagering on harness racing, there are now a variety of ways that one can bet, including by telephone, the internet, and at off-track betting facilities. This results in fewer people visiting tracks, which in turn takes ancillary income away from the tracks and lends to the appearance of a bygone pastime.

Small fairs are struggling financially. Some of Maine's agricultural fairs are struggling to break even on the harness racing portion of the program. Many of the factors cited above that affect the popularity of harness racing and wagering on the sport, combined with the increasingly high overhead associated with hosting harness racing meets, now leave some agricultural fairs questioning the financial wisdom of continuing with the sport. Competition with nearby commercial tracks may also be a factor in some cases.

It is vitally important that the Commission, the industry, and the Maine Legislature come together expeditiously to formulate innovative solutions to the issues facing Maine's harness racing industry, because the critical mass necessary to keep the industry alive in Maine is on the brink of dissolving.

K. ANY OTHER INFORMATION SPECIFICALLY REQUESTED BY THE COMMITTEE

There was no additional information requested by the committee.

L. COMPARISON OF FEDERAL LAWS AND REGULATIONS

Harness racing is not regulated in Maine at a federal level.

M. POLICY ON MANAGING PERSONAL INFORMATION

The Commission is extremely careful to protect the private personal information of its licensees by adhering to Maine's Freedom of Access Law (1M.R.S.A. § 401 *et seq*) and the state's web-based privacy policy described at <http://www.maine.gov/portal/privacy.html>.

Private information is not available on the internet and is only provided to two other agencies as mandated by law. Licensing information is provided to the State Tax Assessor pursuant to 36 M.R.S.A. § 175 for tax purposes and to the Department of Health and Human Services pursuant to 19 M.R.S.A. § 2201 to ensure all licensees are in good standing with respect to dependents.

N. REQUIRED REPORTS AND APPLICATIONS

The Commission does not require reports from licensees or otherwise.