



126th MAINE LEGISLATURE

SECOND REGULAR SESSION-2014

Legislative Document

No. 1680

H.P. 1203

House of Representatives, December 30, 2013

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

(EMERGENCY)

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11 **Sec. 1. 8 MRSA §272-B, first ¶**, as repealed and replaced by PL 2007, c. 211, §1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

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