
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. **941** Session of
2015

INTRODUCED BY REGAN, MILLARD, MARSHALL, IRVIN, PICKETT,
A. HARRIS, SANKEY, GIBBONS, COHEN, READSHAW, GROVE, MURT,
MOUL, PHILLIPS-HILL AND SAYLOR, APRIL 16, 2015

SENATOR BROWNE, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, DECEMBER 9, 2015

AN ACT

1 Amending the act of April 9, 1929 (P.L.177, No.175), entitled
2 "An act providing for and reorganizing the conduct of the
3 executive and administrative work of the Commonwealth by the
4 Executive Department thereof and the administrative
5 departments, boards, commissions, and officers thereof,
6 including the boards of trustees of State Normal Schools, or
7 Teachers Colleges; abolishing, creating, reorganizing or
8 authorizing the reorganization of certain administrative
9 departments, boards, and commissions; defining the powers and
10 duties of the Governor and other executive and administrative
11 officers, and of the several administrative departments,
12 boards, commissions, and officers; fixing the salaries of the
13 Governor, Lieutenant Governor, and certain other executive
14 and administrative officers; providing for the appointment of
15 certain administrative officers, and of all deputies and
16 other assistants and employes in certain departments, boards,
17 and commissions; and prescribing the manner in which the
18 number and compensation of the deputies and all other
19 assistants and employes of certain departments, boards and
20 commissions shall be determined," IN ORGANIZATION, FURTHER <--
21 PROVIDING FOR ADVISORY BOARDS AND COMMISSIONS; in
22 Commonwealth agency fees, further providing for distillery of
23 historical significance license fee reduction; IN POWERS AND <--
24 DUTIES OF PENNSYLVANIA PUBLIC UTILITY COMMISSION, PROVIDING
25 FOR TRANSPORTATION NETWORK COMPANIES; PROVIDING FOR RACE
26 HORSE INDUSTRY REFORM; CONFERRING DUTIES UPON THE JOINT STATE
27 GOVERNMENT COMMISSION; MAKING EDITORIAL CHANGES; AND MAKING
28 RELATED REPEALS.

29 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 ~~Section 1. Section 614 A(13)(iii) of the act of April 9, <--~~
3 ~~1929 (P.L.177, No.175), known as The Administrative Code of~~
4 ~~1929, amended July 1, 1990 (P.L.277, No.67), is amended to read:~~

5 SECTION 1. THE TITLE OF THE ACT OF APRIL 9, 1929 (P.L.177, <--
6 NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929, IS AMENDED TO
7 READ:

8 AN ACT

9 PROVIDING FOR AND REORGANIZING THE CONDUCT OF THE EXECUTIVE AND
10 ADMINISTRATIVE WORK OF THE COMMONWEALTH BY THE EXECUTIVE
11 DEPARTMENT THEREOF AND THE ADMINISTRATIVE DEPARTMENTS,
12 BOARDS, COMMISSIONS, AND OFFICERS THEREOF, INCLUDING THE
13 BOARDS OF TRUSTEES OF STATE NORMAL SCHOOLS, OR TEACHERS
14 COLLEGES; ABOLISHING, CREATING, REORGANIZING OR AUTHORIZING
15 THE REORGANIZATION OF CERTAIN ADMINISTRATIVE DEPARTMENTS,
16 BOARDS, AND COMMISSIONS; DEFINING THE POWERS AND DUTIES OF
17 THE GOVERNOR AND OTHER EXECUTIVE AND ADMINISTRATIVE OFFICERS,
18 AND OF THE SEVERAL ADMINISTRATIVE DEPARTMENTS, BOARDS,
19 COMMISSIONS, AND OFFICERS; FIXING THE SALARIES OF THE
20 GOVERNOR, LIEUTENANT GOVERNOR, AND CERTAIN OTHER EXECUTIVE
21 AND ADMINISTRATIVE OFFICERS; PROVIDING FOR THE APPOINTMENT OF
22 CERTAIN ADMINISTRATIVE OFFICERS, AND OF ALL DEPUTIES AND
23 OTHER ASSISTANTS AND EMPLOYES IN CERTAIN DEPARTMENTS, BOARDS,
24 AND COMMISSIONS; PROVIDING FOR TRANSPORTATION NETWORK
25 COMPANIES; PROVIDING FOR THE REGULATION OF PARI-MUTUEL
26 THOROUGHBRED HORSE RACING AND HARNESS HORSE RACING
27 ACTIVITIES, IMPOSING CERTAIN TAXES AND PROVIDING FOR THE
28 DISPOSITION OF FUNDS FROM PARI-MUTUEL TICKETS; AND
29 PRESCRIBING THE MANNER IN WHICH THE NUMBER AND COMPENSATION
30 OF THE DEPUTIES AND ALL OTHER ASSISTANTS AND EMPLOYES OF

