## THE GENERAL ASSEMBLY OF PENNSYLVANIA

# SENATE BILL No. 1188 Session of 2013

#### INTRODUCED BY VOGEL, PILEGGI, SCARNATI, TOMLINSON, RAFFERTY, YUDICHAK, MENSCH, WHITE, YAW, ALLOWAY, ERICKSON AND McILHINNEY, NOVEMBER 22, 2013

### REFERRED TO AGRICULTURE AND RURAL AFFAIRS, NOVEMBER 22, 2013

#### AN ACT

1 2 3 4 5 6 7 8	Amending the act of December 17, 1981 (P.L.435, No.135), entitled "An act providing for the regulation of pari-mutuel thoroughbred horse racing and harness horse racing activities; imposing certain taxes and providing for the disposition of funds from pari-mutuel tickets," further providing for definitions; repealing provisions related to the State Horse Racing Commission and State Harness Racing Commission; and providing for racing oversight.
9	The General Assembly of the Commonwealth of Pennsylvania
10	hereby enacts as follows:
11	Section 1. The definitions of "commissions,"
12	"commissioners," "licensed corporations," "nonprimary location
13	statement" and "racetrack enclosure" in section 102 of the act
14	of December 17, 1981 (P.L.435, No.135), known as the Race Horse
15	Industry Reform Act, amended or added May 16, 1986 (P.L.205,
16	No.63) and November 30, 1988 (P.L.1090, No.127), are amended and
17	the section is amended by adding definitions to read:
18	Section 102. Definitions.
19	The following words and phrases when used in this act shall

20 have, unless the context clearly indicates otherwise, the

1	meanings given to them in this section:		
2	"Advanced deposit wagering." A system whereby wagers are		
3	debited and payouts are credited to an advanced deposit account		
4	held by a racing association or other entity licensed by the		
5	board on behalf of a person.		
6	* * *		
7	"Board." The Pennsylvania Gaming Control Board.		
8	"Bureau." The Bureau of Horse Racing.		
9	* * *		
10	["Commissions." The State Horse Racing Commission and the		
11	State Harness Racing Commission.		
12	"Commissioners." The persons appointed by the Governor and		
13	confirmed by the Senate who serve on the State Horse Racing		
14	Commission or the State Harness Racing Commission and who		
15	administer the applicable provisions of this act.]		
16	* * *		
17	"Harness horse racing." The form of standardbred horse		
18	racing in which the horses participating are attached "in		
19	harnesses" to a sulky or other similar vehicle, at a specific		
20	gait, either a trot or pace, and that is being driven by a		
21	person.		
22	"Horse racing." Harness horse racing and thoroughbred horse		
23	racing.		
24	"Internet wagering." A legal wager placed or accepted in a		
25	state with respect to the outcome of a horse race taking place		
26	in the state or in another state, where lawful in each state		
27	involved, placed or transmitted by an individual in one state		
28	via telephone or other electronic media, including the Internet,		
29	and accepted by an off-track betting system in the state or in		
30	another state, as well as the combination of any pari-mutuel		
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1 wagering pools.

2 \* \* \*

3 "Licensed corporations." The corporations that have obtained 4 a license from [either] the <u>former</u> State Horse Racing Commission 5 [or the], <u>the former</u> State Harness Racing Commission <u>or the</u> 6 <u>board</u> to conduct [thoroughbred or harness] horse race meetings 7 [respectively] with pari-mutuel wagering.

8 \* \* \*

9 "Nonprimary location statement." The written statement 10 pursuant to this act submitted to the [appropriate commission] 11 <u>board</u> by a licensed corporation planning to establish a 12 nonprimary location.

13 \* \* \*

14 "Racetrack enclosure." For purposes of this act, the term "racetrack enclosure," with respect to each licensed 15 16 corporation, shall be deemed to include at least one primary 17 racetrack location at which horse [race] racing meetings 18 authorized to be held by the licensed corporation are conducted, 19 and all primary, nonprimary, contiguous and noncontiguous 20 locations of the licensed corporation which are specifically 21 approved by the [appropriate commission] board for conducting the pari-mutuel system of wagering on the results of horse races 22 23 held at such meetings or [race] racing meetings conducted by 24 another licensed corporation or televised to such locations by simulcasting. 25

26 \* \* \*

27 <u>"Thoroughbred horse racing." The form of horse racing in</u>
28 which each participating horse is mounted by a jockey, is duly
29 registered with The Jockey Club of New York and engages in races
30 on the flat, which may include a steeplechase or hurdle race.

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1 "Totalisator." A computer system used to pool wagers, record sales, calculate payoffs and display wagering data on a display 2 device that is located at a pari-mutuel facility or non-primary 3 location. 4 5 Section 2. Chapter 2 of the act is repealed: [CHAPTER 2 6 STATE HORSE RACING COMMISSION AND STATE HARNESS 7 8 RACING COMMISSION Section 201. Establishment of the commissions. 9 10 The State Horse Racing Commission is hereby established (a) as a departmental administrative commission within the 11 12 Department of Agriculture. The commission shall have general 13 jurisdiction over all pari-mutuel thoroughbred horse racing 14 activities in the Commonwealth and the corporations engaged 15 therein. For the purposes of this act, "thoroughbred horse 16 racing" means that form of horse racing in which each participating horse is mounted by a jockey, is duly registered 17 18 with the Jockey Club, New York, New York and engages in races on 19 the flat. Thoroughbred horse racing may include a steeplechase 20 or hurdle race. The commission shall consist of three members 21 who shall be appointed by the Governor, by and with the advice 22 and consent of the Senate. Each commissioner shall hold office 23 for a term of three years and until a successor is qualified. 24 The State Harness Racing Commission is hereby (b) 25 established as a departmental administrative commission within 26 the Department of Agriculture. The commission shall have general jurisdiction over all pari-mutuel harness racing activities in 27 28 the Commonwealth and the corporations engaged therein. The 29 commission shall consist of three members who shall be appointed 30 by the Governor, by and with the advice and consent of the 20130SB1188PN1614

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Senate. Each commissioner shall hold office for a term of three
 years and until a successor is qualified.

3 (C)The commissioners shall be reimbursed for documented expenses incurred in the performance of their official duties. 4 The commissioners shall be paid \$150 per diem for performing 5 their duties as directed by the Secretary of Agriculture. One of 6 7 the commissioners for each commission shall be appointed by the Governor as chairperson. The commissioner appointed by the 8 9 Governor as chairperson shall serve in that position at the 10 pleasure of the Governor. The Secretary of Agriculture or his 11 designee shall be a nonvoting ex officio member of the 12 commissions. The commissions shall meet at least once a month 13 and at other times as the Secretary of Agriculture or the 14 commission chairperson deems necessary. Adequate public notice 15 of the time and place of the meetings shall be given. A 16 commissioner who fails to attend three consecutive meetings 17 shall be subject to removal. A commissioner shall be excused 18 from meetings due to illness or death of an immediate family 19 member. All commissioners shall be licensed under the provisions 20 of section 213.

21 (d) Each commission shall engage an executive secretary, deputies, secretaries, officers and representatives as it may 22 23 deem necessary, who shall serve during its pleasure. The 24 commissions shall also engage other employees as they see fit and whose duties shall be prescribed by the commissions and 25 26 whose compensation shall be fixed by the commissions within the appropriations available. Legal counsel for the commissions 27 28 shall be appointed in accordance with the act of October 15, 29 1980 (P.L.950, No.164), known as the "Commonwealth Attorneys 30 Act." Each commission shall be subject to the provisions of the

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act of April 9, 1929 (P.L.177, No.175), known as "The
 Administrative Code of 1929," as to classification and
 compensation for all its employees.

It shall be the duty of the executive secretary to keep 4 (e) a full and faithful record of the proceedings of the 5 6 commissions, preserve at the general office of the commissions all books, maps, documents and papers entrusted to the executive 7 8 secretary's care, prepare for service the papers and notices as 9 may be required by the commissions and perform other duties as 10 the commissions may prescribe. It shall be the duty of the 11 executive secretary to keep, at the offices of the commissions, 12 a docket setting forth the names of all stockholders in all corporations licensed under this act, the number of shares held 13 14 by each stockholder and the date on which each shareholder 15 acquired stock in the licensed corporation. The docket shall be 16 open for public inspection. It shall be the duty of the executive secretary to appear before the Appropriations 17 18 Committees of the Senate and the House of Representatives for 19 budgetary review and recommendations.

20 The commissions or designated officers, employees or (f) agents of the commissions shall have the power to administer 21 oaths and examine witnesses and may issue subpoenas to compel 22 23 attendance of witnesses and production of all relevant and 24 material reports, books, papers, documents, correspondence and 25 other evidence. The commissions shall, annually, make a full 26 report to the Secretary of Agriculture of their proceedings for 27 the preceding calendar year and suggestions and recommendations 28 as they see fit. The commissions shall exercise their powers and 29 duties in accordance with the provisions of "The Administrative Code of 1929." 30

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1 The terms and termination dates of the terms of the (q) 2 three commissioners who constitute the State Horse Racing 3 Commission under the act of December 11, 1967 (P.L.707, No.331), referred to as the Pennsylvania Thoroughbred Horse Racing Law, 4 shall continue under this act. Any commissioner whose term has 5 already expired on the effective date of this act and who has 6 not been replaced by a new member or has not been confirmed for 7 8 another term, shall continue in his or her present status until 9 replaced by a new member or confirmed for another term. The terms and termination dates of the terms of the 10 (h) three commissioners who constitute the State Harness Racing 11 Commission under the act of December 22, 1959 (P.L.1978, 12 13 No.728), referred to as the Pennsylvania Harness Racing Law, 14 shall continue under this act. Any commissioner whose term has 15 already expired on the effective date of this section and who 16 has not been replaced by a new member or has not been confirmed for another term, shall continue in his or her present status 17 18 until replaced by a new member or confirmed for another term. 19 (i) All rules and regulations promulgated under the 20 provisions of the Pennsylvania Thoroughbred Horse Racing Law and the Pennsylvania Harness Racing Law shall remain in effect 21 except to the extent that they are in direct conflict with the 22 23 provisions of this act. The commissions may amend, revise or 24 alter these rules and regulations as they deem necessary.

(j) All licenses issued under the provisions of section 11 of the Pennsylvania Thoroughbred Horse Racing Law and under the provisions of section 9 of the Pennsylvania Harness Racing Law, shall remain in effect for the remainder of the term for which these licenses were issued. After these licenses have expired, all renewals or new licenses shall be issued under the

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1 provisions of this act.

(k) All licenses issued to corporations under the provisions
of section 7 of the Pennsylvania Thoroughbred Horse Racing Law
and under the provisions of section 7 of the Pennsylvania
Harness Racing Law, shall continue with the same force and
effect and shall be governed by the provisions of section 209.
Section 202. General powers of the commissions.

8 (a) The State Horse Racing Commission shall have the power 9 to supervise all thoroughbred horse race meetings at which pari-10 mutuel wagering is conducted. The State Harness Racing 11 Commission shall have the power to supervise all harness horse 12 racing meetings at which pari-mutuel wagering is conducted. The 13 commissions may adopt rules and regulations to effect the 14 purposes and provisions of this act.

15 (b) Without limiting the generality of the foregoing and in 16 addition to its other powers:

17 Each commission shall have power to fix a minimum (1)18 charge for admission to horse race meetings at which pari-19 mutuel wagering is conducted, but the minimum charge shall 20 not be less than 50¢ for general admission, exclusive of 21 taxes. The commissions shall have power to fix the charge for 22 admission of soldiers, sailors and marines, in uniform, at 23 one-half of the amount fixed for general admission, whether 24 or not the one-half of the amount fixed is less than the 25 minimum prescribed therein.

26 (2) Each commission shall at all times have in effect
 27 rules and regulations as required under Chapter 3 regarding
 28 medication rules and enforcement provisions.

(3) The rules of the commissions shall also provide that
 all winning pari-mutuel tickets must be presented for payment

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1 before April 1 of the year following the year of their 2 purchase and failure to present the ticket within the 3 prescribed period of time shall constitute a waiver of the right to participate in the award. After April 1 of the year 4 5 following, all licensed corporations will forward to the 6 State Treasurer through the Department of Revenue for credit 7 to the State Racing Fund all funds so held for the uncashed 8 tickets. Where it is shown to the satisfaction of the 9 appropriate commission and the Department of Revenue, through 10 substantiated and recorded data, that the reason for the 11 pari-mutuel ticket or tickets being outstanding and unclaimed 12 is loss, misplacement or theft within the confines and 13 control of the pari-mutuel department of any licensed 14 corporation and it is shown to the satisfaction of the 15 appropriate commission and the Department of Revenue that the 16 pari-mutuel ticket or tickets in question have been cashed by 17 the pari-mutuel department, the Department of Revenue, with 18 the approval of the appropriate commission, may adjust and 19 credit the licensed corporation's outstanding ticket account 20 accordingly on March 31 of the year following the year of 21 purchase or after a complete audit of the outstanding tickets 22 accounts have been performed. The licensed corporation shall 23 reimburse any employee who has been held personally 24 accountable and paid for the lost, misplaced or stolen 25 tickets.

(4) The commissions may adopt a general promotion
program to assist the licensed corporations in increasing
their attendance and average daily handle. Any expenditures
for a promotional program shall be authorized and approved in
the same manner as other operational costs of the

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1 commissions.

2 (5) In the event that a state bordering Pennsylvania 3 enacts a wagering tax scheme that may place Pennsylvania horse race meetings at a competitive disadvantage in the 4 5 purses that can be offered for horse races, a licensed 6 corporation may petition the appropriate commission for an 7 emergency financial grant to augment its purse structure. If 8 the appropriate commission finds that the effect of the 9 enacted wagering tax scheme of a bordering state is to place 10 Pennsylvania horse race meetings at a competitive 11 disadvantage in purse structure, the appropriate commission 12 shall make an emergency financial grant to the petitioning 13 licensed corporation for augmentation to its purse structure 14 out of moneys that the commission has budgeted for this purpose; provided, however, that the Secretary of Agriculture 15 16 and the Secretary of the Office of Budget and Administration 17 have also agreed to the grant.

(c) The State Harness Racing Commission shall have jurisdiction over and shall promulgate regulations as necessary for the proper administration of all racing conducted by a county agricultural society or an independent agricultural society, as provided for under section 5(1)(iii) and (iv) of the act of July 8, 1986 (P.L.437, No.92), known as the "Pennsylvania Agricultural Fair Act."

25 Section 203.

(c) No corporation shall have the right to conduct any horse race meet except on obtaining a license from the appropriate commission and at the location or locations designated in its license or any amendment thereto or as approved at any time by the commission as the place or places at which it was proposed

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1 to conduct its business. This restriction shall not apply to any 2 corporation whose racing plant or usefulness, in the discretion 3 of the appropriate commissions, shall, for any reason beyond the control of the corporation, be totally destroyed or so 4 substantially interfered with as to render same unfit for 5 continued operation. Pending the rebuilding or restoration of 6 7 its usefulness, or the making of the required repairs to the 8 plant or the part destroyed or damaged, the commissions may license such corporation to conduct its horse race meetings at 9 any other suitable location. 10

Section 204. Filing of information concerning stock transfers; necessity for commissions' approval.

13 (a) Whenever a transfer of stock comprising an interest of 14 5% or more in any licensed corporation, or comprising an 15 interest of 5% or more in any corporation which leases to a 16 licensed corporation the track facility at which it conducts pari-mutuel horse races or comprising an interest of 5% or more 17 18 in any corporation which owns 25% or more of the stock of the 19 licensed corporation shall be made, there shall be filed, 20 simultaneously, with the corporation which issued such stock the 21 following:

(1) In duplicate, an affidavit executed by the
transferee of the interest stating that he is to be the sole
beneficial owner thereof, and whether or not he:

(i) has been convicted of a crime involving moralturpitude;

27 (ii) has been engaged in bookmaking or other forms28 of illegal gambling;

(iii) has been found guilty of any fraud or
 misrepresentation in connection with racing or breeding;

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(iv) has been guilty of any violation or attempt to
 violate any law, rule or regulation of any racing
 jurisdiction, for which suspension from racing might be
 imposed in such jurisdiction; or

5 (v) has violated any rule, regulation or order of 6 the commissions.

7 If the transferee of the interest is not, or is not to be, 8 the sole beneficial owner, there shall be annexed to the 9 affidavit of the transferee, and expressly stated in such 10 affidavit, a true and complete copy of all terms of the agreement pursuant to which the interest in the corporation 11 12 is to be held by the transferee, including a detailed 13 statement of the interest of each person who is to have any 14 interest therein.

15 (2) In duplicate, an affidavit executed by each person
16 for whom the interest is to be held by the transferee,
17 setting forth whether or not the affiant:

18 (i) has been convicted of a crime involving moral19 turpitude;

20 (ii) has engaged in bookmaking or other forms of
21 illegal gambling;

(iii) has been found guilty of any fraud ormisrepresentation in connection with racing or breeding;

(iv) has been guilty of any violation or attempt to
violate any law, rule or regulation of any racing
jurisdiction, for which suspension from racing might be
imposed in such jurisdiction; or

(v) has violated any rule, regulation or order ofthe commissions.

30 To each of the affidavits shall be annexed, and expressly

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stated in such affidavit, a true and complete copy of all the terms of the agreement pursuant to which the interest is to be held by the transferee, including a detailed statement of the interest of each person who is to have any interest therein. The corporation shall file with the appropriate commission one of each duplicate affidavits.

7 If, after the filing of any affidavit required to be (b) filed, there shall be any change in the status of any affiant 8 with respect to any of the matters set forth in subsection (a) 9 10 (1) of the affidavit filed, the affiant shall file with the corporation with which his affidavit was so filed a new 11 12 affidavit, executed by him in duplicate, setting forth the 13 change of status and the corporation shall file one of these 14 affidavits with the appropriate commission.

15 (c) Whenever any change shall be made in the amount, nature 16 or of the interest of any person having an interest of 5% or more in any corporation, or any new interest of 5% or more shall 17 18 be created therein, without a transfer as provided, the record 19 owner of the stock, and each person whose interest has been 20 attempted to be changed or created, shall file with the corporation which issued the stock, in duplicate, affidavits as 21 provided by subsection (a)(1) and (2), except that these 22 23 affidavits need not include the matter referred to in subsection 24 (a) unless then required pursuant to subsection (b) and one copy 25 thereof shall be filed by the corporation with the appropriate 26 commission.

(d) If the appropriate commission determines that it is inconsistent with the public interest, convenience, or necessity, or with the best interest of racing generally, that any person continue to be a stockholder of record, or the

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beneficial owner of any interest in stock standing in the name 1 2 of another in any licensed corporation or of any corporation 3 which leases to such licensed corporation the track at which it conducts pari-mutuel horse racing or which owned 25% or more of 4 the stock of the licensee, the appropriate commission shall have 5 full power and authority to order each stockholder or beneficial 6 owner to dispose of his stock or interest within a period of 7 time to be specified by the appropriate commission, which period 8 9 the appropriate commission shall have full power to extend. 10 If the commissions shall make any order or direction as (e) provided in subsection (d), the person aggrieved shall be given 11

12 notice of the time and place of a hearing before the appropriate 13 commission, at which time the appropriate commission will hear 14 the person in reference thereto.

15 Section 205. Number of horse racing corporations.

(a) No more than six corporations shall be licensed by the
State Horse Racing Commission to conduct a pari-mutuel meet or
meets. No corporation licensed under this act to conduct harness
racing with pari-mutuel wagering or under the act of December
22, 1959 (P.L.1978, No.728), referred to as the Pennsylvania
Harness Racing Law, shall be licensed to conduct thoroughbred
horse racing with pari-mutuel wagering.

23 (b) No more than five corporations shall be licensed by the 24 State Harness Racing Commission to conduct a pari-mutuel meet or 25 meets. No corporation licensed under this act to conduct 26 thoroughbred horse racing with pari-mutuel wagering or under the act of December 11, 1967 (P.L.707, No.331), referred to as the 27 28 Pennsylvania Thoroughbred Horse Racing Law, shall be licensed to 29 conduct harness horse racing with pari-mutuel wagering. 30 Section 206. Responsibilities of the Department of Revenue.

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1 The Department of Revenue is charged with the financial 2 administration of pari-mutuel wagering under this act, as 3 supplemented by the rules and regulations of the commissions. The Department of Revenue shall have authority to prescribe the 4 5 forms and the system of accounting to be employed, and through its representatives shall, at all times, have power of access 6 to, and examination of, any equipment relating to such wagering. 7 8 Section 207. Allocation of racing days.

Up to 125 but no less than 25 racing days shall be 9 (a) 10 allocated to each licensed corporation conducting thoroughbred horse race meetings in any calendar year; except, that upon 11 request, the State Horse Racing Commission may grant up to an 12 additional 25 racing days over the 125 days to a licensed 13 14 corporation in each calendar year, if racing meet schedules can 15 accommodate these extra days. Whenever two or more corporations 16 licensed to conduct racing at the same facility apply to the State Horse Racing Commission for an allocation of racing days 17 at the same facility, the commission shall allocate the racing 18 19 days in the following manner:

(1) If there is an agreement between the licensed
corporations as to the allocation of racing days then as
provided for therein.

(2) If there is no agreement between the licensed
corporations as to the allocation of racing days, then
equally between them.

(b) No more than 125 racing days shall be allocated to each licensed corporation conducting harness horse race meetings in any calendar year. Every corporation shall hold its license under the provisions of section 209. The State Harness Racing Commission shall allocate the racing days in accordance with the

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1 following guidelines:

A licensed corporation that has an ownership 2 (1)3 interest in the facility at which the racing days are to be 4 conducted shall be granted up to 125 racing days in any 5 calendar year upon request to the State Harness Racing 6 Commission. The State Harness Racing Commission shall grant 7 all racing days requested by licensed corporations described 8 in this paragraph before any other racing days are granted to 9 any other licensed corporation that desires to conduct a meet 10 at the same facility owned in part or in whole by a licensed corporation that also desires to conduct a meet there. 11

12 Whenever one or more licensed corporations that have (2)13 an ownership interest in the facility at which the racing 14 days are to be conducted apply to the State Harness Racing 15 Commission for an allocation of racing days, the State 16 Harness Racing Commission shall allocate an equal number of 17 racing days to each licensed corporation or to each licensed 18 corporation based upon an agreement between the licensed 19 corporations as to the allocation of racing days.

20 (3) Upon request the State Harness Racing Commission may 21 grant up to an additional 25 racing days over the 125 racing 22 days to a licensed corporation in each calendar year, and the 23 commission may grant up to 50 additional days of racing if 24 that corporation is the only corporation operating at the 25 facility, if racing meet schedules can accommodate these 26 extra racing days.

(4) For purposes of this section, an ownership interest
shall mean that a licensed corporation directly or through a
parent or subsidiary has at least 35% equity interest in the
track facility at which it conducts harness horse race

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1 meetings or is the primary tenant at such facility. For 2 purposes of this subsection, a primary tenant shall be that 3 licensed corporation, if any, which is a tenant conducting horse race meetings at a track facility at which no licensed 4 5 corporation conducting horse race meetings has directly or 6 through a parent or subsidiary at least a 35% equity interest 7 in such facility, and if there is more than one such tenant 8 at any such facility during the year prior to the year for 9 which dates are requested, then among or between such tenants 10 the primary tenant, if any, shall be designated by agreement 11 among or between those licensed corporations which propose to 12 conduct horse race meetings at the said track facility during 13 the year for which dates are requested.

14 (c) The commissions shall certify to the Secretary of the 15 Department of Revenue within 20 days after the allocation of 16 racing days to licensed corporations the following information:

17

(1) the names and addresses of the corporations;

18 (2) the names and addresses of the presidents and19 general managers of the corporations;

20 (3) the names and locations of the facilities where the 21 racing days are to be conducted;

(4) the number of racing days allocated to eachcorporation; and

(5) a numbered list of each racing day assigned to eachcalendar day of the year for the purposes of taxation.

(d) If a racing day is cancelled by a licensed corporation for reasons beyond its control, the appropriate commission shall grant the licensed corporation the right to conduct that racing day in the same or the next ensuing calendar year, if schedules permit. The racing day for purposes of taxation under section

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222 shall be at the lowest tax rate at which the licensed
 corporation conducted a racing day during that year.
 Section 208. State admissions taxes.

4 Every corporation holding a thoroughbred horse race (a) meeting under this act shall collect, in addition to the 5 admission price of tickets sold or otherwise disposed of, for 6 each meeting held by the corporation, a tax equivalent to 15% of 7 8 the admission price, or 15¢ whichever is greater. In case of 9 failure to collect the tax, the tax shall be imposed upon the 10 corporation holding the race meeting. The tax shall be paid to 11 the Department of Revenue within ten days of collection. The 12 amounts collected shall be paid into the State Treasury to the 13 credit of the State Racing Fund. Before any corporation liable 14 to pay the tax shall hold any race meeting, or exercise any of 15 the powers conferred by this act, the corporation shall pay all 16 taxes due, and shall file a statement with the Department of Revenue containing the name of the place and stating the time 17 18 when the races are to be held. Nothing in this section shall 19 apply to a race meeting conducted by any state, county or other 20 agricultural association. Retroactive to September 1, 1981 and 21 thereafter, the admission tax shall be decreased to a tax equivalent to 10% of the admission price. Then on September 1, 22 23 1982 and thereafter, the admission tax shall be decreased to a 24 tax equivalent to 5% of the admission price.

(b) Every corporation holding a harness horse race meeting shall collect, in addition to the admission price of tickets sold or otherwise disposed of, for each such meeting held by the corporation, a tax equivalent to 5% of the admission price. In case of failure to collect the tax, the tax shall be imposed upon the corporation holding the race meeting. The tax shall be

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paid to the Department of Revenue within ten days after the 1 2 close of each race meeting. The amounts collected shall be paid 3 into the State Treasury to the credit of the State Racing Fund. Before any corporation liable to pay the tax shall hold any race 4 5 meeting, or exercise any of the powers conferred by this act, the corporation shall pay all taxes due and file a statement 6 with the Department of Revenue containing the name of the place 7 8 and stating the time when the races are to be held. Nothing in 9 this section shall apply to a race meeting conducted by any 10 state, county or other agricultural association.

11 The Department of Revenue shall have the power to (C) examine the books and records of the corporation conducting any 12 13 horse race meeting and may hear testimony and take proofs and material for its information, or from any other data which shall 14 15 be satisfactory to it. The Department of Revenue may order and 16 state an account for the tax due the State, together with the expense of such examination. A penalty of 5% and interest at the 17 18 rate of 1% per month from the due date to the date of payment of 19 the tax shall be payable in case any tax imposed by this section 20 is not paid when due.

21 Section 209. Licenses for horse race meetings.

22 (a) Any corporation desiring to conduct horse race meetings 23 at which pari-mutuel wagering shall be permitted may apply to 24 the appropriate commission for a license. The license gives its 25 holder the privilege to conduct horse race meetings at which 26 pari-mutuel wagering is permitted. The license does not give its 27 holder a property right. If, in the judgment of the appropriate 28 commission, the public interest, convenience or necessity will 29 be served and a proper case for the issuance of the license is 30 shown, the appropriate commission may issue the license. The

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1 license shall remain in effect so long as the licensed 2 corporation complies with all conditions, rules and regulations 3 and provisions of this act. A commission may revoke or suspend the license of any corporation, if the commission finds by a 4 preponderance of the evidence that the corporation, its 5 6 officers, employees or agents, has not complied with the 7 conditions, rules, regulations and provisions of this act and 8 that it would be in the public interest, convenience or necessity to revoke or suspend the license. A license is not 9 10 transferable.

11 (b) Every license shall be issued upon the following 12 conditions:

13 (1) A horse race meeting at which pari-mutuel wagering 14 is conducted is subject to the supervision of and to the 15 reasonable rules and regulations prescribed by the 16 appropriate commission.

17 (2) Pari-mutuel wagering conducted is also subject to 18 the supervision of and to the reasonable regulations 19 prescribed by the Department of Revenue. Any license may also 20 be issued upon any other condition that the appropriate 21 commission determines to be necessary or desirable to insure 22 that the public interest, convenience or necessity is served.

23 (3) The corporation can prove by a preponderance of the 24 evidence that it has obtained the use of a facility to 25 conduct horse race meetings. The proof may be demonstrated by 26 documentation of an ownership interest in the facility or by 27 a written lease for use of the facility. For purposes of this 28 paragraph, an ownership interest shall mean that a licensed 29 corporation directly or through a parent or subsidiary has at 30 least a 35% equity interest in the track facility at which it

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1 conducts horse race meetings or is the primary tenant at such 2 facility. For purposes of this paragraph, a primary tenant shall be that licensed corporation, if any, which is a tenant 3 conducting horse racing meetings at a track facility at which 4 5 no licensed corporation conducting horse race meetings has 6 directly or through a parent or subsidiary at least a 35% 7 equity interest in such facility, and if there is more than 8 one such tenant at any such facility during the year prior to 9 the year for which dates are requested, then among or between 10 such tenants the primary tenant, if any, shall be designated 11 by agreement among or between those licensed corporations 12 which propose to conduct horse race meetings at the said 13 track facility during the year for which dates are requested.

14 (4) The corporation posts, in favor of the appropriate 15 commission, a bond or irrevocable letter of credit in an 16 amount equal to the sum of the corporation's average weekly 17 payment, during active racing, into the State Racing Fund, as 18 determined by the appropriate commission on the basis of the 19 immediately preceding year, during the year for which dates 20 are requested.

(5) The licensed corporation prints in its racing
 programs the procedure for filing a complaint with the
 appropriate commission.

(c) Applications for licenses shall be in the form
prescribed by the appropriate commission and shall contain
information, material or evidence as the appropriate commission
may require. The term "racing week" shall include Sunday at the
discretion of the licensed corporation.

29 (d) In considering an application for a license to a30 corporation, the commissions may give consideration to the

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number of licenses already granted. No license shall be granted to any track located within ten miles of a State, county or other political subdivision fair conducting horse racing unless the association, corporation, society, political subdivision or State agency conducting the fair shall affirmatively waive objection to the issuance of the license for dates within the period.

8 (e) The commissions may refuse to grant, may revoke, or may 9 suspend a license to a corporation, if it shall determine that:

10 (1) Any officer, director, member or stockholder of the 11 corporation applying for a license or of any corporation 12 which owns stock in or shares in the profits, or participates 13 in the management of the affairs of the applicant, or which 14 leases to the applicant the track where it shall operate:

15 (i) has been convicted of a crime involving moral16 turpitude;

17 (ii) has engaged in bookmaking or other forms of18 illegal gambling;

(iii) has been found guilty of any fraud or
 misrepresentation in connection with racing or breeding;

(iv) has been guilty of any violation or attempt to violate any law, rule or regulation of any racing jurisdiction, for which suspension from racing might be imposed in such jurisdiction; or

(v) has violated any rule, regulation or order ofthe commissions.

(2) The experience, character or fitness of any officer,
director or stockholder of any of the corporations is such
that the participation of the person in horse racing or
related activities would be inconsistent with the public

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1 interest, convenience or necessity or with the best interests of racing. If the commission determines that the interest of 2 3 any stockholder referred to in this paragraph or in paragraph (1) is insufficient to affect adversely the conduct of pari-4 5 mutuel horse racing by the corporation in accordance with the 6 provisions of this act, the commissions may disregard the 7 interest in determining whether or not to grant a license to 8 the corporation.

9 The applicant is not the owner or the lessee of the (3) 10 track at which it will conduct pari-mutuel horse racing under 11 the license applied for, or that any person, firm, 12 association or corporation other than the applicant shares, 13 or will share, in the profits of the applicant, other than by 14 dividends as a stockholder, or participates, or will 15 participate in the management of the affairs of the 16 applicant.

17 (4) The corporation does not have the use of a facility 18 to conduct horse race meetings. Such use must be proved by a 19 preponderance of the evidence. The proof may be demonstrated 20 by documentation of an ownership interest in the facility or 21 by a written lease for use of the facility.

22 A licensed corporation does not have proof of a (5) 23 written lease of a facility to conduct horse race meetings. 24 Under this paragraph, the appropriate commission may suspend 25 a license for a period of two years. After the expiration of 26 the suspension, the appropriate commission may then revoke 27 the license, if the licensed corporation has failed to 28 contract for a facility at which to conduct horse race 29 meetings.

30 (6) A licensed corporation has commingled horsemen's 20130SB1188PN1614 - 23 - funds in violation of section 235(c) or has refused to place
 on deposit a letter of credit under section 236.

3 (f) The commissions shall also have power to refuse to 4 grant, revoke or suspend a license:

5 To any corporation, the charter or certificate of (1)6 incorporation of which shall fail to contain a provision 7 requiring any stockholder, upon written demand of the 8 corporation, to sell his stock to the corporation at a price 9 to be fixed by the appropriate commission, provided the 10 demand be made pursuant to written direction of the 11 appropriate commission and from the date of the making of the 12 demand prohibiting the transfer of the certificate of stock 13 except to the corporation.

14 (2) To any corporation which, having been a licensee, 15 has failed, in the opinion of the appropriate commission, to 16 properly maintain its track and plant in good condition or 17 has failed to make adequate provision for rehabilitation and 18 capital improvements to its track and plant.

(g) Pending final determination of any question under this section, the commissions may issue a temporary license upon such terms and conditions as they see fit to effectuate the provisions of this act.

23 (h) The commissions shall have power to direct that every 24 certificate of stock of a licensed corporation shall bear a 25 legend, plainly and prominently imprinted upon the face of the 26 certificate, reading: "This certificate of stock is transferable 27 only subject to the provisions of the 'Race Horse Industry 28 Reform Act'." The provisions of this subsection shall not apply 29 to stock heretofore issued by a licensed corporation under the provisions of the act of December 11, 1967 (P.L.707, No.331), as 30

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amended, and referred to as the Pennsylvania Thoroughbred Horse
 Racing Law or of the act of December 22, 1959 (P.L.1978,
 No.728), as amended, and referred to as the Pennsylvania Harness
 Racing Law.

5 Section 210. Shareholders.

(a) Each licensed corporation shall, once a year, provide
the appropriate commission with a complete list of all its
shareholders, indicating the number of shares by each
shareholder.

10 (b) It shall be the duty of each licensed corporation within 11 ten days after any transfer of stock comprising an interest of 12 5% or more in such licensee, to notify the appropriate 13 commission of the transfer.

14 Each certificate of stock issued by a licensed (C) corporation to a shareholder having a 5% or greater interest 15 16 shall have noted on the face thereof that the person whose name is indicated as the owner of such shares of stock by the 17 18 certificate is the sole and absolute owner, and that he is not holding such shares of stock or any portion of such shares of 19 20 stock represented by the certificate in trust for any person, partnership, firm or corporation who or which is prohibited from 21 owning such shares of stock. If any of such shares of stock 22 23 represented by a certificate of stock are held subject to the 24 terms of either an inter vivos or testamentary trust for the 25 benefit of any person who could lawfully own such stock in his 26 own name, the fact shall be noted on the face of the certificate and a copy of the instrument which created the trust shall be 27 28 attached. A duplicate copy of the instrument which created the 29 trust shall be filed with the appropriate commission.

30 (d) No property rights shall exist in any shares of stock of

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any licensed corporation which are held in trust contrary to the 1 provisions of this section and the same shall be forfeited to 2 3 the Commonwealth after reasonable notice and upon hearing and proof thereof in any suit instituted by the Attorney General of 4 Pennsylvania. Upon it being established that the stock is 5 subject to forfeiture by legal adjudication, the appropriate 6 7 commission shall sell the forfeited stock at public sale, upon 8 proper notice, to the highest bidder. The proceeds from the sale shall be deposited in the General Fund of the Commonwealth of 9 10 Pennsylvania.

(e) As used in this section, the term "licensed corporation" shall include any licensed corporation as defined in section 102 and also any firm, association or corporation which owns or leases to any licensed association or corporation a race track at which pari-mutuel racing is conducted, or any firm, association or corporation which participates in the management of any such licensed corporation.

Section 211. Prohibition of interest by public officers, public employees and party officers in pari-mutuel racing activities.

21 (a) No public officer, public employee or party officer22 shall:

(1) hold any license to conduct a pari-mutuel meet fromthe commissions;

(2) own or hold, directly or indirectly, any proprietary
 interest, stock or obligation of any firm, association or
 corporation:

(i) which is licensed by the commissions to conductpari-mutuel racing;

30 (ii) which is licensed to conduct its occupation, 20130SB1188PN1614 - 26 - 1 trade or business at race tracks at which pari-mutuel 2 race meets are conducted;

3 (iii) which owns or leases to any licensed association or corporation a race track at which pari-4 mutuel racing is conducted; or 5

6

(iv) which participates in the management of any 7 licensed corporation conducting pari-mutuel racing; and

8 hold any office or employment with any firm, (3) association or corporation specified in paragraph (2); or 9

sell or be a member of a firm or own 10% or more of 10 (4) 11 the stock of any corporation which sells any goods or 12 services to any firm, association or corporation specified in 13 paragraph (2).

14 The provisions of paragraph (3) shall not apply to a public 15 employee other than a police officer or paid employee of a 16 police department, sheriff's office, district attorney's office or other law enforcement agency so long as such employment of 17 18 employees of a political subdivision may be prohibited by 19 ordinance, resolution or local law.

20 (b) A knowing and willful violation of this section shall be cause for removal from public office, public employment or party 21 office. In any such case, the public officer, public employee or 22 23 party officer, violating this section, shall be removed from 24 office by appropriate authority having the power of removal.

25 The following words and phrases when used in this act (C) 26 shall have, unless the context clearly indicates otherwise, the meanings given to them in this section: 27

28 "Party officer." The following members or officers of any political party: 29

30 (1) a member of a national committee;

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(2) a chairman, vice-chairman, secretary, treasurer or
 counsel of a State committee or member of the executive
 committee of a State committee;

4 (3) a county chairman, vice-chairman, counsel, secretary
5 or treasurer of a county committee; or

6 (4) a city chairman, vice-chairman, counsel, secretary
7 or treasurer of a city committee.

8 "Public employee." Every person employed by the Commonwealth 9 or any political subdivision thereof.

10 "Public officer." Every person elected to any public office 11 of the Commonwealth or any political subdivision thereof.

(d) The commissions shall have the power to refuse to grant or to revoke or suspend a license of any firm, association or corporation which aids or knowingly permits or conspires to permit any public officer, public employee or party officer to acquire or retain any interest prohibited by this section.

(e) The provisions of this section shall allow any person other than members, employees or appointees of the commissions to own and to be licensed to race a horse at any licensed race track.

21 Section 212. Officials at horse race meetings.

(a) At all thoroughbred horse race meetings licensed by the 22 23 State Horse Racing Commission, qualified judges and starters 24 shall be approved by the commission. These officials shall 25 enforce the rules and regulations of the State Horse Racing 26 Commission and shall render written reports of the activities and conduct of such race meetings to the State Horse Racing 27 28 Commission. The compensation of these judges and starters shall be paid by the corporation conducting the race meeting. 29 30 (b) At all harness race meetings licensed by the State

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Harness Racing Commission, qualified judges and starters shall 1 2 be approved by the commission. No person shall be approved as a 3 judge or starter unless he is licensed by the United States Trotting Association as a duly qualified pari-mutuel race 4 meeting official. The officials shall enforce the rules and 5 regulations of the State Harness Racing Commission and shall 6 render regular written reports of the activities and conduct of 7 8 the race meetings to the State Harness Racing Commission. The 9 compensation of the presiding judge and two associate judges at 10 each race track shall be fixed and paid by the State Harness 11 Racing Commission. The commission shall adopt a selection process to approve the appointment of these officials. The 12 13 licensed corporations shall participate in this selection 14 process for approval of these officials.

15 Section 213. Licenses for commissioners, employees and 16 participants at horse race meetings.

17 Each commission shall license trainers, jockeys, (a) 18 drivers, persons participating in thoroughbred and harness horse 19 race meetings, horse owners and all other persons and vendors 20 exercising their occupation or employed at thoroughbred and harness horse race meetings. The license gives its holder a 21 privilege to engage in the specified activity, but the license 22 23 does not give its holder a property right. Licenses are not 24 transferable. Each commission shall fix the license fees to be 25 paid by persons or corporations so licensed; provided, however, 26 that such occupational license fees shall not exceed \$100. All 27 fees shall be paid to the commissions and by them paid into the 28 State Treasury through the Department of Revenue and credited to 29 the State Racing Fund. The application shall be in the form and contain the information as each commission may require. 30

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Applicants must have their fingerprints taken or have 1 2 fingerprint records on file with the respective commission, the 3 Federal Bureau of Investigation, the State Police or any other organization recognized by the respective commission as part of 4 the background investigation. Each commission may exempt 5 applicants from the fingerprint requirement for positions not 6 related to the care or training of horses, racing, wagering, 7 security or the management operations of the racing corporation 8 or racetrack. All licenses shall be issued for three-year terms 9 10 and shall be automatically renewed, upon payment of the required fee, unless subsection (f) applies. Each commission may 11 establish a temporary license and fee valid for four months 12 13 within a twelve-month period. No applicant, however, may receive 14 more than one temporary license within 12 months of the issuance 15 of his or her preceding temporary license. The commissions may 16 also stagger the termination dates and renewal dates of the licenses, in order to process and issue the licenses in an 17 18 orderly manner that provides for approximately one-third of the 19 licenses to be renewed each year. The commissions shall fix the 20 manner by which licenses are processed and issued by rule or 21 regulation.

22 (b) All commissioners and all employees, agents and 23 representatives of the commissions shall be licensed under this 24 act. There shall be no fee for this license. The commissions shall fix by rule or regulation the manner in which these 25 licenses under this subsection shall be processed and issued. 26 27 If the commissions find that the experience, character (C) 28 and general fitness of the applicant are such that the 29 participation of the person in horse race meets is consistent with the public interest, convenience and necessity, and with 30

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1 the best interests of racing generally in conformity with the 2 purposes of this act, it may grant a license.

3 (d) The commissions may refuse to issue a license under this 4 section, if they shall find that the applicant:

5 (1) Has been convicted of a crime involving moral6 turpitude.