1 CERTAIN DEPARTMENTS, BOARDS AND COMMISSIONS SHALL BE
2 DETERMINED.

3 SECTION 1.1. SECTION 448(P) OF THE ACT, ADDED DECEMBER 3,
4 1970 (P.L.834, NO.275), IS AMENDED TO READ:

5 SECTION 448. ADVISORY BOARDS AND COMMISSIONS.--THE ADVISORY
6 BOARDS AND COMMISSIONS, WITHIN THE SEVERAL ADMINISTRATIVE
7 DEPARTMENTS, SHALL BE CONSTITUTED AS FOLLOWS:

8 * * *

9 (P) THE CITIZENS ADVISORY COUNCIL SHALL BE AN INDEPENDENT
10 ADVISORY COUNCIL ADMINISTRATIVELY HOUSED WITHIN THE DEPARTMENT
11 OF ENVIRONMENTAL PROTECTION AND SHALL CONSIST OF THE SECRETARY
12 OF ENVIRONMENTAL [RESOURCES] PROTECTION WHO SHALL SERVE IN AN EX
13 OFFICIO CAPACITY, SIX MEMBERS WHO SHALL BE APPOINTED BY THE
14 GOVERNOR, NO MORE THAN THREE OF WHOM SHALL BE OF THE SAME
15 POLITICAL PARTY, SIX MEMBERS WHO SHALL BE APPOINTED BY THE
16 PRESIDENT PRO TEMPORE OF THE SENATE, NO MORE THAN THREE OF WHOM
17 SHALL BE OF THE SAME POLITICAL PARTY, AND SIX MEMBERS WHO SHALL
18 BE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES NO
19 MORE THAN THREE OF WHOM SHALL BE OF THE SAME POLITICAL PARTY.
20 THE APPOINTED MEMBERS OF THE COUNCIL SHALL BE CITIZENS OF THE
21 STATE, WHO, DURING THEIR RESPECTIVE TERMS, SHALL HOLD NO OTHER
22 STATE OFFICE TO WHICH ANY SALARY IS ATTACHED EXCEPT THAT OF
23 MEMBERSHIP ON THE ENVIRONMENTAL QUALITY BOARD.

24 THE TERM OF OFFICE OF EACH APPOINTED MEMBER SHALL BE THREE
25 YEARS, MEASURED FROM THE THIRD TUESDAY OF JANUARY OF THE YEAR IN
26 WHICH HE TAKES OFFICE, OR UNTIL HIS SUCCESSOR HAS BEEN
27 APPOINTED; EXCEPT THAT IN THE INITIAL APPOINTMENTS OF THE
28 MEMBERS OF THE COUNCIL, THE RESPECTIVE APPOINTING AUTHORITIES
29 SHALL APPOINT TWO MEMBERS FOR TERMS OF ONE YEAR EACH, TWO
30 MEMBERS FOR TERMS OF TWO YEARS EACH, AND TWO MEMBERS FOR TERMS

1 OF THREE YEARS EACH.

2 THE CITIZENS ADVISORY COUNCIL SHALL INCLUDE PERSONS
3 KNOWLEDGEABLE IN FIELDS RELATED TO THE WORK OF THE DEPARTMENT OF
4 ENVIRONMENTAL RESOURCES SUCH AS, BUT NOT LIMITED TO, ECOLOGY,
5 LIMNOLOGY, TOXICOLOGY, PHARMACOLOGY, ORGANICULTURE, AND
6 INDUSTRIAL TECHNOLOGY.

7 THE COUNCIL SHALL ANNUALLY ELECT ONE OF ITS APPOINTED MEMBERS
8 AS CHAIRMAN AND SHALL ELECT A SECRETARY WHO NEED NOT BE A MEMBER
9 OF THE COUNCIL. MEETINGS OF THE COUNCIL SHALL BE HELD AT LEAST
10 QUARTERLY OR AT THE CALL OF THE CHAIRMAN.

11 THE COUNCIL SHALL HAVE THE SOLE POWER TO EMPLOY AND FIX THE
12 COMPENSATION OF AN EXECUTIVE DIRECTOR AND SUCH EXPERTS,
13 STENOGRAPHERS, AND ASSISTANTS AS MAY BE DEEMED NECESSARY TO
14 CARRY OUT THE WORK OF THE COUNCIL, BUT DUE DILIGENCE SHALL BE
15 EXERCISED BY THE COUNCIL TO ENLIST SUCH VOLUNTARY ASSISTANCE AS
16 MAY BE AVAILABLE FROM CITIZENS, RESEARCH ORGANIZATIONS, AND
17 OTHER AGENCIES IN PENNSYLVANIA OR ELSEWHERE, GENERALLY
18 RECOGNIZED AS QUALIFIED TO AID THE COUNCIL.