7 (2) Has engaged in bookmaking or other form of illegal8 gambling.

9 (3) Has been found guilty of any fraud or10 misrepresentation in connection with racing or breeding.

11 (4) Has been found guilty of any violation or attempt to 12 violate any law, rule or regulation of racing in any 13 jurisdiction, for which suspension from racing might be 14 imposed in that jurisdiction.

15 (5) Has violated any rule, regulation or order of the 16 commissions.

(d.1) The commissions shall refuse to issue a license under this section if they shall find that the applicant has been convicted of an offense relating to fixing races. This subsection shall not apply if the conviction is overturned on appeal under the laws of the jurisdiction of the original finding.

23 (e) Each commission shall have the right to inspect all 24 contracts between licensed corporations and vendors for goods 25 and services. Each commission shall require by rule or 26 regulation that vendors disclose to the appropriate commission all principal officers and a description of their interests in 27 28 the vendors' business. Failure to properly disclose this 29 information shall constitute grounds to deny, to revoke or to 30 suspend any vendor's license issued under the provisions of this

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1 act.

2 The commissions may suspend, refuse to renew or revoke a (f) license issued under this section, if it shall determine that: 3 The applicant or licensee: 4 (1)5 has been convicted of a crime involving moral (i) 6 turpitude; 7 (ii) has engaged in bookmaking or other form of 8 illegal gambling; has been found guilty of any fraud in 9 (iii) 10 connection with racing or breeding; 11 (iv) has been quilty of any violation or attempt to 12 violate any law, rule or regulation of any racing 13 jurisdiction for which suspension from racing might be 14 imposed in that jurisdiction; 15 (v) has violated any rule, regulation or order of 16 the commissions; or 17 (vi) has been convicted of a felony offense related 18 to the use, possession or sale of drugs or alcohol. 19 That the experience, character or general fitness of (2)20 any applicant or licensee is such that the participation of 21 the person in horse racing or related activities would be 22 inconsistent with the public interest, convenience or 23 necessity or with the best interests of racing. 24 The commissions shall suspend, refuse to renew or (f.1) revoke a license issued under this section if it shall determine 25 26 that the applicant or licensee has been convicted of an offense related to fixing races unless the conviction has been 27 28 overturned on appeal under the laws of the jurisdiction of the 29 original finding.

30 (g) Pending final determination of any question under this
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section, the commissions may issue a temporary license upon such
 terms and conditions as they may deem necessary or proper to
 effectuate the provisions of this act.

4 (h) The commissions may suspend a license under subsection
5 (f) pending a hearing on the matter. The hearing must take place
6 within ten days of the suspension.

7 (i) The commissions shall not grant licenses to citizens of
8 states that do not grant licenses to citizens of this
9 Commonwealth on the basis of in-state preference.

10 Section 214. Power of commissions to impose fines and

11 penalties.

12 (a) In addition to their power to suspend or revoke licenses granted by them, the commissions are authorized and empowered to 13 14 impose fines upon any corporation, association or person 15 participating in any way in any horse race meet at which pari-16 mutuel wagering is conducted, other than as a patron and whether licensed by the commissions or not, for a violation of any 17 18 provision of this act or the rules and regulations promulgated 19 by the commissions, not exceeding \$5,000 for each violation, 20 which fines shall be paid into the State Treasury through the Department of Revenue and credited to the General Fund. 21 Following exhaustion of any administrative remedies promulgated 22 23 by the commissions for such purpose, the action of the 24 commissions in imposing any monetary fine shall be subject to appeal to the Commonwealth Court and as approved by that court 25 26 system, or if no court appeal is taken, then as imposed, may be 27 collected in an action of assumpsit.

(b) No officer or employee of a licensed corporation or
their spouses, parents, fathers-in-law, mothers-in-law, sons,
daughters, sons-in-law or daughters-in-law shall have any direct

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1 or indirect interest in a race horse that is participating in a 2 race at a meet at which such person or heretofore-mentioned 3 relative holds any interest in the licensed corporation conducting the meet and/or the track facility. An officer or 4 5 employee of a licensed corporation or their spouses, parents, fathers-in-law, mothers-in-law, sons, daughters, sons-in-law or 6 7 daughters-in-law may have an interest in a race horse and enter 8 it at meets that are conducted by licensed corporations or at race tracks in which such a person or heretofore-mentioned 9 relative holds no direct or indirect interest. Each commission 10 11 shall impose a fine or penalty upon any person for violation of 12 this subsection as provided for under subsection (a). For 13 purposes of this subsection an interest shall not include:

14 (1) any breeder's fund award as a result of a horse
15 being a registered Pennsylvania-bred thoroughbred horse under
16 the provisions of section 223; and

17 any interest in a licensed corporation or track (2) 18 facility that was held by a person, partnership, association 19 or corporation on or before January 1, 1988. 20 Section 215. Security personnel; powers and duties; penalty. 21 The commissions and any licensed corporations are (a) authorized and empowered to employ persons as security 22 23 personnel. These persons shall possess the powers and duties of 24 a peace officer with respect to the enforcement of the criminal 25 laws of the Commonwealth within the race meeting grounds or 26 enclosure. The designated persons are also authorized to 27 interrogate and eject from the race meeting grounds or enclosure 28 any persons suspected of violating any rule or regulation 29 promulgated by the commissions. The commissions may refuse admission to and eject from enclosure of the race track operated 30

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by any licensed corporation, any person whose presence there is, 1 2 in the judgment of the commission, inconsistent with the orderly 3 or proper conduct of a race meeting or whose presence or conduct is deemed detrimental to the best interest of horse racing. The 4 action of the commissions in refusing any person admission, or 5 ejecting him from, a race meeting ground or enclosure shall not 6 be because of the race, creed, color, sex, national origin or 7 8 religion of that person and shall be reviewable by the 9 Commonwealth Court.

10 (b) Except as provided for in subsections (c) and (d), any 11 licensed corporation may refuse admission to and eject from the 12 enclosure of the race track operated by any association any 13 person except that no person shall be refused admission or be 14 ejected because of the race, color, creed, sex, national origin 15 or religion of that person.

16 (c) A licensed corporation may refuse admission to and eject from the enclosure of the race track operated by the 17 18 corporation, any person licensed by the commissions under 19 section 213, employed at his occupation at the race track, whose 20 presence there is deemed detrimental to the best interests of horse racing, citing the reasons for that determination. The 21 action of the corporation in refusing the person admission to or 22 23 ejecting him from a race meeting ground or enclosure shall have 24 immediate effect. The person refused admission or ejected shall 25 receive a hearing before the appropriate commission, if 26 requested, pursuant to rules and regulations adopted for that purpose by the appropriate commission and a decision rendered 27 28 following that hearing.

29 (d) A licensed corporation may not refuse admission to or30 eject a law enforcement official while that official is actually

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1 engaged in the performance of official duties.

2 (e) A person found within a race track enclosure after 3 having been refused admission thereto or ejected therefrom shall, upon conviction thereof in a summary proceeding, be 4 sentenced to pay a fine not exceeding \$300 or undergo 5 imprisonment for a term not exceeding 90 days, or both. 6 7 Section 216. Interstate simulcastings of horse races. 8 Each commission may, upon request by any licensed corporation, grant permission for electronically televised 9 10 simulcasts of horse races to be operated by the licensed corporation at the race track enclosure where a horse race 11 12 meeting is being conducted during, between, before or after posted races for that racing day. The posted races for that 13 14 racing day shall include a minimum of eight live races, except, 15 at thoroughbred tracks on the one day designated as Breeders' 16 Cup Event Day, there shall be a minimum of five live races. The 17 simulcasts shall be limited to horse races conducted at 18 facilities outside this Commonwealth and televised to race track 19 enclosures within this Commonwealth. The simulcasts shall also 20 be limited to thoroughbred races designated as Grade I stakes, or the international equivalent thereto, with purses of at least 21 \$100,000; standard bred races with purses of at least \$100,000; 22 23 and other stakes races which have, in the opinion of the 24 appropriate commission, significant value to the Pennsylvania 25 racing industry. Cross simulcasting of the aforementioned races 26 shall be permitted as long as the particular race is available 27 to all race tracks in the Commonwealth which are operating live 28 racing that day. All simulcasts of horse races from outside this 29 Commonwealth shall also comply with the provisions of the Interstate Horse Racing Act of 1978, 92 Stat. 1811, 15 USC 3001 30

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1 et seq. All forms of pari-mutuel wagering as described under 2 section 221 shall be allowed on horse races to be televised by 3 simulcasting. Each commission may promulgate rules or 4 regulations to regulate the wagering and the operation of these 5 horse races. All moneys wagered by patrons on these horse races 6 shall be computed in the amount of money wagered each racing day 7 for purposes of taxation under section 222.

8 Section 216.1. Televised international and interstate
9 simulcastings of horse races.

10 Each commission may, upon request by a licensed (a) corporation, grant permission to maintain common pari-mutuel 11 12 pools on international and interstate races transmitted to and 13 from the racetrack enclosures within this Commonwealth, such 14 licensed corporation to be designated as the "host licensee." The permission to act as host licensee for international and 15 interstate simulcast races shall be limited to licensed 16 17 corporations:

(1) which have a live racing agreement with a horsemen's organization representing a majority of owners and trainers at the facility where the licensed corporation conducts racing dates;

(2) which have scheduled 95% of the total number of
horse or harness racing days scheduled in 1986 by it or its
predecessor at the facility where the licensed corporation
conducts racing dates; and

(3) which, subject to actions or activities beyond the
control of the licensee, conduct not less than eight live
races per race date during each meet at the facility where
the licensed corporation conducts racing dates, except for
thoroughbred tracks on the day designated as Breeder's Cup

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Event Day, when the facility shall hold a minimum of five
 live races.

3 A horsemen's organization representing a majority of owners and 4 trainers at a racetrack may consent to waiving or modifying the 5 provisions pertaining to the required number of racing days and 6 races per day scheduled by a licensed corporation at that 7 racetrack.

8 (b) Cross simulcasting of the races described in subsection 9 (a) shall be permitted if all amounts wagered on the races in this Commonwealth are included in common pari-mutuel pools. A 10 host licensee seeking permission to cross simulcast must obtain 11 approval from both the State Harness Racing Commission and the 12 13 State Horse Racing Commission. All simulcasts of horse races 14 shall also comply with the provisions of the Interstate Horse 15 Racing Act of 1978 (92 Stat. 1811, 15 U.S.C. § 3001 et seq.). 16 All forms of pari-mutuel wagering as described under section 221 shall be allowed on horse races to be televised by simulcasting. 17 18 Each commission may permit pari-mutuel pools in this 19 Commonwealth to be combined with pari-mutuel pools created under 20 the laws of another jurisdiction and may permit pari-mutuel pools created under the laws of another jurisdiction to be 21 combined with pari-mutuel pools in this Commonwealth. Each 22 23 commission may promulgate rules or regulations to regulate 24 wagering on televised simulcasts.

(c) All moneys wagered by patrons in this Commonwealth on these horse races shall be computed in the amount of money wagered each racing day for purposes of taxation under section 22 and all thoroughbred races shall be considered a part of a thoroughbred horse race meeting and all harness races shall be considered a part of a harness horse race meeting for purposes

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1 of section 222(b)(5).

2 Section 217. Refunds.

3 (a) Money received by the commissions may, within one year 4 from receipts thereof, be refunded, to the party for whose 5 account the same were received, on proof satisfactory to the 6 commissions that:

7 (1) the moneys were in excess of the amount required by8 law;

9 (2) the license for which application was made has been10 refused by the commission;

11 (3) the moneys were received as a fine and the 12 commission has, after review, reduced the amount of the fine; 13 or

14 (4) upon appeal, the court reduced or remitted the fine15 imposed and paid.

(b) Refunds shall, upon approval by the commission and after approval by the Board of Finance and Revenue, be paid from any moneys in the State Racing Fund.

19 Section 218. Place and manner of conducting pari-mutuel

20

wagering.

21 Every licensed corporation shall provide during a horse (a) race meeting a place or places within the race track enclosure 22 23 at which the licensed corporation shall conduct the pari-mutuel 24 system of wagering by its patrons on the results of horse races 25 held at such meetings or televised to the race track enclosure by simulcasting. The licensed corporation shall erect a sign or 26 board upon which shall be displayed the approximate straight 27 28 odds on each horse in any race; the value of a winning mutuel 29 ticket, straight, place or show on the first three horses in the race; the elapsed time of the race; the value of a winning daily 30

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1 double ticket, if a daily double be conducted, and any other
2 information that the commissions may deem necessary for the
3 guidance of the general public. The commissions may prescribe,
4 by rule, the type and kind of equipment to be used for the
5 display of the foregoing information.

6 (b) Each commission may upon request by any licensed 7 corporation grant permission to the licensed corporation to 8 conduct a telephone account wagering system: Provided, however, 9 That all telephone messages to place wagers must be to a place 10 within the race track enclosure: And further provided, That all 11 moneys used to place telephone wagers be on deposit in an amount 12 sufficient to cover the wager at the race track where the 13 account is opened. Each commission may promulgate rules or 14 regulations to regulate telephone account wagering. All moneys 15 wagered as a result of telephone account wagering shall be 16 included in the amount wagered each racing day for purposes of 17 taxation under section 222 and shall be included in the same 18 pari-mutuel pools for each posted race. All telephone account 19 wagering systems shall be solely operated by the licensed 20 corporations.

21 (c) A licensed corporation shall only accept and tabulate a wager by a direct telephone call from the holder of a telephone 22 23 wagering account. No person shall directly or indirectly act as 24 an intermediary, transmitter or agent in the placing of wagers 25 for a holder of a telephone wagering account. No person shall in 26 any manner place any wager by telephone to a facility in the 27 race track enclosure on behalf of a holder of a telephone 28 wagering account. Only the holder of a telephone wagering 29 account shall place a telephone wager. Any person violating this 30 subsection shall be guilty of a misdemeanor of the first degree.

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1 (d) A licensed corporation shall not accept a telephone 2 wager from, nor establish a telephone betting account for, any 3 person located in or residing in an area defined herein as the primary market area of a race track, other than the race track 4 5 at which the licensed corporation is conducting a racing meet. Nothing herein shall prohibit the licensed corporation from 6 accepting a telephone wager from, or establishing a telephone 7 8 betting account for, any person located in or residing in the primary market area of the track at which the licensed 9 10 corporation is conducting a meet and, if two tracks share primary market area as defined herein, both tracks shall have 11 12 equal rights to the market in the shared area.

13 (e) The primary market area of a race track, for purposes of 14 this act, is defined as that land area included in a circle 15 drawn with the race track as the center and a radius of 35 air 16 miles.

17 (f) The secondary market area of a racetrack, for purposes 18 of this act, is defined as that land area included in a circle 19 drawn with the racetrack as the center and a radius of 50 air 20 miles, but not including the primary market area of the 21 racetrack.

22 (g) Notwithstanding any other provisions of this act to the 23 contrary, upon approval by the appropriate commission, a 24 licensed corporation may establish one or more nonprimary 25 locations at which it shall conduct pari-mutuel wagering on all 26 horse races conducted by such licensed corporation and may conduct pari-mutuel wagering on horse races conducted by another 27 28 licensed corporation, which horse races may be televised to the 29 locations, or on horse races simulcast to the locations pursuant to section 216, provided that: 30

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1 (1)No licensed corporation may establish nonprimary 2 locations within the primary market area, as set forth in 3 subsection (e), of any racetrack other than a racetrack at which the licensed corporation conducts race meetings. 4 5 Establishment of a nonprimary location by a licensed 6 corporation within the primary market area of a racetrack at 7 which the licensed corporation conducts race meetings shall 8 require approval of the commission regulating the activities 9 of such licensed corporation.

10 (2) Any licensed corporation may establish a nonprimary 11 location within the secondary market area of a racetrack as 12 set forth in subsection (f), provided that the nonprimary 13 location is approved by both the State Harness Racing 14 Commission and the State Horse Racing Commission.

15 (3) Any licensed corporation may establish a nonprimary 16 location in areas outside the primary and secondary market 17 areas of any racetrack, provided that the location is 18 approved by the commission which regulates the activities of 19 the licensed corporation establishing the location.

20 Where a site is approved by the commission as a (4) 21 nonprimary location established by more than one licensed 22 corporation, by agreement between the licensed corporations 23 and with the approval of the appropriate commission, one 24 licensed corporation may operate the pari-mutuel equipment 25 for one or more of the licensed corporations at that 26 location, but the location may still be considered a part of 27 the racetrack enclosure of each of the licensed corporations 28 approved to conduct pari-mutuel wagering at that location. 29 Any licensed corporation, planning to establish (5) (i)

30 a nonprimary location, shall submit to the appropriate

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1 commission a nonprimary location statement in a form 2 prescribed by the appropriate commission which specifies, but is not limited to, the following: 3 The number of permanent and part-time jobs (A) 4 to be created at the proposed facility. 5 The population of the town or municipality, 6 (B) 7 and surrounding area, where the proposed facility is 8 to be located. 9 The proximity of the proposed facility to (C) 10 any other nonprimary location or licensed racetrack. 11 The type of seating to be provided, (D) 12 including areas in the proposed facility where 13 patrons can handicap races. 14 The total seating capacity of the proposed (E) 15 facility. The size and number of toilet facilities. 16 (F) 17 The availability of food and beverages, (G) 18 including the number of tables, chairs, kitchen 19 facilities and concession stands. 20 The number of available parking spaces. (H) 21 A description of the general demeanor of the (I) 22 facility, including lighting, decor and plans for the 23 exterior of the facility. 24 The number of betting windows and stand-(J) 25 alone terminals to be provided. 26 A description of the heating and air (K) 27 conditioning units, the smoke removal equipment and other climate control devices. 28 29 (L) The total square feet of the proposed 30 facility.

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1 (ii) The General Assembly recognizes the economic 2 importance of the horse racing industry in this 3 Commonwealth; and further recognizes that the Pennsylvania horse racing industry is in a state of 4 5 decline. Therefore, it is the intent of the General Assembly through this amendatory act to revitalize and 6 7 secure the economic future of the horse racing industry 8 and to encourage statewide economic development by 9 assisting in the development of nonprimary locations. It 10 is the further intent of the General Assembly through 11 this amendatory act that in no case shall the appropriate 12 commission approve a nonprimary location statement when 13 the sole purpose of that statement is to provide wagering 14 opportunities pursuant to this act; rather, the 15 appropriate commission shall only approve a nonprimary 16 location statement that plans for a public facility 17 offering not only wagering opportunities, but other 18 amenities, such as high class restaurants and quality 19 handicapping facilities, so that all or part of the 20 nonprimary facility will resemble the clubhouse facilities of a racetrack. It is the further intent of 21 22 the General Assembly through this amendatory act to offer 23 the potential for the creation of jobs, not only in the 24 racing and wagering industry, but more particularly in 25 other service jobs, such as parking attendants, waiters 26 and waitresses, security guards, custodial workers and 27 food service personnel.

(iii) In determining whether the nonprimary location
 statement meets the legislative intent of this amendatory
 act, the appropriate commission shall consider factors

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1 which include, but are not limited to, the following: 2 (A) The purposes and provisions of this 3 amendatory act. The public interest. 4 (B) 5 (C) The integrity of live racing. 6 (D) The impact on the local community. 7 (E) The potential for job creation. 8 (F) The quality of the physical facilities and 9 all services to be provided therein. 10 (iv) In considering whether the appropriate 11 commission will grant, suspend or revoke approval of 12 nonprimary locations, the provisions of section 209(f)(2) 13 shall apply. In connection therewith, the commission 14 shall annually conduct inspections of the primary 15 facility. 16 The rights, duties and obligations of the (V) 17 appropriate commission, as set forth in this amendatory act, shall apply to nonprimary locations and any 18 19 employees or vendors of the licensed corporation 20 establishing the nonprimary location. 21 In addition to the requirements of paragraph (6) (i) 22 (10), any licensed corporation which is authorized to 23 conduct racing at any primary racetrack location at which 24 there has not been, in the previous calendar year, a 25 minimum of 142 days of live racing shall not be eligible 26 to establish nonprimary locations outside its primary 27 market area and shall only be eligible to establish 28 nonprimary locations within its primary market area 29 according to the following schedule. Year Number of Number of days Number of Number of days 30

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1		live racing	in subs	sequent	live racing	in subsequent	
2		days		_	days	year permitted	
3		conducted	to oper	rate	conducted	to operate	
4				nonprimary		nonprimary	
5			locations			locations	
6			within	primary		within primary	
7			market	area		market area	
8	1988	50		365			
9	1989	69		365	Under 69	307	
10	1990	88		365	Under 88	259	
11	1991	107		365	Under 107	191	
12	1992	126		365	Under 126	133	
13	1993	142		365	Under 142	75	
14		(ii) Notwithstanding the chart contained in					
15		subparagraph (i), if any such licensed corporation					
16		schedules 69 or more racing days in calendar year 1989,					
17		it may, upon approval of the appropriate commission,					
18		establish nonprimary locations within its primary market					
19		area for that calendar year.					
20		(7) (i) The licensed corporation authorized to hold					
21		race meetings at a primary racetrack location at which					
22		more than one license is so authorized may be granted up					
23	to two nonprimary locations by the appropriate						
24	commission, up to a maximum of four per primary racetrack						
25	location. The licensed corporation authorized to hold						
26	race meetings at a primary racetrack location at which						
27	there is only one such licensed corporation so authorized						
28	may be granted up to three nonprimary locations.						
29	(ii) In addition to the nonprimary locations						
30	authorized by subparagraph (i), during each of the					ch of the	

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calendar years 1989 and 1990, the appropriate commission
 may approve no more than one additional nonprimary
 location per primary racetrack location, for one licensed
 corporation authorized to conduct racing at the primary
 racetrack location.

6 (iii) The General Assembly may, at any time, stop 7 the further approval of any nonprimary locations. The 8 State Harness Racing Commission and the State Horse 9 Racing Commission shall not have the authority to approve 10 any greater number of nonprimary locations after December 11 31, 1990, unless further authorized by the General 12 Assembly.

13 (iv) It shall be the duty of both the State Harness 14 Racing Commission and the State Horse Racing Commission 15 to annually report to the General Assembly on the effect 16 of nonprimary locations on such factors as the local 17 economy, the public interest and the integrity of live 18 racing, and make suggestions and recommendations. 19 Moneys wagered at all primary and nonprimary (8) (i) 20 locations pursuant to this act shall be included in 21 common pari-mutuel pools. All money wagered by patrons on 22 these races shall be computed in the amount of money 23 wagered each racing day for purposes of taxation under 24 section 222. The licensed corporation conducting the race 25 meeting and maintaining the pari-mutuel pools shall 26 maintain accurate records of the amount wagered in each 27 pool from every primary and nonprimary location.

(ii) The retained moneys as provided for in section
222(e) shall be calculated for each location where parimutuel wagering is being conducted. If wagering has taken

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1 place at a nonprimary location where the wagering is 2 conducted by a licensed corporation other than the 3 licensed corporation conducting the race meeting, the licensed corporation conducting the race meeting shall 4 5 retain any moneys to which it is entitled by agreement between such licensed corporations and shall pay over the 6 7 balance of the retained moneys to the licensed 8 corporation conducting the wagering at the nonprimary 9 location.

10 (9) (i) A licensed corporation conducting a race 11 meeting on which pari-mutuel wagering is conducted at one 12 or more nonprimary locations shall distribute to the 13 horsemen's organization representing a majority of owners 14 and trainers at its racetrack, or in accordance with the 15 practice of the parties, to be used for payment of purses 16 at that racetrack, an amount equal to not less than 6% of 17 the daily gross wagering handle on such races at a 18 nonprimary location: Provided, however, That when the 19 gross wagering handle on such races at any such 20 nonprimary location on a given day is less than \$30,000, 21 the above-referenced percentage shall be not less than 22 3%, and when the gross wagering handle on such races at 23 any such nonprimary location on a given day is between 24 \$30,000 and \$75,000 inclusive, the above-referenced 25 percentage shall be not less than 4.75%: And provided 26 further, That whenever a nonprimary location is within 27 the primary market area of a licensed corporation other 28 than the licensed corporation conducting such races, the 29 applicable percentage shall be distributed one-half to 30 the horsemen's organization representing a majority of

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1 owners and trainers at the racetrack, or in accordance 2 with the practice of the parties, where the race meeting 3 is being conducted to be used for the payment of purses at that racetrack and one-half to such horsemen's 4 5 organization, or in accordance with the practice of the 6 parties, at the racetrack within the primary market area 7 to be used for the payment of purses at that racetrack. 8 Nothing in this subparagraph shall prevent a licensed 9 corporation from agreeing to distribute amounts greater 10 than the percentages set forth in this subparagraph. 11 However, if no alternative agreement has been reached, 12 the total percentage paid for purses under this 13 subparagraph shall be in accordance with the minimum 14 percentages set forth in this subparagraph.

15 (ii) Notwithstanding subparagraph (i), or any other 16 provision in this act to the contrary, a nonprimary 17 location may be established within the primary market 18 area of a racetrack by agreement between the licensed 19 corporation and the horsemen's organization representing 20 a majority of the owners and trainers at that racetrack 21 specifying the total percentage of handle wagered at such 22 nonprimary location to be distributed to that horsemen's 23 organization, or in accordance with the practice of the 24 parties, to be used for the payment of purses at that 25 racetrack. If no such agreement is reached covering such 26 locations, the total percentage to be paid for purses 27 pursuant to this subparagraph shall be the same as that 28 applied to on-track wagering at the racetrack located 29 within the primary market area.

30 (10) The provisions of section 234 relating to the

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required number of racing days apply to this subsection.
However, a horsemen's organization representing a majority of
owners and trainers at a racetrack may consent to waiving or
modifying the provisions as pertaining to the required number
of racing days scheduled by a licensed corporation at that
racetrack.

7 Section 219. Books and records of pari-mutuel wagering.

8 Every corporation that conducts a horse race meeting at which pari-mutuel wagering is authorized, shall keep books and records 9 10 so as to clearly show by separate record the total amount of money contributed to every pari-mutuel pool. The Department of 11 12 Revenue or its authorized representative shall have access to 13 all books and records for the purpose of examining the same and 14 ascertaining whether the proper amount due to the State is being 15 paid by the licensed corporation.

16 Section 220. Filing of certain agreements with the commissions. 17 Every corporation licensed to conduct horse race meetings at 18 which pari-mutuel wagering is permitted shall promptly after 19 entering any lease agreement concerning any concession, labor 20 management relation, hiring of designated classes of officers, 21 employees or contractors specified by the commissions or any such other contract or agreement as the commissions may 22 23 prescribe, file with the appropriate commission a true and 24 correct copy, or an accurate summary, if oral.

25 Section 221. Retention percentages for pari-mutuel pools.
26 (a) Every licensed corporation shall distribute the moneys
27 in any pari-mutuel pool to the holders of winning tickets under
28 the following requirements:

(1) all tickets shall be presented for payment beforethe first day of April of the year following the year of

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their purchase; and 1

2 seventeen percent of the moneys plus the breakage (2) 3 from regular wagering pools shall be retained by the licensed corporations for further distribution under section 222; or 4

5 nineteen percent of the moneys plus the breakage (3) 6 from regular wagering pools from licensed corporations whose 7 total deposits in all pari-mutuel pools averaged less than 8 \$300,000 per racing day for their previous meeting at the 9 same facility; or

10 (4) twenty percent of the moneys plus the breakage from 11 the exacta, daily double, guinella and other wagering pools 12 involving two horses each racing day shall be retained by the 13 licensed corporations for further distribution under section 14 222; or

15 at least 26% but no more than 35% of the moneys plus (5) 16 the breakage from the trifecta or other wagering pools 17 involving more than two horses in one or more races each 18 racing day shall be retained by the licensed corporations for 19 further distribution under section 222; and

20 (6) except as provided for in subsection (d.1) of 21 section 222, every corporation may retain less than 17%, 19% 22 or 20% of the moneys in the wagering pools under paragraphs 23 (2), (3) and (4) or less than 26% of the moneys in the 24 wagering pools under paragraph (5) upon approval from the 25 appropriate commission; and

26 every corporation may retain more than 25% but no (7) 27 more than 35% of the moneys in the wagering pools under 28 paragraph (5) upon approval from the appropriate commission; 29 and

30 all moneys remaining in the wagering pools described (8) 20130SB1188PN1614 - 51 -

under paragraphs (2), (3), (4), (5), (6) and (7) shall be
 distributed to the holders of winning tickets.

3 (b) Breakage shall mean the odd cents of redistributions to 4 be made on all contributions to pari-mutuel pools exceeding a 5 sum equal to the next lowest multiple of ten.

6 (c) The commissions shall establish by rule or regulation 7 provisions for minus-pools relating to the retention

8 requirements under this section.

9 Section 222. Distribution of moneys retained from pari-mutuel10 pools; taxation.

11 There is hereby created the State Racing Fund. All (a) licensed corporations that conduct harness race meetings shall 12 pay a tax through the Department of Revenue for credit to the 13 14 State Racing Fund. All licensed corporations that conduct 15 thoroughbred horse race meetings shall pay a tax through the 16 Department of Revenue for credit to the State Racing Fund. The tax imposed on all licensed corporations shall be a percentage 17 18 tax on the amount wagered each racing day and be paid from the 19 moneys retained under section 221.

20 (a.1) At the close of each day of racing, all corporations licensed to conduct harness horse race meetings or thoroughbred 21 horse race meetings which annually conduct at least 100 days of 22 23 racing, or when two licensed corporations conduct their race 24 meetings at the same facility and between them annually conduct 25 at least 175 days of racing, will pay out of the moneys retained 26 on that day under section 221, through the Department of Revenue for credit to the State Horse Racing Fund the following taxes 27 28 for the time periods stated:

29 (1) From January 1, 1984 through June 30, 1984 - 3.8%.
30 (2) From July 1, 1984 through June 30, 1986 - 2.0%.

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(3) After June 30, 1986 - 1.5%, except as provided in
 subsection (a.4).

3 (a.2) Corporations not annually conducting at least 100 days
4 of racing, or 175 days of racing in conjunction with another
5 licensee at the same facility as described above, will pay 2.5%
6 from July 1, 1984 to June 30, 1986, and 2.0% thereafter. This
7 subsection shall not apply if races are not conducted because of
8 an act of God or because of a strike resulting from a labor
9 dispute.

10 (a.3) For purposes of this section, a racing day shall be 11 considered conducted after the appropriate commission has 12 certified the allocation of racing days to the Secretary of the 13 Department of Revenue under the provisions of section 207(b) 14 even if the racing day is subsequently cancelled by the licensed 15 corporation for reasons beyond its control.

16 (a.4) Any corporation which does not hold a license under section 209 on the effective date of this act and which is 17 18 granted a license under this act shall be subject to payment out 19 of moneys retained under section 221, through the Department of 20 Revenue for credit to the State Horse Racing Fund, of the following tax for a period of four years from the issuance date 21 of the license - 1.0%, at which time said licensee shall be 22 23 subject to the lawful rate then in effect under subsection (a.1) 24 (3).

(a.5) In order to qualify for the 1.0% tax rate authorized under subsection (a.4), the newly licensed corporation may not include any officer, director or the immediate relative (spouse, children or parents) of any officer or director of any licensed racing corporation which conducted, at any time within the immediately preceding five years, any horse or harness race

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meetings at the racetrack enclosure for which the license is 1 2 sought. Also, the newly licensed corporation may not include any 3 shareholder (or their immediate relative) holding a 5% or greater interest who also held a 5% or greater interest in any 4 corporation licensed at any time within the immediately 5 preceding five years to conduct horse or harness race meetings 6 7 at the racetrack enclosure for which the license is sought. 8 (b) The commissions shall distribute moneys from the State

9 Racing Fund, together with the interest earned thereon, in the 10 following manner:

(1) The salaries of employees of the commission employed by or for it under the provisions of this act and the act of April 9, 1929 (P.L.177, No.175), known as "The Administrative Code of 1929," net of any income earned or received by the commission.

16 (2) The payment of the compensation of employees of the
 17 Department of Revenue when used in collecting taxes and
 18 penalties imposed by this act.

(3) The expenses of the Secretary and the Department of
 Agriculture incurred in administering their duties under this
 act.

(4) To pay all other expenses incurred by the commission
in administering this act, net of any income earned or
received by the commission.

25

(5) From remaining moneys in the State Racing Fund:

(i) An amount equivalent to one percent of the
amount wagered each racing day at thoroughbred horse race
meetings shall be paid by the Horse Racing Commission
from the State Racing Fund through the Department of
Revenue for credit to the Pennsylvania Breeding Fund.

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(ii) An amount equivalent to one and one-half
 percent of the amount wagered each racing day at harness
 horse race meetings shall be paid by the Harness Racing
 Commission from the State Racing Fund through the
 Department of Revenue for credit to the Pennsylvania Sire
 Stakes Fund, beginning on July 1, 1983.

7 (6) All remaining moneys in the State Racing Fund shall8 be paid into the General Fund.

9 (c) All breakage retained under section 221 by licensed 10 corporations that conduct thoroughbred horse race meetings shall 11 be distributed in the following manner:

12 (1) Fifty percent of the breakage shall be retained by13 the licensed corporations.

14 (2) Twenty-five percent of the breakage shall be
15 retained by the licensed corporations to be used solely for
16 purses to the horsemen.

17 (3) Twenty-five percent of the breakage shall be paid to
18 the Department of Revenue for credit to the State Horse
19 Racing Fund.

20 (d) All breakage retained under section 221 by licensed 21 corporations that conduct harness horse race meetings shall be 22 distributed in the following manner:

(1) Fifty percent of the breakage shall be retained bythe licensed corporations.

(2) The remaining 50% of the breakage shall be retained
by the licensed corporations of which one-half of this
breakage shall be used solely by the licensed corporations
for claiming and nonclaiming races where entry is restricted
to Pennsylvania-sired horses in the following manner:

30 (i) On January 1, 1982, and thereafter at least five

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of the horses programmed to start shall be Pennsylvaniasired horses. If at least five of the horses programmed to start are not Pennsylvania-sired horses, then the licensed corporation conducting the meet shall cancel the race.

6 (ii) On January 1, 1983, and thereafter at least 7 seven of the horses programmed to start shall be 8 Pennsylvania-sired horses. If at least seven of the 9 horses programmed to start are not Pennsylvania-sired 10 horses, then the licensed corporation conducting the meet 11 shall cancel the race.

(iii) On January 1, 1984, and thereafter, only Pennsylvania-sired horses shall be allowed to start in these races. If all the positions are not filled by Pennsylvania-sired horses in these races, then the licensed corporation conducting the meet shall cancel the race.

All breakage moneys due licensed corporations for the purses for claiming and nonclaiming races under this paragraph but not expended as a result of a race cancellation shall be carried forward to the next succeeding meet by the licensed corporations to be used for claiming and nonclaiming races which restrict entry to Pennsylvania-sired horses under the provisions of this paragraph.

(d.1) An amount equivalent to one percent of the amount wagered at each racing day at thoroughbred and harness horse race meetings as set forth in section 221(a)(4) and (5) shall be paid through the Department of Revenue for credit to the State Racing Fund.

30 (e) All remaining moneys retained under section 221 and not 20130SB1188PN1614 - 56 - 1 heretofore distributed shall be kept by the licensed

2 corporations for their use.

3 Section 223. Pennsylvania Breeding Fund.

4 (a) There is hereby created a restricted account in the
5 State Racing Fund to be known as the Pennsylvania Breeding Fund
6 which shall consist of the money appropriated under the
7 provisions of section 222 and which shall be administered by the
8 State Horse Racing Commission.

9 (b) After the deduction of expenses related to the 10 administration and development of the Pennsylvania Breeding Fund 11 program incurred by the Pennsylvania Horse Breeders' 12 Association, the State Horse Racing Commission shall, by rule or 13 regulation, provide for awards as follows:

14 An award of 30% of the purse earned by every (1)15 registered Pennsylvania-bred thoroughbred horse sired by a 16 registered Pennsylvania sire at the time of conception of the 17 registered Pennsylvania-bred thoroughbred horse, or an award 18 of 20% of the purse earned by every registered Pennsylvaniabred thoroughbred horse sired by a nonregistered sire, which 19 20 finishes first, second or third in any race conducted by a 21 licensed corporation under this act shall be paid to the 22 breeder of said registered Pennsylvania-bred thoroughbred 23 horse. A single award under this paragraph may not exceed 1% 24 of the total annual fund money.

(2) An award of 10% of the purse earned by any
Pennsylvania-bred thoroughbred horse which finishes first,
second or third in any race conducted by a licensed
corporation under this act shall be paid to the owner of the
registered Pennsylvania sire which regularly stood in
Pennsylvania at the time of conception of said Pennsylvania-

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bred thoroughbred horse. A single award under this paragraph
 may not exceed .5% of the total annual fund money.

3 (3)An award of 10% of the purse earned by any registered Pennsylvania-bred thoroughbred horse which 4 5 finishes first in any race conducted by a licensed 6 corporation under this act not restricting entry to 7 registered Pennsylvania-bred thoroughbred horses shall be 8 paid to the licensed owner of said registered Pennsylvania-9 bred thoroughbred horse at the time of winning. A single 10 award under this paragraph may not exceed .5% of the total 11 annual fund money.

12 Up to one-fifth of the total of the estimated fund (C) 13 moneys remaining each year after the deduction of expenses 14 related to the administration and development of the 15 Pennsylvania Breeding Fund program and the payment of breeder, 16 stallion and owner awards, shall be divided among the licensed 17 corporations that conduct thoroughbred horse race meetings in 18 direct proportion to the rate by which each licensed corporation 19 generated the fund moneys during the previous year to be used 20 solely for purses for Pennsylvania Breeding Fund stakes races 21 which restrict entry to registered Pennsylvania-bred 22 thoroughbred horses.

(d) The fund moneys remaining following disbursements as directed in subsection (b)(1), (2) and (3) and subsection (c) shall be divided among the licensed corporations that conduct thoroughbred horse race meetings in direct proportion to the rate by which each licensed corporation generated the fund moneys during the previous year to be used for purses as follows:

30 (1) Claiming and nonclaiming Pennsylvania Breeding Fund 20130SB1188PN1614 - 58 - races which restrict entry to registered Pennsylvania-bred
 thoroughbred horses.

3 (2) Claiming and nonclaiming Pennsylvania Breeding Fund 4 races which prefer registered Pennsylvania-bred thoroughbred 5 horses as starters. In these races, should eight or more 6 registered Pennsylvania-bred horses pass the entry box, the 7 race shall be considered closed to horses other than 8 registered Pennsylvania-bred thoroughbred horses.

9 (e) Those Pennsylvania Breeding Fund moneys due licensed 10 corporations as outlined in subsections (c) and (d) but not 11 expended during the calendar year may be carried forth in the 12 fund on the account of said licensed corporations to be expended 13 during the succeeding year in addition to said corporations' 14 fund moneys annually due them for purses.

15 The Pennsylvania Breeding Fund Advisory Committee, under (f) 16 the jurisdiction of the State Horse Racing Commission, is hereby 17 established and shall be part of the Pennsylvania State Horse 18 Racing Commission. The commission shall consist of five members, 19 all of whom shall be residents of Pennsylvania, to be appointed 20 by the commission by June 1 of each year. The committee shall 21 consist of two members of the Pennsylvania Horse Breeders' Association, one member from the licensed corporations, one 22 23 member from the association representing horsemen racing in 24 Pennsylvania and one member of the commission. If any member 25 other than the commission member has not been recommended by 26 June 1 of each year, the commission shall make an appointment 27 for the organization failing to so recommend a member of the committee. The committee shall assist and advise the commission 28 29 under the provisions of this act but shall have no power in administering the fund. The members of the committee shall 30

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1 receive no compensation for their services as members.

2 The State Horse Racing Commission may contract with the (q) 3 Pennsylvania Horse Breeders' Association as the sole responsible body for the registration and records of Pennsylvania-breds. The 4 Pennsylvania Horse Breeders' Association shall advise the 5 commission when called upon and shall determine the 6 7 qualifications for Pennsylvania-bred thoroughbred horses and 8 Pennsylvania sires. Its registration and record facts are hereby declared as official Pennsylvania records. At the close of each 9 calendar year, the Pennsylvania Horse Breeders' Association, 10 11 through the Pennsylvania Breeding Fund Advisory Committee, shall 12 submit to the commission for its approval an itemized budget of 13 projected expenses for the ensuing year relating to the 14 administration and development of the Pennsylvania Breeding Fund 15 program. The commission, on no more than a quarterly basis, 16 shall reimburse from the fund the Pennsylvania Horse Breeders' Association for those expenses actually incurred in the 17 18 administration and development of the Breeding Fund program. 19 Section 224. Pennsylvania Sire Stakes Fund.

(a) There is hereby created a restricted account in the
State Racing Fund to be known as the Pennsylvania Sire Stakes
Fund which shall consist of the money appropriated under the
provisions of section 222 and which shall be administered by the
State Harness Racing Commission.

(b) Sixty percent of the money remaining in the excess fund account of the Pennsylvania Sire Stakes Fund at the end of the calendar year in which this subsection is enacted shall be distributed to licensed corporations that conduct harness horse race meetings to be used in the next succeeding calendar year as purse money for Pennsylvania-sired horses. The remaining 40% of

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the money in the excess fund account at the end of the calendar 1 2 year of the enactment of this subsection, together with the 3 interest earned on that money, shall be distributed to licensed corporations that conduct harness horse race meetings to be used 4 in the next succeeding calendar year following the next 5 succeeding calendar year as purse money for Pennsylvania-sired 6 horses. After deduction of sufficient funds to cover the State 7 8 Harness Racing Commission's cost of administration, 80%, unless 9 a smaller percentage is necessary in order to comply with the 10 minimum dollar requirement of subsection (e), of all remaining moneys in the Pennsylvania Sire Stakes Fund at the end of the 11 12 calendar year shall be distributed to licensed corporations that 13 conduct harness horse race meetings to be used as purse money 14 for Pennsylvania-sired horses. The State Harness Racing 15 Commission may then allocate up to a total of and not exceeding 16 40% of the total amount to be distributed to licensed 17 corporations in a calendar year for use for a series of 18 championship final races at the race tracks of licensed 19 corporations that conduct harness horse race meetings. The State 20 Harness Racing Commission shall allocate the moneys to these 21 championship final races in an equal amount for each sex, age and gait for two- and three-year-old trotters and pacers. The 22 23 State Harness Racing Commission shall determine conditions 24 establishing eligibility to these final events. No pari-mutuel harness track shall be awarded more than 50% of the championship 25 26 final races in any calendar year. The State Harness Racing 27 Commission shall schedule these final events so as to evenly 28 alternate classes at each race track each year. After the 29 allocation for the championship final races has been determined, 30 the remaining funds to be distributed to licensed corporations

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1 that conduct harness horse race meetings shall be divided 2 equally among the licensed corporations. Each licensed 3 corporation shall divide the funds received equally for each of:

4 (1) four two-year-old races; one pace for colts, one
5 pace for fillies, one trot for colts and one trot for
6 fillies; and

7 (2) four three-year-old races; one pace for colts, one
8 pace for fillies, one trot for colts and one trot for
9 fillies.

10 (c) Each allotment shall provide purse money for the 11 respective races. The purse money shall be in addition to any 12 entry fees or other funds available.

(d) Entry for these races shall be limited to harness horses which were sired by a standardbred stallion regularly standing in Pennsylvania and each race shall be designated a Pennsylvania sire stakes race. The State Harness Racing Commission shall make the provisions and regulations as it shall deem necessary for the proper administration of the entry restriction.

19 (e) The remaining moneys in the Pennsylvania Sire Stakes 20 Fund up to a total of and not exceeding \$25,000 for each agricultural fair and one- or two-day events as defined in 21 harness racing commission regulations shall be divided equally 22 23 among those agricultural fairs and one- or two-day events, not 24 to exceed more than five one- or two-day events per year and as 25 authorized by the State Harness Racing Commission, provided that 26 no more than two one-day or two-day events per county are authorized unless, after a date established by the commission, 27 28 all five of the events have not been allocated, conducting 29 harness horse races for two-year-old and three-year-old harness horses: Provided, however, That in no event shall less than 30

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1 \$225,000 be allocated from the Pennsylvania Sire Stakes Fund and 2 be divided equally among those agricultural fairs and one- or 3 two-day events conducting these races. Each fair or one- or twoday events receiving the funds shall divide the total amount 4 5 equally among all eligible races for two-year-old and three-6 year-old harness horses and shall apply the funds solely as 7 additional purse funds. Only races to which entry is restricted 8 to Pennsylvania-sired horses shall be eligible. The State Harness Racing Commission shall make the provisions and 9 10 regulations as it shall deem necessary for the proper 11 administration of all racing provided for in this subsection, 12 including, but not limited to, portable stall rentals at one-day 13 or two-day events.

(f) The fund moneys remaining following disbursements as directed in subsections (b), (c), (d) and (e) shall, except as provided in subsection (b), be divided among active licensed corporations that conduct harness horse race meetings under this act in direct proportion to the rate by which each licensed corporation generated the fund moneys during the previous year. The fund moneys so divided shall be used for purses as follows:

(1) A minimum of four races, claiming and nonclaiming,
shall be carded per week on the condition sheet for overnight
claiming and nonclaiming Pennsylvania Fund races which
restrict entry to registered Pennsylvania-sired or wholly
Pennsylvania-owned harness horses.

(2) Claiming and nonclaiming Pennsylvania Fund races
which prefer registered Pennsylvania-sired harness horses as
starters. In these races, should seven or more registered
Pennsylvania-sired harness horses pass the entry box, the
race shall be considered closed to horses other than

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1 registered Pennsylvania-sired harness horses.

2 Section 225.1. Fair Fund proceeds.

3 The Secretary of Agriculture shall distribute certain moneys in the Fair Fund annually, on or before March 1, for 4 reimbursement for each county agricultural society and each 5 independent agricultural society conducting harness horse racing 6 during its annual fair other than races for two- and three-year 7 8 old colts and fillies, an amount of money equal to that used during their annual fair as purse money for harness horse 9 10 racing, track and stable maintenance, starting gate rental and the cost of all harness horse racing officials required during 11 their annual fair, but not more than \$13,000, a minimum of 12 13 \$4,000 of which must be used for purse money and the balance of 14 said allotment per fair, not used for purse money over the minimum \$4,000 allotment, shall be used for said specific 15 16 purposes herein before referenced, or otherwise said allotment 17 shall be retained in the fund. The State Harness Racing 18 Commission shall cause to be carried out as its responsibility a 19 yearly inspection of each track facility and shall advise each 20 operating fair of necessary track maintenance which is necessary 21 to insure adequate racing surface during the course of scheduled fairs and racing events. If it is the opinion of the commission 22 23 that the fair society or event sponsor is not adequately 24 financing track maintenance through its permissible 25 reimbursement under this paragraph, the commission shall so 26 surcharge the Fair Fund account of said fair society or event sponsor to effectuate said remediation. 27 28 Section 226. Hearing of refusal or revocation of license.

If the commissions refuse to grant any license applied for under this act, or shall revoke or suspend any license granted,

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the applicant or licensee may demand, within ten days after 1 2 notice of the decision of the appropriate commission, a hearing 3 before the appropriate commission. The commission shall give prompt notice of the time and place for the hearing at which 4 time the commission will hear the applicant or licensee. Pending 5 the hearing and final determination, the action of the 6 7 commissions in refusing to grant or in revoking or suspending a 8 license shall remain in full force. The commissions may continue any hearing from time to time for the convenience of any of the 9 10 parties. Any of the parties affected by a hearing may be represented by counsel. In the conduct of the hearing, the 11 12 commissions shall not be bound by technical rules of evidence, 13 but all evidence offered before the commissions shall be reduced 14 to writing. All evidence, exhibits and findings of the 15 commissions shall be permanently preserved and shall constitute 16 the record of the commission. In connection with the hearing, the commissions shall have the power to administer oaths and 17 18 examine witnesses, and may issue subpoenas to compel attendance 19 of witnesses and the production of all material and relevant 20 reports, books, papers, documents, correspondence and other evidence. The commissions may by order refer to one or more of 21 its officers the duty of taking testimony in the matter and to 22 23 report to the commission. Within 30 days after the conclusion of 24 the hearing, the appropriate commission shall make a final order in writing, setting forth the reasons for the action taken by it 25 and a copy thereof shall be served on the applicant or licensee. 26 Section 227. Approval of the racing facility. 27

The commissions shall not grant to a corporation formed under this act a license to conduct a horse race meeting at which pari-mutuel betting may be conducted, until the corporation has

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1 submitted to the appropriate commission a statement of the
2 location of its proposed grounds and race track, together with a
3 plan of the track and plans of all buildings, seating stands and
4 other structures in a form as the appropriate commission may
5 prescribe. All plans shall be approved by the appropriate
6 commission before the issuance of any license to conduct a pari7 mutuel horse race meeting.

8 Section 228. Prohibition of wagering by certain officials,
9 employees and minors.

10 No commissioner, executive secretary, deputy, officer, representative, employee or counsel of the commission shall 11 12 wager upon the outcome of any horse race conducted at a track at 13 which pari-mutuel wagering is conducted by any licensed 14 corporation of the commissions. No licensed corporation shall 15 permit any person who is actually and apparently under 18 years 16 of age to wager at a race meeting conducted by it. No licensed 17 corporation shall permit any person who is under 18 years of age 18 to attend a horse race meeting conducted by it unless the person 19 is accompanied by a parent or guardian. This section shall not 20 be construed to prohibit persons under 18 years of age, who are legally employed, from being upon the race track premises for 21 the sole purpose of engaging in the performance of their duties 22 23 as employees. The commissions shall, by rule, provide for 24 enforcement of this section.

25 Section 229. State horse racing veterinarians and State 26 stewards.

(a) The State Horse Racing Commission shall appoint and
employ licensed veterinarians and stewards to serve as the horse
racing veterinarians and State stewards for horse racing,
respectively, at each meeting conducted by a corporation

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licensed by the State Horse Racing Commission. The State Horse
 Racing Commission shall have the authority to employ other
 individuals as shall be necessary to carry out the
 responsibilities of this section.

5 (b) The costs and compensation of the horse racing 6 veterinarians, State stewards and other individuals employed 7 shall be fixed and paid by the State Horse Racing Commission. 8 (c) The State Horse Racing Commission shall establish a job 9 description and professional criteria for stewards to assure 10 that they have a working knowledge of the horse racing industry. 11 Section 230. State harness racing veterinarians.

(a) The State Harness Racing Commission shall appoint and employ licensed veterinarians to serve as the harness racing veterinarians for harness racing at each meeting conducted by a corporation licensed by the State Harness Racing Commission. The State Harness Racing Commission shall have the authority to employ other individuals as shall be necessary to carry out the responsibilities under this section.

19 (b) The costs and compensation of the harness racing 20 veterinarians and other individuals employed to carry out the 21 provisions of this act shall be fixed and paid by the State 22 Harness Racing Commission.

23 Section 231. Free passes, cards or badges.

(a) A licensed corporation shall not issue free passes,
cards or badges without admission tax, except to persons
hereafter described: officers, employees and shareholders of the
corporation conducting the race meeting; members, officers and
employees of the commissions; members of horse racing
associations of other states and foreign countries; public
officers engaged in the performance of their duties; persons

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1 employed and accredited by the press to attend such meeting;
2 owners, stable managers, trainers, jockeys, concessionaries and
3 other persons whose actual duties require their presence at the
4 race tracks.

5 (b) The commissions may allow a licensed corporation to 6 issue free passes, cards or badges for special promotional 7 programs and seasonal discount ticket programs, so long as the 8 corporation has obtained approval from the appropriate 9 commission. The admissions taxes under section 208 shall be 10 imposed on the price of all seasonal discount tickets sold by a 11 licensed corporation.

12 (c) The issuance of tax-free passes, cards or badges shall 13 be under the rules and regulations of the commissions. A list of 14 all persons, except persons admitted under an approved special 15 promotional program or seasonal discount ticket program, to whom 16 free passes, cards or badges are issued shall be filed with the 17 appropriate commission.

18 Section 232. Political subdivision agricultural fairs and horse 19 race meetings not licensed to conduct pari-mutuel 20 wagering.

21 Pari-mutuel wagering on horse races at any county or other political subdivision, agricultural or other fair shall not be 22 23 authorized. No lottery, pool selling, bookmaking or any other 24 kind of gambling upon the results of races, heats or contests of 25 speed of horses shall be allowed at any fair or at any horse 26 race meeting conducted in the State, except those licensed to operate pari-mutuel wagering under the provisions of this act. 27 28 Section 233. Monitoring of wagering on video screens. 29 Every corporation licensed to conduct pari-mutuel betting shall display on video screens the approximate odds or 30

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approximate will-pays on each horse for each race as well as any 1 2 combination of races including, but not limited to, quinellas, 3 exactas, perfectas and any other combination or pool of races. No display of approximate odds or approximate will-pays shall be 4 5 required where the wager is on horses in four or more races, such as "Pick 4, Pick 5 or Pick 6." In addition to displaying 6 7 the amount of money wagered, the approximate odds or approximate will-pays on each horse or combination of horses shall be shown 8 9 on video screens in each wagering division. For trifectas, in 10 lieu of odds or approximate will-pays, the amount of money being wagered on each horse to win in the trifecta pool shall be 11 displayed on video screens separately from any other 12 information. The above required information shall be displayed 13 14 from the opening of bets or wagering and be continually 15 displayed until the wagering is closed. At least one video 16 screen in each wagering division shall display the amount of money wagered on each horse involved in any trifecta pool. 17 18 Section 234. Simulcasting.

19 The State Horse Racing Commission and the State Harness Racing Commission shall only permit intrastate simulcasting of 20 21 live racing between two licensed corporations when each continues to schedule 95% of the total number of horse or 22 23 harness racing days scheduled in 1986 at the facility where each 24 said licensed corporation conducts its horse or harness racing dates, and when the average number of live horse or harness 25 26 races per race day equals 90% of the average number of live horse or harness races conducted per day in 1985 at the facility 27 28 where each said licensed corporation conducts its horse or 29 harness racing dates, subject to any actions or activities beyond the control of the licensee: Provided, however, That for 30

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any licensed corporation that was granted a permanent license 1 2 for horse racing and operating at a facility where the average 3 daily handle at the facility at which the licensed corporation conducts racing dates is less than \$150,000 in any calendar year 4 5 after 1985, the State Horse Racing Commission may permit intrastate simulcasting when the licensed corporation first 6 schedules a minimum of 50 racing days in the calendar year in 7 which it wishes to simulcast. A newly licensed corporation 8 9 racing at the facility may be permitted to intrastate simulcast 10 by the State Horse Racing Commission when it first schedules at least 50 racing dates in the year in which it wishes to 11 simulcast. If a newly licensed corporation is awarded harness or 12 13 horse racing dates after 1987 and races those dates at a horse 14 or harness racing facility existing in 1987, other than a 15 facility whose average daily handle is less than \$150,000, the 16 respective commissions shall not permit intrastate simulcasting 17 unless the same number of horse or harness dates scheduled at 18 that facility in 1987 are scheduled at that facility in the year 19 that the corporation wishes to simulcast subject to any actions 20 or activities beyond the control of the licensees (i.e. act of God, strike). For a licensed corporation awarded racing dates at 21 a facility which did not conduct horse or harness racing prior 22 23 to 1987, the respective commissions may permit intrastate 24 simulcasting if the licensed corporation is the only corporation 25 operating that facility when that corporation first schedules a minimum of 125 days of racing dates in the calendar year in 26 which it wishes to simulcast or when more than one such 27 28 corporation is awarded dates for racing at the same facility 29 when those corporations first schedule a minimum of 200 days of 30 racing in the calendar year in which they wish to simulcast. For

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1 purposes of this section a racing day shall consist of a minimum 2 of eight live races, except at thoroughbred tracks on Breeders' 3 Cup Event Day. For any licensed racing corporation engaged in simulcasting, regardless of location or distance from another 4 licensed racing corporation, there shall exist a written 5 6 agreement with the horsemen's organization representing a majority of the owners and trainers at both the sending and 7 8 receiving racetracks. If no agreement can be reached, then the 9 licensed corporation may petition the court of common pleas in 10 the county in which the licensed corporation racetrack is 11 located, which may, upon good cause shown by the licensed 12 corporation that failure to consent would be detrimental to the 13 Pennsylvania racing industry, direct the organization 14 representing the horsemen to approve the simulcast agreement. 15 The respective commission may then authorize the simulcasting, 16 if, in the opinion of the appropriate commission, such 17 simulcasting will have significant value to the Pennsylvania 18 racing industry. The simulcast signal shall be encoded, and the 19 racetrack receiving the simulcast signal shall not send this 20 signal anywhere other than public locations authorized under 21 section 218 or 218-A. All forms of pari-mutuel wagering 22 described in section 221 shall be allowed on races to be 23 televised by simulcasting under this section. The State Horse 24 Racing Commission and the State Harness Racing Commission may 25 promulgate regulations on wagering and the operation of these 26 races. All money wagered by patrons on these races shall be 27 computed in the amount of money wagered each racing day for 28 purposes of taxation under section 222. In the event the 29 simulcast is between a thoroughbred racetrack and a harness racetrack, both commissions shall have jurisdiction, and any 30

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approval required hereunder must be received from both 1 2 commissions: Provided, however, That if no agreement can be 3 reached between the horsemen's organization aforementioned, then the licensed corporation may petition the court of common pleas 4 in the county in which the licensed corporation racetrack is 5 located, which may, upon good cause shown by the licensed 6 7 corporation that failure to consent would be detrimental to the 8 Pennsylvania racing industry, direct the organization representing the horsemen to approve the simulcast agreement. 9 10 The respective commissions may then authorize the simulcasting if, in the opinions of the respective commission, such 11 12 simulcasting will have a significant value to the Pennsylvania 13 racing industry. The provisions of this section with regard to 14 the required number of racing days may be waived or modified by 15 the applicable commission if the waiver or modification has been 16 consented to by the horsemen's organization representing a majority of the owners and trainers at the racetrack where the 17 18 racing days are to be scheduled or raced.

19 Section 235. Commingling.

20 (a) This section shall be applicable only to licensed21 thoroughbred racing corporations.

22 The race secretary shall receive entries and (b) 23 declarations as an agent for the licensed corporation for which 24 the race secretary acts. The race secretary or an individual 25 designated by the licensed corporation may receive stakes, 26 forfeits, entrance money, jockey's and other fees, purchase money in claiming races and other money that can properly come 27 28 into his possession as an agent for the licensed corporation for 29 which the race secretary or designee is acting.

30 (c) A licensed corporation shall maintain a separate

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account, called a Horsemen's Account. Money owing to owners in 1 2 regard to purses, stakes, rewards, claims and deposits shall be 3 deposited into the Horsemen's Account. Funds in the account shall be recognized and denominated as being the sole property 4 5 of owners. Deposited funds may not be commingled with funds of 6 the licensed corporation unless a licensed corporation has established, in favor of the organization which represents a 7 8 majority of the owners and trainers racing with the licensed corporation, an irrevocable clean letter of credit with an 9 10 evergreen clause. The minimum amount of the credit must be the 11 greater of \$1,000,000 or 110% of the highest monthly balance in 12 the Horsemen's Account in the immediate prior year. To calculate 13 the monthly balance in the Horsemen's Account, the sum of the 14 daily balances shall be divided by the number of days in the 15 month. The evergreen clause must provide that, 30 days prior to 16 the expiration of the letter of credit, the financial 17 institution can elect not to renew the letter of credit; that, 18 upon this election, the financial institution must notify the 19 designee of the organization which represents a majority of the 20 owners and trainers racing with the licensed corporation, by registered mail, return receipt requested, of the election not 21 to renew; and that the financial institution will honor the 22 23 letter of credit for six months after expiration. Purse money 24 earned by owners shall be deposited by the licensed corporation 25 in the Horsemen's Account within 48 hours after the result of 26 the race in which the money was earned has been declared official and the purse has been released by the commission. 27 28 (d) A licensed corporation shall designate a bookkeeper who 29 is authorized to receive and disburse funds from the Horsemen's

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Account. The bookkeeper must be bonded to provide indemnity for

malfeasance, nonfeasance and misfeasance. A certified copy of
 the bond shall be filed with the commission.

3 (e) The Horsemen's Account and the investment and deposit schedules relating to the account are subject to examination, at 4 5 reasonable times, by a designee of the organization which 6 represents a majority of the owners and trainers racing with the 7 licensed corporation and by the commission. The bookkeeper shall 8 provide each owner with access, at reasonable times during a racing day, to the amount of funds in the Horsemen's Account 9 10 credited to that owner. At the close of a race meeting, the bookkeeper shall mail to each owner a record of deposits, 11 12 withdrawals and transfers affecting the amount of funds in the 13 Horsemen's Account credited to that owner.

(f) The Horsemen's Account shall be audited periodically as deemed appropriate by the commission. There shall be at least one audit per year. Monthly statements shall be provided to the designee of the organization which represents a majority of the owners and trainers racing with the licensed corporation.

19 Fifty percent of the money earned as interest on funds (q) 20 in the Horsemen's Account shall be paid to the organization which represents a majority of the owners and trainers racing 21 with the licensed corporation on a weekly basis. This amount 22 23 shall be for the benefit of the horsemen as determined by the 24 organization which represents the majority of the owners and 25 trainers racing with the licensed corporation. The remaining 50% 26 of the interest earned shall be for the benefit of the licensed corporation which shall have the responsibility to fund all 27 28 costs associated with the administration of the fund. Interest 29 each month must be earned in an amount equal to the Federal 30 Reserve Discount Rate on the first day of the month.

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1 Section 236. Harness racing purse moneys.

2 Each licensed harness horse racing association must place on 3 deposit with the State Harness Racing Commission by March 1 of each year an irrevocable letter of credit equivalent to its 4 average weekly purse total from the immediate prior year. The 5 commission shall hold the letter of credit in trust for the 6 harness horsemen racing at that licensed corporation in the 7 8 event that purse checks are not issued or that insufficient 9 funds are available to cover the purse checks.

10 Section 237. Limitations on day and night racing.

11 (a) For the purpose of this section day racing shall be racing days for which the starting time for the first race is at 12 13 or before 2:00 p.m., and night racing shall be racing days for 14 which the starting time for the first race is after 5:00 p.m. 15 Day racing may not be conducted at any racing facility after 16 1985 on any comparable type racing day or holiday on which day racing was not conducted in 1985 unless all presently operating 17 18 licensed corporations conducting day racing agree, in writing, 19 to allow such day racing activities.

(b) Night racing may not be conducted at any racing facility after 1985 on any comparable type racing night or holiday on which night racing was not conducted in 1985 unless all presently operating racing facilities conducting night racing agree, in writing, to allow night racing activities.

(c) Each appropriate commission shall have the authority to grant exceptions to this section upon application by a licensed racing corporation for not more than five racing days per calendar year with respect to each licensed corporation. The provisions of this section shall be effective until July 1, 1991.]

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1	Section 3. The act is amended by adding a chapter to read:
2	<u>CHAPTER 2-A</u>
3	RACING OVERSIGHT
4	Section 201-A. Bureau of Horse Racing.
5	(a) EstablishmentThe Bureau of Horse Racing is
6	established within the board to oversee day-to-day operations of
7	horse racing and pari-mutuel operations.
8	(b) JurisdictionThe board shall have jurisdiction and
9	supervisory authority over the following:
10	(1) Pari-mutuel horse racing activities in this
11	Commonwealth.
12	(2) A licensed corporation engaged in pari-mutuel horse
13	racing activities.
14	(3) Out-of-competition drug testing, which shall include
15	the random drug testing of all horses entered in a race,
16	stabled on the grounds or shipped into a licensed
17	corporation's facility.
18	(c) RecordsThe board shall maintain at its office the
19	<u>following:</u>
20	(1) All books, maps, documents and papers entrusted to
21	the board's care.
22	(2) A docket setting forth the names of all stockholders
23	in all corporations licensed under this act. The docket shall
24	be open for public inspection.
25	(3) The number of shares held by each stockholder and
26	the date on which each shareholder acquired stock in the
27	licensed corporation.
28	(d) Rules and regulationsThe following shall apply:
29	(1) All rules and regulations promulgated under the
30	former act of December 11, 1967 (P.L.707, No.331), referred

1	to as the Pennsylvania Thoroughbred Horse Racing Law, or the
2	former act of December 22, 1959 (P.L.1978, No.728), referred
3	to as the Pennsylvania Harness Racing Law, shall remain in
4	effect except to the extent that they are in direct conflict
5	with this act. The board may amend, revise or alter the rules
6	and regulations as the board deems necessary.
7	(2) In order to facilitate the prompt implementation of
8	this chapter, the board may promulgate temporary regulations
9	which shall expire no later than two years following the
10	effective date of this chapter. The board may promulgate
11	temporary regulations not subject to:
12	(i) Sections 201, 202 and 203 of the act of July 31,
13	1968 (P.L.769, No.240), referred to as the Commonwealth
14	Documents Law.
15	(ii) The act of June 25, 1982 (P.L.633, No.181),
16	known as the Regulatory Review Act.
17	(e) LicensesAll licenses issued prior to January 1, 2014,
18	shall remain in effect for the remainder of the term for which
19	the licenses were issued unless revoked or suspended. After the
20	licenses have expired, all renewals or new licenses shall be
21	issued under this act. All renewals shall be subject to and made
22	consistent with the requirements of 4 Pa.C.S. § 1326 (relating
23	to license renewals).
24	Section 202-A. Additional powers.
25	The board shall supervise horse racing at which pari-mutuel
26	wagering is conducted and approve the number of racing days
27	allocated by each licensed corporation. In addition to any other
28	powers of the board:
29	(1) The board shall promulgate both temporary and
30	permanent regulations regarding medication rules.
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1	(2) The board may establish a general promotion and
2	marketing program and contract to implement the program to
3	assist the licensed corporations in increasing their
4	attendance and average daily handle. The board may impose a
5	surcharge of up to 1.5% on all purses awarded to a horseman's
6	organization which shall be used exclusively for the
7	promotion and marketing of racing.
8	(3) Except as otherwise provided under this paragraph,
9	two years following the effective date of this section, the
10	board may, through temporary and permanent regulations,
11	increase each year any fee, charge, cost or administrative
12	penalty provided in this chapter. The increase may not exceed
13	the annual cost-of-living adjustment calculated by applying
14	the percentage change in the consumer price index for all
15	urban consumers for the Pennsylvania, New Jersey, Delaware
16	and Maryland area for the most recent 12-month period for
17	which figures have been officially reported by the United
18	States Department of Labor, Bureau of Labor Statistics,
19	immediately prior to the date the adjustment is due to take
20	effect. This paragraph shall not apply to the costs of drug
21	testing under section 304.
22	(4) The board shall annually submit a budget proposal
23	for the enforcement of this act to the General Assembly.
24	Section 202.1-A. Payment.
25	The rules of the board shall provide that a winning pari-
26	mutuel ticket must be presented for payment before April 1 of
27	the year following the year of purchase. Failure to present the
28	ticket within the prescribed period of time shall constitute a
29	waiver of the right to participate in the award. After April 1
30	of the year following, a licensed corporation shall forward the
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1	remaining funds held for uncashed tickets to the Department of
2	Revenue. The funds shall be deposited into the State Racing
3	Fund. If it is shown to the satisfaction of the board and the
4	Department of Revenue, through substantiated and recorded data,
5	that the reason for the pari-mutuel ticket or tickets being
6	outstanding and unclaimed is loss, misplacement or theft within
7	the confines and control of the pari-mutuel department of a
8	licensed corporation and it is shown to the satisfaction of the
9	board and the Department of Revenue that the pari-mutuel ticket
10	or tickets in question have been cashed by the pari-mutuel
11	department, the Department of Revenue, with the approval of the
12	board, may adjust and credit the licensed corporation's
13	outstanding ticket account accordingly on March 31 of the year
14	following the year of purchase or after a complete audit of the
15	outstanding ticket accounts has been performed. The licensed
16	corporation shall reimburse an employee who has been held
17	personally accountable and paid for the lost, misplaced or
18	<u>stolen ticket.</u>
19	Section 203-A. License.
20	After January 1, 2015, a corporation shall conduct a horse
21	racing meeting at the location designated, as approved by the
22	board pursuant to 4 Pa.C.S. §§ 1302 (relating to Category 1 slot
23	machine license) and 1303 (relating to to additional Category 1
24	<u>slot machine license requirements).</u>
25	Section 204-A. (Reserved).
26	Section 205-A. Number of horse racing corporations.
27	(a) Harness horse racingNo more than four corporations
28	shall be licensed by the board to conduct a pari-mutuel meet. No
29	corporation licensed under this act to conduct harness horse
30	racing with pari-mutuel wagering shall be licensed to conduct
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1	thoroughbred horse racing with pari-mutuel wagering.
2	(b) Thoroughbred horse racing No more than three
3	corporations shall be licensed by the board to conduct a pari-
4	mutuel meet. No corporation licensed under this act to conduct
5	thoroughbred horse racing with pari-mutuel wagering shall be
6	licensed to conduct harness horse racing with pari-mutuel
7	wagering.
8	Section 206-A. Department of Revenue.
9	The Department of Revenue shall provide financial
10	administration of pari-mutuel wagering under this act. The
11	Department of Revenue shall continue to prescribe the form and
12	the system of accounting to be employed by the licensed
13	corporation, and may access and examine equipment relating to
14	pari-mutuel wagering.
15	Section 207-A. Allocation of racing days.
16	(a) General ruleRacing shall be conducted consistent with
17	<u>4 Pa.C.S. § 1303 (relating to additional category 1 slot machine</u>
18	<u>license requirements).</u>
19	(b) CertificationThe board shall submit to the Secretary
20	of Revenue the approved number of racing days for each licensed
21	corporation, including the following information:
22	(1) the names and addresses of the corporations;
23	(2) the names and addresses of the officers and general
24	managers of the corporations; and
25	(3) any other information the board deems appropriate.
26	(c) CancellationIf a racing day is canceled by a licensed
27	corporation for reasons beyond the licensed corporation's
28	control, the board shall grant the licensed corporation the
29	right to conduct that racing day in the same or the next ensuing
30	calendar year, if schedules permit.
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1	Section 208-A. Fee for racetrack admissions.
2	(a) General rule
3	(1) Each corporation holding a horse racing meeting
4	under this act shall remit to the Department of Revenue a fee
5	equal to 50¢ for each individual who attended the horse
6	racing meeting. The amount collected shall be deposited into
7	the State Racing Fund.
8	(2) Nothing under this section shall apply to a racing
9	meeting conducted by a State, county or other agricultural
10	association.
11	(b) InvestigationThe Department of Revenue may examine
12	books and records of the corporation conducting a horse racing
13	meeting and may hear testimony and take proofs and material or
14	any other data for the Department of Revenue's information. The
15	Department of Revenue may create an account for the tax due the
16	State, with the expense of the examination. A penalty of 5% and
17	interest at the rate of 1% per month from the due date to the
18	date of payment of the tax shall be payable if tax imposed under
19	this section is not paid when due.
20	Section 209-A. Licenses for horse racing meetings.
21	(a) Procedure and terms
22	(1) After January 1, 2014, a corporation desiring to
23	<u>conduct horse racing meetings for which a Category 1 license</u>
24	has been issued and at which pari-mutuel wagering is
25	permitted may apply to the board for a license or a renewal
26	of any existing license.
27	(2) A license holder shall have the privilege to conduct
28	a horse racing meeting at which pari-mutuel wagering is
29	permitted, but shall not have a property right.
30	(3) The board may revoke or suspend the license of a

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1	corporation if the board finds that the corporation, its
2	officers, employees or agents, has not complied with the
3	provisions of this act.
4	(4) A license may not be transferred without the
5	approval of the board.
6	(b) ConditionsEach license shall be issued upon the
7	following conditions:
8	(1) A horse racing meeting at which pari-mutuel wagering
9	is conducted shall be subject to the supervision of the
10	board.
11	(2) Pari-mutuel wagering conducted shall be subject to
12	the supervision of the Department of Revenue.
13	(3) The corporation posts a bond or irrevocable letter
14	of credit payable to the board in an amount equal to the sum
15	of the corporation's average weekly payment of the pari-
16	mutuel tax, during active racing, into the State Racing Fund,
17	based on revenues generated in the previous year.
18	(4) The licensed corporation prints in its racing
19	programs the procedure for filing a complaint with the board.
20	(c) ApplicationsApplications for a licensed corporation
21	shall be in the form prescribed by the board and shall contain
22	information, material or evidence as the board may require.
23	(d) Grounds for denial, revocation or suspensionThe board
24	may refuse to grant, may revoke or may suspend a license to a
25	corporation, if it determines that:
26	(1) Any officer, director, member or stockholder of the
27	corporation applying for a license or of any corporation
28	which owns stock in or shares in the profits, or participates
29	in the management of the affairs of the applicant, or which
30	leases to the applicant the track where it shall operate:

1	(i) has been convicted of a crime involving moral
2	turpitude;
3	(ii) has engaged in bookmaking or other forms of
4	illegal gambling;
5	<u>(iii) has been found guilty of any fraud or</u>
6	misrepresentation in connection with racing or breeding;
7	<u>(iv) has been guilty of any violation or attempt to</u>
8	violate any law, rule or regulation of any racing
9	jurisdiction, for which suspension from racing might be
10	imposed in such jurisdiction; or
11	(v) has violated any rule, regulation or order of
12	the board.
13	(2) The experience, character or fitness of any officer,
14	director or stockholder of the licensed corporation is such
15	that the participation of the person in horse racing or
16	related activities would be inconsistent with the public
17	interest, convenience or necessity or with the best interests
18	of racing. If the board determines that the interest of any
19	stockholder referred to in this paragraph or in paragraph (1)
20	is insufficient to affect adversely the conduct of pari-
21	mutuel horse racing by the corporation in accordance with the
22	provisions of this act, the board may disregard the interest
23	in determining whether or not to grant a license to the
24	corporation.
25	(3) The corporation has use of the facility consistent
26	with the requirements of 4 Pa.C.S. Pt. II (relating to
27	gaming).
28	(4) A licensed corporation has commingled horsemen's
29	funds in violation of section 235-A(c) or has refused to
30	place on deposit a letter of credit under section 236-A.

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1	(5) The charter or certificate of incorporation fails to
2	contain a provision requiring any stockholder, upon written
3	demand of the corporation, to sell his stock to the
4	corporation at a price to be fixed by the board, provided the
5	demand be made pursuant to written direction of the board and
6	from the date of the making of the demand prohibiting the
7	transfer of the certificate of stock except to the
8	<u>corporation</u>
9	(e) Conditional licensesPending final determination of
10	any question under this section, the board may issue a
11	conditional license upon such terms and conditions as they see
12	fit to effectuate the provisions of this act.
13	Section 210-A. (Reserved).
14	Section 211-A. Financial and employment interests.
15	(a) General ruleThe board shall ensure that a corporation
16	applying for a license or a licensed corporation complies with
17	the provisions of 4 Pa.C.S. §§ 1512 (relating to financial and
18	employment interests), 1512.1 (relating to additional
19	restrictions) and 1513 (relating to political influence).
20	(b) GiftsNo officer or employee of a licensed corporation
21	or their spouses, parents, fathers-in-law, mothers-in-law,
22	<u>siblings, sons, daughters, sons-in-law or daughters-in-law shall</u>
23	accept gifts from breeders, owners or trainers of horses which
24	participate at the race track.
25	Section 212-A. Officials at horse racing meetings.
26	At all horse racing meetings, qualified judges and starters
27	shall be approved by the board. For harness horse racing
28	meetings, no person shall be approved as a judge or starter
29	unless the person is licensed by the United States Trotting
30	Association as a duly qualified pari-mutuel racing meeting
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1	official. All officials shall enforce the law and shall provide
2	written reports of the activities and conduct of such racing
3	meetings to the board. The compensation of these judges and
4	starters shall be assessed to the board.
5	Section 213-A. Licenses for individuals.
6	(a) General ruleThe board shall license trainers,
7	jockeys, drivers, persons participating in horse racing
8	meetings, horse owners and all other persons required to be
9	licensed as determined by the board. The license does not give
10	<u>its holder a property right.</u>
11	(b) FeeThe board shall fix and may establish classes of
12	licenses for license fees to be paid by persons or corporations
13	so licensed, provided that such occupational license fees shall
14	not exceed \$1,000. All fees shall be paid to the board and
15	deposited into the State Racing Fund.
16	(c) ApplicationThe application shall be in the form and
17	contain the information as the board may require. Applicants
18	shall have their fingerprints taken as part of the background
19	investigation. The board may exempt applicants from the
20	fingerprint requirement for positions not related to the care or
21	training of horses, racing, wagering, security or the management
22	operations of the racing corporation or racetrack.
23	(d) DurationAll licenses shall be issued for three years
24	and shall be renewed, upon payment of the required fee and upon
25	compliance with this act.
26	(e) Conditional licenseThe board may establish a
27	conditional license and fee valid for four months within a 12-
28	month period. No applicant, however, may receive more than one
29	conditional license within 12 months of the issuance of the
30	applicant's preceding conditional license.

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1	(f) Processing and issuanceThe board shall fix the manner
2	by which licenses are processed and issued by rule or
3	regulation.
4	(g) DenialThe board may refuse to issue a license under
5	this section, if they shall find that the applicant:
6	(1) Has been convicted of a crime involving moral
7	turpitude.
8	(2) Has engaged in bookmaking or other form of illegal
9	gambling.
10	(3) Has been found guilty of any fraud or
11	misrepresentation in connection with racing or breeding.
12	(4) Has been found guilty of any violation or attempt to
13	violate any law, rule or regulation of racing in any
14	jurisdiction, for which suspension from racing might be
15	imposed in that jurisdiction.
16	(5) Has violated any rule, regulation or order of the
17	board.
18	(6) Has been convicted of an offense relating to fixing
19	races.
20	(h) InspectionThe board shall have the right to inspect
21	all contracts between licensed corporations and vendors for
22	goods and services. The board shall require by rule or
23	regulation that vendors disclose to the board all principal
24	officers and a description of their interests in the vendors'
25	business. Failure to properly disclose this information shall
26	constitute grounds to deny, to revoke or to suspend any vendor's
27	license issued under the provisions of this act.
28	(i) Suspension, revocation and refusal to renewThe board
29	may suspend, refuse to renew or revoke a license issued under
30	this section, if it shall determine that:

1	(1) The applicant or licensee:
2	(i) has been convicted of a crime involving moral
3	turpitude;
4	(ii) has engaged in bookmaking or other form of
5	<u>illegal gambling;</u>
6	(iii) has been found guilty of any fraud in
7	connection with racing or breeding;
8	(iv) has been guilty of any violation or attempt to
9	violate any law, rule or regulation of any racing
10	jurisdiction for which suspension from racing might be
11	imposed in that jurisdiction;
12	(v) has violated any rule, regulation or order of
13	the board; or
14	(vi) has been convicted of a felony offense related
15	to the use, possession or sale of drugs or alcohol.
16	(2) That the experience, character or general fitness of
17	any applicant or licensee is such that the participation of
18	the person in horse racing or related activities would be
	inconsistent with the public interest, convenience or
19	
19 20	necessity or with the best interests of racing.
20	necessity or with the best interests of racing.
20 21	necessity or with the best interests of racing. (3) That the applicant or licensee has been convicted of
20 21 22	necessity or with the best interests of racing. (3) That the applicant or licensee has been convicted of an offense related to fixing races unless the conviction has
20 21 22 23	necessity or with the best interests of racing. (3) That the applicant or licensee has been convicted of an offense related to fixing races unless the conviction has been overturned on appeal under the laws of the jurisdiction
20 21 22 23 24	necessity or with the best interests of racing. (3) That the applicant or licensee has been convicted of an offense related to fixing races unless the conviction has been overturned on appeal under the laws of the jurisdiction of the original finding.
20 21 22 23 24 25	necessity or with the best interests of racing. (3) That the applicant or licensee has been convicted of an offense related to fixing races unless the conviction has been overturned on appeal under the laws of the jurisdiction of the original finding. (j) Temporary licensePending final determination of any
20 21 22 23 24 25 26	<pre>necessity or with the best interests of racing.    (3) That the applicant or licensee has been convicted of    an offense related to fixing races unless the conviction has    been overturned on appeal under the laws of the jurisdiction    of the original finding.    (j) Temporary licensePending final determination of any    guestion under this section, the board may issue a temporary</pre>
20 21 22 23 24 25 26 27	<pre>necessity or with the best interests of racing.     (3) That the applicant or licensee has been convicted of     an offense related to fixing races unless the conviction has     been overturned on appeal under the laws of the jurisdiction     of the original finding.     (j) Temporary licensePending final determination of any     question under this section, the board may issue a temporary     license upon such terms and conditions as they may deem</pre>
20 21 22 23 24 25 26 27 28	<pre>necessity or with the best interests of racing.     (3) That the applicant or licensee has been convicted of     an offense related to fixing races unless the conviction has     been overturned on appeal under the laws of the jurisdiction     of the original finding.     (j) Temporary licensePending final determination of any     question under this section, the board may issue a temporary     license upon such terms and conditions as they may deem     necessary or proper to effectuate the provisions of this act.</pre>

1	take place within ten days of the suspension.
2	(1) ReciprocityThe board shall not grant licenses to
3	citizens of states that do not grant licenses to citizens of
4	this Commonwealth on the basis of in-state preference.
5	Section 213.1-A. Licenses for advanced deposit wagering,
6	totalisator and medication providers.
7	The board shall have jurisdiction over the following:
8	(1) A person that offers advanced deposit wagering or
9	Internet wagering to residents of this Commonwealth,
10	regardless of the location of the provider. Any person or
11	entity under this paragraph shall be licensed by the board
12	and remit an annual license fee not to exceed \$100,000. The
13	provider shall certify to the board that it has complied with
14	all applicable account wagering tax laws in this Commonwealth
15	and submit information on operating systems and procedures as
16	required by the board.
17	(2) A person that provides totalisator services to a
18	racing association located in this Commonwealth, including a
19	totalisator company located in this Commonwealth or operating
20	from a location outside this Commonwealth. A totalisator
21	company under this paragraph shall be licensed by the board
22	and remit an annual license fee not to exceed \$100,000. The
23	provider shall submit information on operating systems and
24	procedures as required by the board.
25	(3) A manufacturer, wholesaler, distributor or vendor of
26	any equine drug, medication, therapeutic substance or
27	metabolic derivative purchased by or delivered to a licensee
28	or other person participating in horse racing in this
29	Commonwealth by means of Internet, mail delivery, in person
30	<u>delivery or other means.</u>
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1	Section 214-A. Power of board to impose fines.
2	(a) General ruleThe board is authorized to impose
3	administrative fines upon any corporation, association or person
4	participating in any way in any horse racing meeting at which
5	pari-mutuel wagering is conducted, other than as a patron and
6	whether licensed by the board or not, for a violation of any
7	provision of this act, not exceeding \$100,000 for each
8	violation, which fines shall be credited to the State Racing
9	Fund and may be appropriated for the enforcement of this act.
10	(b) Interests
11	(1) No officer or employee of a licensed corporation or
12	their spouses, parents, fathers-in-law, mothers-in-law,
13	<u>siblings, sons, daughters, sons-in-law or daughters-in-law</u>
14	shall have any direct or indirect interest in a race horse
15	that is participating in a race at a meet at which the person
16	or relative listed under this paragraph holds any interest in
17	the licensed corporation conducting the meet and the track
18	facility.
19	(2) The board shall impose a fine upon any person for
20	violation of this subsection as provided for under subsection
21	<u>(a).</u>
22	Section 215-A. Security personnel, powers and duties and
23	penalty.
24	(a) General ruleThe board and any licensed corporations
25	are authorized and empowered to employ persons as security
26	personnel. The designated persons are also authorized to
27	interrogate and eject from the racing meeting grounds or
28	enclosure any persons suspected of violating this act.
29	(b) PenaltyA person found within a race track enclosure
30	after having been refused admission thereto or ejected therefrom
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1	shall, upon conviction, be guilty of a summary offense and be
2	<u>sentenced to pay a fine of not more than \$500.</u>
3	Section 216-A. (Reserved).
4	Section 216.1-A. Televised international and interstate
5	simulcastings of horse races.
6	(a) Host licenseesUpon request by a licensed corporation,
7	the board may grant permission to maintain common pari-mutuel
8	pools on international and interstate races transmitted to and
9	from the racetrack enclosures within this Commonwealth. The
10	licensed corporation shall be designated as the "host licensee."
11	All simulcasts of such horse races shall also comply with the
12	provisions of the Interstate Horseracing Act of 1978 (Public Law
13	95-515, 15 U.S.C. § 3001 et seq.) and all forms of pari-mutuel
14	wagering, where lawful in each state involved, placed or
15	transmitted by an individual in one state via telephone,
16	Internet or other electronic media and accepted and maintained
17	in common pari-mutuel pools. The permission to act as host
18	licensee for international and interstate simulcast races shall
19	be limited to licensed corporations which comply with 4 Pa.C.S.
20	<u>§ 1303(d) (relating to additional Category 1 slot machine</u>
21	<u>license requirements).</u>
22	(b) SimulcastsThe following apply:
23	(1) Cross simulcasting of the races described in
24	subsection (a) shall be permitted if all amounts wagered on
25	the races in this Commonwealth are included in common pari-
26	mutuel pools. A host licensee seeking permission to cross
27	simulcast must obtain approval from the board. Simulcasts of
28	horse races shall also comply with the provisions of the
29	Interstate Horseracing Act of 1978.
30	(2) Forms of pari-mutuel wagering shall be allowed on
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1	horse races to be televised by simulcasting. The board may
2	permit pari-mutuel pools in this Commonwealth to be combined
3	with pari-mutuel pools created under the laws of another
4	jurisdiction and may permit pari-mutuel pools created under
5	the laws of another jurisdiction to be combined with pari-
6	mutuel pools in this Commonwealth. The board may promulgate
7	regulations necessary to regulate wagering on televised
8	<u>simulcasts.</u>
9	(c) TaxationMoney wagered by patrons in this Commonwealth
10	on the horse races shall be computed by the amount of money
11	wagered each racing day for purposes of taxation under section
12	222-A. Thoroughbred races shall be considered a part of a
13	thoroughbred horse racing meeting and harness horse races shall
14	be considered a part of a harness horse racing meeting for
15	purposes of section 222-A(b)(5).
16	Section 217-A. (Reserved).
17	Section 218.1-A. Place and manner of conducting pari-mutuel
18	wagering.
19	(a) Wagering locationA licensed corporation shall provide
20	a location during a horse racing meeting within the racetrack
21	enclosure where the licensed corporation shall operate the pari-
22	mutuel system of wagering by its patrons on the results of horse
23	races held at the meetings or televised to the racetrack
24	enclosure by simulcasting, as set forth under section 216.1-A.
25	The licensed corporation shall erect a sign or board compatible
26	with the totalisator systems upon which shall be displayed all
27	of the following:
28	(1) The approximate straight odds on each horse in any
29	race.
30	(2) The value of a winning mutuel ticket, straight,
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1	<u>place or show on the first three horses in the race.</u>
2	(3) The elapsed time of the race.
3	(4) The value of a winning daily double ticket, if a
4	daily double be conducted, and any other information that the
5	board may deem necessary for the guidance of the general
6	public.
7	(a.1) EquipmentThe board may test and examine the
8	equipment to be used for the display of the information in
9	subsection (a)(1), (2), (3) and (4).
10	(b) Advanced deposit wagering and Internet wageringUpon
11	request by any licensed corporation, the board may grant
12	permission to the licensed corporation to operate advanced
13	deposit wagering or Internet wagering on horse racing only, in
14	accordance with all of the following:
15	(1) Messages to place wagers must be to a place within
16	the racetrack enclosure.
17	(2) Money used to place such wagers must be on deposit
18	in an amount sufficient to cover the wager at the racetrack
19	where the account is opened.
20	The board may promulgate regulations necessary to regulate
21	advanced deposit wagering and Internet wagering for horse racing
22	<u>only.</u>
23	(c) TaxationMoney wagered as a result of advanced deposit
24	wagering or Internet wagering shall be included in the amount
25	wagered each racing day for purposes of taxation under section
26	222-A and shall be included in the same pari-mutuel pools for
27	each posted race. Advanced deposit wagering or Internet wagering
28	shall be operated by the licensed corporations or by a duly
29	licensed vendor.
30	(d) ConditionsA licensed corporation shall only accept

1	and tabulate a wager by a direct request via telephone, Internet
2	or other electronic media from the holder of an advanced deposit
3	wagering or Internet wagering account. Only the holder of the
4	advanced deposit wagering or Internet wagering account shall
5	place a wager. Any person who violates this subsection commits a
6	misdemeanor of the first degree.
7	(e) Primary market areaA licensed corporation may not
8	accept a wager nor establish advanced deposit wagering or
9	Internet wagering for any person located in the primary market
10	area of a racetrack, other than the racetrack at which the
11	licensed corporation is conducting a racing meet. Nothing in
12	this subsection shall be construed to prohibit the licensed
13	corporation from accepting a wager from, or establishing an
14	advanced deposit wagering or Internet wagering account for any
15	person located in the primary market area of the track where the
16	licensed corporation is conducting a meet. If two tracks share
17	primary market area, both tracks shall have equal rights to the
18	market in the shared area.
19	(f) DefinitionsThe following words and phrases when used
20	in this section shall have the meanings given to them in this
21	subsection, unless the context clearly indicates otherwise:
22	"Primary market area of a racetrack." The land area included
23	in a circle drawn with the racetrack as the center and a radius
24	<u>of 35 air miles.</u>
25	"Secondary market area of a racetrack." The land area
26	included in a circle drawn with the racetrack as the center and
27	a radius of 50 air miles, but not including the primary market
28	area of the racetrack.
29	Section 218.2-A. Pari-mutuel wagering at nonprimary locations.
30	(a) Nonprimary locationsThe following shall apply:
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1	(1) Notwithstanding any other provisions of this act, on
2	or after January 2014, upon approval by the board, a licensed
3	corporation may continue to operate a nonprimary location
4	where it has conducted pari-mutuel wagering on horse races
5	conducted by the licensed corporation. The licensed
6	corporation may continue to conduct pari-mutuel wagering at
7	the location on horse races conducted by another licensed
8	corporation, which horse races may be televised to the
9	location or on horse races simulcast to the location under
10	section 216-A, provided that:
11	(i) A licensed corporation has not established a
12	nonprimary location within the primary market area of any
13	racetrack other than a racetrack where the licensed
14	corporation conducts racing meetings. Establishment of a
15	nonprimary location by a licensed corporation within the
16	primary market area of a racetrack where the licensed
17	corporation conducts racing meetings shall require
18	approval of the board regulating the activities of the
19	licensed corporation.
20	(ii) A licensed corporation has not established a
21	nonprimary location within the secondary market area of a
22	racetrack if the nonprimary location is approved by the
23	board.
24	(iii) A licensed corporation has not established a
25	nonprimary location in an area outside the primary and
26	secondary market areas of any racetrack if the location
27	is approved by the board.
28	(2) Except as provided under paragraph (1), no
29	additional licenses shall be permitted.
30	(b) Intent of nonprimary locationsThe following apply:

1	(1) (Reserved).
2	(2) (Reserved).
3	(3) The board shall annually conduct inspections of the
4	primary facility.
5	(4) The rights, duties and obligations of the board
6	shall apply to nonprimary locations and any employees or
7	vendors of the licensed corporation establishing the
8	nonprimary location.
9	(c) Taxation and recordsMoney wagered at all primary and
10	nonprimary locations under this act shall be included in common
11	pari-mutuel pools. Money wagered by patrons on the races shall
12	be computed by the amount of money wagered each racing day for
13	purposes of taxation under section 222-A. The licensed
14	corporation conducting the racing meeting and maintaining the
15	pari-mutuel pools shall maintain accurate records of the amount
16	wagered in each pool from every primary and nonprimary location.
17	(d) RetentionThe retained money as provided for in
18	section 222-A(e) shall be calculated for each location where
19	pari-mutuel wagering is being conducted. If wagering has taken
20	place at a nonprimary location where the wagering is conducted
21	by a licensed corporation other than the licensed corporation
22	conducting the racing meeting, the licensed corporation
23	conducting the racing meeting shall retain any money to which it
24	is entitled by agreement. The licensed corporation conducting
25	the meeting shall pay over the balance of the retained money to
26	the licensed corporation conducting the wagering at the
27	nonprimary location.
28	(e) Payment of pursesA licensed corporation conducting a
29	racing meeting where pari-mutuel wagering is conducted at one or
30	more nonprimary locations shall distribute to the horsemen's

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1 organization representing a majority of owners and trainers at 2 its racetrack, or in accordance with the practice of the 3 parties, to be used for payment of purses at that racetrack, as 4 follows: 5 (1) Except as provided for in paragraphs (2), (3), (4) 6 and (5), an amount equal to but not less than 6% of the daily 7 gross wagering handle on the races at a nonprimary location. 8 (2) When the gross wagering handle on the races at a 9 nonprimary location on a given day is less than \$30,000, the percentage may not be less than 3%. 10 11 (3) When the gross wagering handle on the races at a 12 nonprimary location on a given day is between \$30,000 and 13 \$75,000 inclusive, the percentage may not be less than 4.75%. 14 (4) Whenever a nonprimary location is within the primary market area of a licensed corporation other than the licensed 15 corporation conducting the races, the applicable percentage 16 17 shall be distributed one-half to the horsemen's organization 18 representing a majority of owners and trainers at the 19 racetrack or in accordance with the practice of the parties. 20 (5) Where the racing meeting is being conducted to be 21 used for the payment of purses at the racetrack and one-half 22 to the horsemen's organization, or in accordance with the 23 practice of the parties, at the racetrack within the primary 24 market area to be used for the payment of purses at the 25 racetrack. 26 Nothing in this subsection shall be construed to prevent a licensed corporation from agreeing to distribute amounts greater 27 than the percentages set forth in this subsection. However, if 28 29 no alternative agreement has been reached, the total percentage paid for purses under this subsection shall be in accordance 30 20130SB1188PN1614

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1	with the minimum percentages set forth in this subparagraph.
2	(f) Other paymentsNotwithstanding any other provision of
3	this act, a nonprimary location may be established within the
4	primary market area of a racetrack by agreement between the
5	licensed corporation and the horsemen's organization
6	representing a majority of the owners and trainers at the
7	racetrack specifying the total percentage of handle wagered at
8	the nonprimary location to be distributed to the horsemen's
9	organization, or in accordance with the practice of the parties,
10	to be used for the payment of purses at that racetrack. If no
11	agreement is reached covering the locations, the total
12	percentage to be paid for purses shall be the same as that
13	applied to on-track wagering at the racetrack located within the
14	primary market area.
15	(g) DefinitionsThe following words and phrases when used
16	in this section shall have the meanings given to them in this
17	subsection, unless the context clearly indicates otherwise:
18	"Primary market area of a racetrack." The land area included
19	in a circle drawn with the racetrack as the center and a radius
20	<u>of 35 air miles.</u>
21	"Secondary market area of a racetrack." The land area
22	included in a circle drawn with the racetrack as the center and
23	a radius of 50 air miles, but not including the primary market
24	area of the racetrack.
25	Section 219-A. Books and records of pari-mutuel wagering.
26	Every Category 1 licensed facility that conducts a horse
27	racing meeting at which pari-mutuel wagering is authorized,
28	shall keep books and records so as to clearly show by separate
29	record the total amount of money contributed to every pari-
30	mutuel pool. The Department of Revenue or its authorized
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1	representative shall have access to all books and records for
2	the purpose of examining the same and ascertaining whether the
3	proper amount due to the State is being paid by the licensed
4	corporation.
5	Section 220-A. Filing of certain agreements with the board.
6	A corporation licensed to conduct horse racing meetings where
7	pari-mutuel wagering is permitted shall promptly after entering
8	any lease agreement concerning any concession, labor management
9	relation, hiring of designated classes of officers, employees or
10	contractors specified by the board or any other contract or
11	agreement as the board may prescribe, file with the board a true
12	and correct copy.
13	Section 221-A. Retention percentages for pari-mutuel pools.
14	(a) DistributionA licensed corporation shall distribute
15	the money in any pari-mutuel pool to the holders of winning
16	tickets under the following requirements:
16 17	<u>tickets under the following requirements:</u> (1) all tickets shall be presented for payment before
17	(1) all tickets shall be presented for payment before
17 18	(1) all tickets shall be presented for payment before the first day of April of the year following the year of
17 18 19	(1) all tickets shall be presented for payment before the first day of April of the year following the year of their purchase;
17 18 19 20	<pre>(1) all tickets shall be presented for payment before the first day of April of the year following the year of their purchase; (2) (i) seventeen percent of the money plus the</pre>
17 18 19 20 21	<pre>(1) all tickets shall be presented for payment before the first day of April of the year following the year of their purchase; (2) (i) seventeen percent of the money plus the breakage from regular wagering pools shall be retained by</pre>
17 18 19 20 21 22	<pre>(1) all tickets shall be presented for payment before the first day of April of the year following the year of their purchase; (2) (i) seventeen percent of the money plus the breakage from regular wagering pools shall be retained by the licensed corporations for further distribution under</pre>
17 18 19 20 21 22 23	<pre>(1) all tickets shall be presented for payment before the first day of April of the year following the year of their purchase; (2) (i) seventeen percent of the money plus the breakage from regular wagering pools shall be retained by the licensed corporations for further distribution under section 222-A;</pre>
17 18 19 20 21 22 23 24	<pre>(1) all tickets shall be presented for payment before the first day of April of the year following the year of their purchase; (2) (i) seventeen percent of the money plus the breakage from regular wagering pools shall be retained by the licensed corporations for further distribution under section 222-A; (ii) nineteen percent of the money plus the breakage</pre>
17 18 19 20 21 22 23 24 25	<pre>(1) all tickets shall be presented for payment before the first day of April of the year following the year of their purchase; (2) (i) seventeen percent of the money plus the breakage from regular wagering pools shall be retained by the licensed corporations for further distribution under section 222-A; (ii) nineteen percent of the money plus the breakage from regular wagering pools from licensed corporations</pre>
17 18 19 20 21 22 23 24 25 26	<pre>(1) all tickets shall be presented for payment before the first day of April of the year following the year of their purchase; (2) (i) seventeen percent of the money plus the breakage from regular wagering pools shall be retained by the licensed corporations for further distribution under section 222-A; (ii) nineteen percent of the money plus the breakage from regular wagering pools from licensed corporations whose total deposits in all pari-mutuel pools averaged</pre>
17 18 19 20 21 22 23 24 25 26 27	<pre>(1) all tickets shall be presented for payment before the first day of April of the year following the year of their purchase; (2) (i) seventeen percent of the money plus the breakage from regular wagering pools shall be retained by the licensed corporations for further distribution under section 222-A; (ii) nineteen percent of the money plus the breakage from regular wagering pools from licensed corporations whose total deposits in all pari-mutuel pools averaged less than \$300,000 per racing day for their previous</pre>

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1	(iii) twenty percent of the money plus the breakage
2	from the exacta, daily double, quinella and other
3	wagering pools involving two horses each racing day shall
4	be retained by the licensed corporations for further
5	distribution under section 222-A; or
6	<u>(iv) at least 26% but no more than 35% of the money</u>
7	plus the breakage from the trifecta or other wagering
8	pools involving more than two horses in one or more races
9	each racing day shall be retained by the licensed
10	corporations for further distribution under section
11	<u>222-A;</u>
12	(3) except as provided for in section 222-A(d.1), a
13	corporation may retain less than 17%, 19% or 20% of the money
14	in the wagering pools under subparagraphs (i), (ii) and (iii)
15	or less than 26% of the money in the wagering pools under
16	subparagraph (iv) upon approval from the board;
17	(4) every corporation may retain more than 25% but no
18	more than 35% of the money in the wagering pools under
19	subparagraph (iv) upon approval from the board; and
20	(5) all money remaining in the wagering pools described
21	under paragraphs (2), (3) and (4) shall be distributed to the
22	holders of winning tickets.
23	(b) DefinitionAs used in this section, the term
24	"breakage" shall mean the odd cents of redistributions to be
25	made on contributions to pari-mutuel pools exceeding a sum equal
26	to the next lowest multiple of ten.
27	Section 222-A. Distribution of money retained from pari-mutuel
28	pools and taxation.
29	(a) FundThere is hereby established the State Racing Fund
30	in the State Treasury. A licensed corporation that conducts

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1	<u>horse racing meetings shall pay a tax through the Department of</u>
2	Revenue for credit to the State Racing Fund. The tax imposed on
3	the licensed corporation shall be a percentage tax of 1.5% on
4	the amount wagered each racing day and be paid from the money
5	retained under section 221-A.
6	(a.1) Payment periodsAt the close of each day of racing,
7	a corporation licensed to conduct horse racing meetings shall
8	pay out of the money retained on that day under section 221-A,
9	through the Department of Revenue for credit to the State Racing
10	<u>Fund.</u>
11	(b) DistributionThe board shall appropriate money in the
12	State Racing Fund in the following manner:
13	(1) An amount equivalent to 1% of the amount wagered
14	each racing day at thoroughbred horse racing meetings shall
15	be paid by the board from the State Racing Fund through the
16	Department of Revenue for credit to the Pennsylvania Breeding
17	<u>Fund.</u>
18	(2) An amount equivalent to 1.5% of the amount wagered
19	each racing day at harness horse racing meetings shall be
20	paid by the board from the State Racing Fund through the
21	Department of Revenue for credit to the Pennsylvania Sire
22	<u>Stakes Fund.</u>
23	(c) Breakage for horse racing meetingsAll breakage
24	retained under section 221-A by licensed corporations that
25	conduct horse racing meetings shall be distributed in the
26	following manner:
27	(1) Seventy-five percent of the breakage shall be paid
28	to the Department of Revenue for credit to the State Racing
29	<u>Fund.</u>
30	(2) Twenty-five percent of the breakage shall be
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1	retained by the licensed corporations to be used solely for
	retained by the licensed corporations to be used solely for
2	purses to the horsemen. All breakage money due licensed
3	corporations for the purses for claiming and nonclaiming
4	races under this paragraph but not expended as a result of a
5	race cancellation shall be carried forward to the next
6	succeeding meet by the licensed corporations to be used for
7	claiming and nonclaiming races which restrict entry to
8	Pennsylvania-sired horses under the provisions of this
9	paragraph.
10	(d) State Racing FundAn amount equivalent to 1% of the
11	amount wagered at each racing day at horse racing meetings as
12	set forth in section 221-A(a)(4) and (5) shall be paid through
13	the Department of Revenue for credit to the State Racing Fund.
14	(e) Remaining moneyAll remaining money retained under
15	section 221-A and not distributed under the preceding
16	subsections shall be kept by the licensed corporations.
17	Section 223-A. Pennsylvania Breeding Fund.
18	(a) EstablishmentThere is hereby created a restricted
19	account in the State Racing Fund to be known as the Pennsylvania
20	Breeding Fund which shall consist of the money deposited under
21	the provisions of section 222-A and which shall be administered
22	by the board.
23	(b) Awards from the Pennsylvania Breeding FundThe board
24	<u>shall provide for awards as follows:</u>
25	(1) An award of 30% of the purse earned by every
26	registered Pennsylvania-bred thoroughbred racing horse sired
27	by a registered Pennsylvania sire at the time of conception
28	of the registered Pennsylvania-bred thoroughbred horse, or an
29	award of 20% of the purse earned by every registered
30	<u>Pennsylvania-bred thoroughbred horse sired by a nonregistered</u>

1	sire, which finishes first, second or third in any race
2	conducted by a licensed corporation under this act shall be
3	paid to the breeder of said registered Pennsylvania-bred
4	thoroughbred horse. A single award under this paragraph may
5	not exceed 1% of the total annual fund money.
6	(2) An award of 10% of the purse earned by any
7	Pennsylvania-bred thoroughbred horse which finishes first,
8	second or third in any race conducted by a licensed
9	corporation under this act shall be paid to the owner of the
10	registered Pennsylvania sire which regularly stood in
11	<u>Pennsylvania at the time of conception of said Pennsylvania-</u>
12	bred thoroughbred horse. A single award under this paragraph
13	may not exceed 0.5% of the total annual fund money.
14	(3) An award of 10% of the purse earned by any
15	registered Pennsylvania-bred thoroughbred horse which
16	finishes first in any race conducted by a licensed
17	corporation under this act not restricting entry to
18	registered Pennsylvania-bred thoroughbred horses shall be
19	paid to the licensed owner of said registered Pennsylvania-
20	bred thoroughbred horse at the time of winning. A single
21	award under this paragraph may not exceed 0.5% of the total
22	annual fund money.
23	(c) Purses for Pennsylvania Breeding Fund stakes racesUp
24	to one-fifth of the total of the estimated fund money remaining
25	each year after the deduction of expenses related to the
26	administration and development of the Pennsylvania Breeding Fund
27	program and the payment of breeder, stallion and owner awards,
28	shall be divided among the licensed corporations that conduct
29	thoroughbred horse racing meetings in direct proportion to the
30	rate by which each licensed corporation generated the fund money
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1	during the previous year to be used solely for purses for
2	Pennsylvania Breeding Fund stakes races which restrict entry to
3	registered Pennsylvania-bred thoroughbred horses.
4	(d) Remaining fundsThe fund money remaining following
5	disbursements as directed in subsection (b)(1), (2) and (3) and
6	subsection (c) shall be divided among the licensed corporations
7	that conduct thoroughbred horse racing meetings in direct
8	proportion to the rate by which each licensed corporation
9	generated the fund money during the previous year to be used for
10	purses as follows:
11	(1) Claiming and nonclaiming Pennsylvania Breeding Fund
12	races which restrict entry to registered Pennsylvania-bred
13	thoroughbred horses.
14	(2) Claiming and nonclaiming Pennsylvania Breeding Fund
15	races which prefer registered Pennsylvania-bred thoroughbred
16	horses as starters. In these races, should eight or more
17	registered Pennsylvania-bred horses pass the entry box, the
18	race shall be considered closed to horses other than
19	registered Pennsylvania-bred thoroughbred horses.
20	(e) Funds not expendedPennsylvania Breeding Fund money
21	due licensed corporations, as outlined in subsections (c) and
22	(d), but not expended during the calendar year may be carried
23	forth in the fund on the account of the licensed corporations to
24	be expended during the succeeding year in addition to the
25	corporations' fund money annually due them for purses.
26	(f) Pennsylvania Horse Breeders' AssociationThe board may
27	contract with the Pennsylvania Horse Breeders' Association as
28	the sole responsible body for the registration and records of
29	Pennsylvania-bred horses. The Pennsylvania Horse Breeders'
30	Association shall advise the board when called upon and shall
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1	determine the qualifications for Pennsylvania-bred thoroughbred
2	horses and Pennsylvania sires. Its registration and record facts
3	are hereby declared as official Pennsylvania records. At the
4	close of each calendar year, the Pennsylvania Horse Breeders'
5	Association, through the Pennsylvania Breeding Fund Advisory
6	Committee, shall submit to the board for its approval an
7	itemized budget of projected expenses for the ensuing year
8	relating to the administration and development of the
9	<u>Pennsylvania Breeding Fund program. The board, on no more than a</u>
10	quarterly basis, shall reimburse from the fund the Pennsylvania
11	Horse Breeders' Association for those expenses actually incurred
12	in the administration and development of the Pennsylvania
13	Breeding Fund program.
14	Section 224-A. Pennsylvania Sire Stakes Fund.
15	(a) EstablishmentThere is created a restricted account in
16	the State Racing Fund to be known as the Pennsylvania Sire
17	Stakes Fund which shall consist of the money appropriated under
18	the provisions of section 222-A and which shall be administered
19	by the board.
20	(b) Distribution and use of fundsFunds shall be
21	distributed as follows:
22	(1) Sixty percent of the money remaining in the excess
23	fund account of the Pennsylvania Sire Stakes Fund at the end
24	of the calendar year in which this subsection is enacted
25	shall be distributed to licensed corporations that conduct
26	harness horse racing meetings to be used in the next
27	<u>succeeding calendar year as purse money for Pennsylvania-</u>
28	sired horses. The remaining 40% of the money in the excess
29	fund account at the end of the calendar year of the enactment
30	of this subsection, together with the interest earned on that

1	money, shall be distributed to licensed corporations that
2	conduct harness horse racing meetings to be used in the next
3	succeeding calendar year following the next succeeding
4	<u>calendar year as purse money for Pennsylvania-sired horses.</u>
5	(2) After deduction of sufficient funds to cover the
6	board's cost of administration, 80% of all remaining money in
7	the Pennsylvania Sire Stakes Fund at the end of the calendar
8	year shall be distributed to licensed corporations that
9	conduct harness horse racing meetings to be used as purse
10	money for Pennsylvania-sired horses. The board may then
11	allocate up to a total of and not exceeding 40% of the total
12	amount to be distributed to licensed corporations in a
13	calendar year for use for a series of championship final
14	races at the race tracks of licensed corporations that
15	conduct harness horse racing meetings. The board shall
16	allocate the money to these championship final races in an
17	equal amount for each sex, age and gait for two-year-old and
18	three-year-old trotters and pacers. The board shall determine
19	conditions establishing eligibility to these final events. No
20	pari-mutuel harness track shall be awarded more than 50% of
21	the championship final races in any calendar year. The board
22	shall schedule these final events so as to evenly alternate
23	classes at each race track each year. After the allocation
24	for the championship final races has been determined, the
25	remaining funds to be distributed to licensed corporations
26	that conduct harness horse racing meetings shall be divided
27	equally among the licensed corporations. Each licensed
28	corporation shall divide the funds received equally for each
29	<u>of:</u>
30	(i) four two-year-old races; one pace for colts, one

1	pace for fillies, one trot for colts and one trot for
2	fillies; and
3	(ii) four three-year-old races; one pace for colts,
4	one pace for fillies, one trot for colts and one trot for
5	fillies.
6	(c) Purse moneyEach allotment shall provide purse money
7	for the respective races. The purse money shall be in addition
8	to any entry fees or other funds available.
9	(d) Entry restrictionEntry for these races shall be
10	limited to harness horses which were sired by a standardbred
11	stallion regularly standing in Pennsylvania and each race shall
12	be designated a Pennsylvania sire stakes race. The board shall
13	make the provisions and regulations as it shall deem necessary
14	for the proper administration of the entry restriction.
15	Section 225-A. Fair Fund proceeds.
16	The Secretary of Agriculture shall distribute certain money
17	in the Fair Fund annually, on or before March 1, for
18	reimbursement for each county agricultural society and each
19	independent agricultural society conducting harness horse racing
20	during its annual fair, other than races for two-year-old and
21	three-year-old colts and fillies, an amount of money equal to
22	that used during their annual fair as purse money for harness
23	horse racing, track and stable maintenance, starting gate rental
24	and the cost of all harness horse racing officials required
25	during their annual fair. The reimbursement amount may not be
26	more than \$13,000, a minimum of \$4,000 of which must be used for
27	purse money and the balance of the allotment per fair, not used
28	for purse money over the minimum \$4,000 allotment, shall be used
29	for the specific purposes referenced above or otherwise the
30	allotment shall be retained in the fund. The Department of
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1	Agriculture shall cause to be carried out as its responsibility
2	a yearly inspection of each track facility and shall advise each
3	operating fair of track maintenance which is necessary to ensure
4	adequate racing surface during the course of scheduled fairs and
5	racing events. If it is the opinion of the Department of
6	Agriculture that the fair society or event sponsor is not
7	adequately financing track maintenance through its permissible
8	reimbursement under this paragraph, the board shall so surcharge
9	the Fair Fund account of the fair society or event sponsor to
10	effectuate the remediation.
11	Section 226-A. Hearing of refusal or revocation of license.
12	If the board refuses to grant any license applied for under
13	this act, or shall revoke or suspend any license granted, the
14	applicant or licensee may demand, within ten days after notice
15	of the decision of the board, a hearing before the board. The
16	provisions of 2 Pa.C.S. Chs. 5 Subch. A (relating to practice
17	and procedure) and 7 Subch. A (relating to judicial review)
18	shall apply.
19	Section 227-A. (Reserved).
20	Section 228-A. Prohibition of wagering by certain officials,
21	employees and minors.
22	No deputy, officer, representative, employee or counsel of
23	the board shall wager upon the outcome of any horse race
24	conducted at a track at which pari-mutuel wagering is conducted
25	by any licensed corporation of the board. No licensed
26	corporation shall permit any person who is actually and
27	apparently under 18 years of age to wager at a racing meeting
28	conducted by the corporation. No licensed corporation shall
29	permit any person who is under 18 years of age to attend a horse
30	racing meeting conducted by the corporation unless the person is
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1	accompanied by a parent or guardian. This section shall not be
2	construed to prohibit persons under 18 years of age, who are
3	legally employed, from being upon the race track premises for
4	the sole purpose of engaging in the performance of their duties
5	as employees. The board shall, by rule, provide for enforcement
6	of this section.
7	Section 229-A. State horse racing and harness horse racing
8	veterinarians and State stewards.
9	(a) General ruleThe board shall have the authority to
10	contract with licensed veterinarians and stewards to serve at
11	each meeting conducted by a corporation licensed by the board.
12	The board shall have the authority to employ other individuals
13	as shall be necessary to carry out the responsibilities of this
14	section.
15	(b) Costs and compensationThe costs and compensation of
16	the horse racing veterinarians, State stewards and other
17	individuals employed shall be fixed and paid by the board.
18	(c) Steward requirementsThe board shall establish a job
19	description and professional criteria for stewards to assure
20	that they have a working knowledge of the horse racing industry.
21	Section 230-A. (Reserved).
22	Section 231-A. Free passes, cards or badges.
23	(a) IssuanceA licensed corporation may not issue a free
24	pass, card or badge, without admission tax except to:
25	(1) an officer, employee or shareholder of the
26	corporation conducting the racing meeting;
27	(2) a member, officer or employee of the board;
28	(3) a member of a horse racing association of another
29	state or foreign country;
30	(4) a public officer engaged in the performance of his

1	<u>duty;</u>
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2	(5) a person employed and accredited by the press to
3	attend the meeting; or
4	(6) an owner, stable manager, trainer, jockey,
5	concessionary or other person whose duties require a presence
6	at the race track.
7	(b) Promotions and discountsThe board may allow a
8	licensed corporation to issue a free pass, card or badge for a
9	special promotional program and seasonal discount ticket
10	program, so long as the corporation obtained approval from the
11	board. The admission tax under section 208-A must be imposed on
12	the price of the seasonal discount tickets sold by a licensed
13	corporation.
14	(c) Rules and regulationsThe issuance of tax-free passes,
15	cards or badges must be under the rules and regulations of the
16	board.
17	(d) ListExcept persons admitted under an approved special
18	promotional program or seasonal discount ticket program, a list
19	of the persons to whom a free pass, card or badge is issued must
20	be filed with the board.
21	Section 232-A. (Reserved).
22	Section 233-A. Monitoring of wagering on video screens.
23	<u>A corporation licensed to conduct pari-mutuel betting shall</u>
24	display on video screens the approximate odds or approximate
25	will-pays on each horse for each race as well as a combination
26	of races including, but not limited to, quinellas, exactas,
27	perfectas and any other combination or pool of races. A display
28	of approximate odds or approximate will-pays is not required
29	where the wager is on horses in four or more races, such as
30	"Pick 4, Pick 5 or Pick 6." In addition to displaying the amount

1	of money wagered, the approximate odds or approximate will-pays
2	on each horse or combination of horses must be shown on video
3	screens in each wagering division. For trifectas, in lieu of
4	odds or approximate will-pays, the amount of money being wagered
5	on each horse to win in the trifecta pool must be displayed on
6	video screens separately from any other information. The above
7	required information must be displayed from the opening of bets
8	or wagering and be continually displayed until the wagering is
9	closed. At least one video screen in each wagering division
10	shall display the amount of money wagered on each horse involved
11	<u>in a trifecta pool.</u>
12	Section 234-A. Simulcasting.
13	(a) General ruleThe board shall permit intrastate
14	simulcasting of live racing.
15	(b) Simulcast signalThe simulcast signal shall be
16	encoded, and the racetrack receiving the simulcast signal may
17	not send the signal anywhere other than a public location
18	authorized under section 218.1-A or 218.2-A.
19	(c) Forms of pari-mutuel wageringThe forms of pari-mutuel
20	wagering described in section 221-A are allowed on a race to be
21	televised by simulcasting under this section.
22	(d) RegulationsThe board may promulgate regulations on
23	wagering and the operation of a race.
24	(e) Computation of money wageredThe money wagered by a
25	patron on a race must be computed in the amount of money wagered
26	each racing day for purposes of taxation under section 222-A.
27	(f) Between thoroughbred and harness horse racetracksIf a
28	simulcast is between a thoroughbred racetrack and a harness
29	horse racetrack, the board has jurisdiction. An approval
30	required under this section must be received from the board,
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1	provided that if an agreement is not reached between the
2	organization representing the horsemen, the licensed corporation
3	may petition the court of common pleas in the county in which
4	the licensed corporation racetrack is located. The court of
5	common pleas may direct the organization representing the
6	horsemen to approve the simulcast agreement upon good cause
7	shown by the licensed corporation that failure to consent would
8	be detrimental to the Pennsylvania racing industry. The board
9	may then authorize the simulcasting if the simulcasting will
10	have a significant value to the Pennsylvania racing industry.
11	(g) DefinitionAs used in this section, the term "racing
12	day" consists of a minimum of eight live races, except at
13	thoroughbred tracks on Breeders' Cup Event Day.
14	Section 235-A. Commingling.
15	(a) ApplicabilityThis section is applicable only to
16	licensed thoroughbred racing corporations.
17	(b) Race secretaryThe race secretary shall receive
18	entries and declarations as an agent for the licensed
19	corporation for which the race secretary acts. The race
20	secretary or an individual designated by the licensed
21	corporation may receive stakes, forfeits, entrance money, jockey
22	fees and other fees, purchase money in claiming races and other
23	money that can properly come into the race secretary's
24	possession as an agent for the licensed corporation for which
25	the race secretary or designee is acting.
26	(c) Horsemen's AccountA licensed corporation shall
27	maintain a separate account, called a Horsemen's Account. Money
28	owed to owners in regard to purses, stakes, rewards, claims and
29	deposits shall be deposited into the Horsemen's Account. Funds
30	in the account are recognized and denominated as being the sole
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1	property of owners. Deposited funds may not be commingled with	
2	funds of the licensed corporation unless a licensed corporation	
3		
	established an irrevocable clean letter of credit with an	
4	evergreen clause in favor of the organization which represents a	
5	majority of the owners and trainers racing with the licensed	
6	corporation. The minimum amount of the credit must be the	
7	greater of \$1,000,000 or 110% of the highest monthly balance in	
8	the Horsemen's Account in the immediate prior year. To calculate	
9	the monthly balance in the Horsemen's Account, the sum of the	
10	daily balances shall be divided by the number of days in the	
11	month. The evergreen clause must provide that:	
12	(1) thirty days prior to the expiration of the letter of	
13	credit, the financial institution can elect not to renew the	
14	<u>letter of credit;</u>	
15	(2) upon an election under paragraph (1), the financial	
16	institution must notify the designee of the organization that	
17	represents a majority of the owners and trainers racing with	
18	the licensed corporation, by registered mail, return receipt	
19	requested, of the election not to renew; and	
20	(3) the financial institution will honor the letter of	
21	credit for six months after expiration.	
22	Purse money earned by owners shall be deposited by the licensed	
23	corporation in the Horsemen's Account within 48 hours after the	
24	result of the race in which the money was earned has been	
25	declared official and the purse has been released by the board.	
26	(d) BookkeeperA licensed corporation shall designate a	
27	bookkeeper who is authorized to receive and disburse funds from	
28	the Horsemen's Account. The bookkeeper must be bonded to provide	
29	indemnity for malfeasance, nonfeasance and misfeasance. A	
30	certified copy of the bond shall be filed with the board.	
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1	(e) Examination, access and recordsThe Horsemen's Account
2	and the investment and deposit schedules relating to the account
3	are subject to examination, at reasonable times, by a designee
4	of the organization which represents a majority of the owners
5	and trainers racing with the licensed corporation and by the
6	board. The bookkeeper shall provide each owner with access, at
7	reasonable times during a racing day, to the amount of funds in
8	the Horsemen's Account credited to that owner. At the close of a
9	horse racing meeting, the bookkeeper shall mail to each owner a
10	record of deposits, withdrawals and transfers affecting the
11	amount of funds in the Horsemen's Account credited to that
12	<u>owner.</u>
13	(f) Auditing and monthly statementsThe Horsemen's Account
14	shall be audited periodically as deemed appropriate by the
15	board. There shall be at least one audit per year. Monthly
16	statements shall be provided to the designee of the organization
17	which represents a majority of the owners and trainers racing
18	with the licensed corporation.
19	(g) InterestFifty percent of the money earned as interest
20	on funds in the Horsemen's Account shall be paid to the
21	organization that represents a majority of the owners and
22	trainers racing with the licensed corporation on a weekly basis.
23	The amount is for the benefit of the horsemen as determined by
24	the organization that represents the majority of the owners and
25	trainers racing with the licensed corporation. The remaining 50%
26	of the interest earned is for the benefit of the licensed
27	corporation that has the responsibility to fund the costs
28	associated with the administration of the fund. Interest each
29	month must be earned in an amount equal to the Federal Reserve
30	Discount Rate on the first day of the month.

1 Section 236-A. Harness horse racing purse money. A licensed harness horse racing association must place on 2 deposit with the board by March 1 of each year an irrevocable 3 letter of credit equivalent to its average weekly purse total 4 from the immediate prior year. The board shall hold the letter 5 of credit in trust for the harness horsemen racing at that\_ 6 7 licensed corporation if the purse checks are not issued or 8 insufficient funds are available to cover the purse checks. 9 Section 237-A. (Reserved). Section 238-A. Agricultural society horse racing. 10 11 The Department of Agriculture shall have jurisdiction over 12 and shall promulgate regulations for the proper administration 13 of horse racing conducted by a county agricultural society or an 14 independent agricultural society, as provided for under section 5(1)(iii) and (iv) of the act of July 8, 1986 (P.L.437, No.92), 15 known as the Pennsylvania Agricultural Fair Act. 16 17 Section 4. Section 301 of the act is amended to read: 18 Section 301. Mandatory requirements for medication rules. 19 [The commissions shall have in effect at all times when] (a) 20 When a licensed corporation conducts a horse racing meeting with 21 pari-mutuel wagering the board shall have in effect rules or 22 regulations to control the use and administration of any 23 medication and the use and administration of any device that 24 affects the performance of a race horse. The [commissions] board 25 may establish permitted tolerance levels and therapeutic dose 26 allowances for all medication to be used or administered to a 27 race horse.

(b) The [commissions] <u>board</u> shall establish in their rules
or regulations penalty provisions for the violation of these
rules or regulations.

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Section 5. Section 302(a) and (c) of the act, amended May
 16, 1986 (P.L.205, No.63), are amended to read:
 Section 302. Establishment of the Pennsylvania Race Horse
 Testing Program.

5 (a) There is hereby established the Pennsylvania Race Horse Testing Program. The program shall be administered by [a 6 7 management committee composed of the two chairpersons of the 8 commissions, the Secretary of Agriculture and two persons 9 appointed by the Governor. One person appointed by the Governor 10 must be a doctor of veterinary medicine or a veterinary medical doctor and a member of the faculty of a school of veterinary 11 medicine located within this Commonwealth and the other person 12 13 must be employed within the private sector and have a background 14 in biological and/or chemical laboratory management. The program 15 is placed in and made a part of the Department of Agriculture] 16 the board. All costs of the program shall be paid by the 17 [commissions] fees collected under section 304. [Subject to all 18 provisions of the act of April 9, 1929 (P.L.177, No.175), known 19 as "The Administrative Code of 1929," that apply to the 20 department, the management committee shall appoint and direct 21 all personnel as necessary, establish a facility or contract for 22 the provision of testing services, acquire all necessary 23 equipment and supplies and adopt all necessary procedures.] \* \* \* 24

[(c) In order to evaluate the effectiveness of testing services performed by personnel of the Department of Agriculture and determine whether the manner in which these services are provided, the tests utilized and tolerance levels permitted should be modified, the commissions shall equally fund a contracted evaluation of existing laboratory services to be

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conducted by a nongovernmental entity with documented expertise 1 2 to accurately evaluate existing laboratory services and 3 formulate recommendations for improvement of the testing program. Upon review of the evaluation results, the department 4 may implement in consultation with the management committee a 5 6 program to improve laboratory services, including, if necessary 7 and appropriate, the selection of a contractor or contractors to 8 provide testing services. This study shall be completed on or before January 1, 1987, and copies provided to the Governor, the 9 President pro tempore of the Senate, the Speaker of the House of 10 Representatives and the members of the State Government 11 12 Committees of the Senate and the House of Representatives within 13 15 working days.]

Section 6. Section 304 of the act is amended to read: Section 304. Costs of the enforcement of the medication rules or regulations.

17 [All costs for the collection and testing samples for any 18 manner of medication shall be paid by the commissions.] The 19 board shall establish a fee schedule to be charged to horse owners for costs of the collections and testing for any manner 20 of medication rules or regulation enforcement. The costs of 21 22 collections and testing shall include the equipment, supplies 23 and facilities, except holding barns or stables, to be located 24 at race horse meeting facilities, grounds or enclosures or at other locations designated by the board, which shall be 25 26 published in the Pennsylvania Bulletin and shall be in effect 60 27 days after being published. Section 7. This act shall take effect in 60 days. 28

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