19 SECTION 1.2. SECTION 614-A(13)(III) OF THE ACT, AMENDED JULY
20 1, 1990 (P.L.277, NO.67), IS AMENDED TO READ:

21 Section 614-A. Liquor Control Board.--The Pennsylvania
22 Liquor Control Board is authorized to charge fees for the
23 following purposes and in the following amounts:

24 * * *

25 (13) DISTILLERY OF HISTORICAL SIGNIFICANCE:

<--

26 * * *

27 (iii) License fee (prorated quarterly)..... [5,400.00]
28 1,200.00

29 * * *

30 ~~Section 2. This act shall take effect in 60 days.~~

<--

1 SECTION 3. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <--

2 SECTION 2802.1. TRANSPORTATION NETWORK COMPANIES.-- (A)
3 NOTWITHSTANDING ANY LAW TO THE CONTRARY, A CERTIFICATE OF PUBLIC
4 CONVENIENCE FOR EXPERIMENTAL SERVICE GRANTED BY THE PUBLIC
5 UTILITY COMMISSION TO ALLOW FOR THE PROVISIONS OF SERVICE BY A
6 TRANSPORTATION NETWORK COMPANY SHALL CONTINUE IN EFFECT UNDER
7 THE TERMS AND CONDITIONS OF THE COMMISSION'S ORDERS GRANTING THE
8 CERTIFICATE OF PUBLIC CONVENIENCE UNTIL THE EFFECTIVE DATE OF
9 LEGISLATION ADOPTED TO REGULATE THE PROVISIONS OF THESE
10 SERVICES.

11 (B) A TRANSPORTATION NETWORK COMPANY OPERATING PURSUANT TO A
12 CERTIFICATE OF PUBLIC CONVENIENCE ISSUED BY THE COMMISSION MAY
13 OPERATE IN ALL MUNICIPALITIES IN THIS COMMONWEALTH, INCLUDING A
14 CITY OF THE FIRST CLASS.

15 (C) ALL OPERATIONS IN THIS COMMONWEALTH OF A TRANSPORTATION
16 NETWORK COMPANY UNDER THIS SECTION SHALL BE SUBJECT TO THE TERMS
17 AND CONDITIONS OF THE CERTIFICATE OF PUBLIC CONVENIENCE FOR
18 EXPERIMENTAL SERVICE ISSUED BY THE COMMISSION, INCLUDING THE
19 AUTHORITY TO IMPOSE PENALTIES OR SUSPEND, REVOKE OR RESCIND A
20 LICENSE FOR FAILURE TO COMPLY WITH THE PROVISIONS OF THE
21 CERTIFICATE.

22 (D) A PARKING AUTHORITY OF A CITY OF THE FIRST CLASS MAY
23 ADOPT REASONABLE REGULATIONS RELATING TO ENFORCEMENT UNDER THIS
24 SECTION THAT DO NOT IMPOSE ADDITIONAL BURDENS ON THE
25 TRANSPORTATION NETWORK COMPANY AND ARE CONSISTENT WITH THOSE
26 IMPOSED BY THE COMMISSION ON TRANSPORTATION NETWORK COMPANIES
27 UNDER THE CERTIFICATE OF PUBLIC CONVENIENCE. A TRANSPORTATION
28 NETWORK COMPANY DRIVER OPERATING IN A CITY OF THE FIRST CLASS
29 MAY NOT SOLICIT OR ACCEPT A PREARRANGED RIDE AT ANY OF THE
30 FOLLOWING LOCATIONS:

1 (1) A DESIGNATED TAXI STAND, NO STOPPING OR STANDING ZONE OR
2 OTHER AREA WHERE A PERSONAL VEHICLE MAY NOT ENTER AT AN
3 INTERNATIONAL AIRPORT OWNED BY THE CITY OF THE FIRST CLASS AND
4 LOCATED IN WHOLE OR IN PART IN THE CITY OF THE FIRST CLASS.

5 (2) A DESIGNATED TAXI STAND, NO STOPPING OR STANDING ZONE OR
6 OTHER AREA WHERE A PERSONAL VEHICLE MAY NOT ENTER AT A TRAIN
7 STATION OWNED BY AMTRAK LOCATED IN THE CITY OF THE FIRST CLASS.

8 (3) ORGANIZED LINES OF TAXIS AT HOTELS UTILIZED TO PROVIDE
9 SERVICES TO PATRONS AND VISITORS AT THE HOTEL.

10 (4) THE FOLLOWING SHALL APPLY TO A CITY OF THE FIRST CLASS:

11 (I) THE AUTHORITY MAY ISSUE AN ORDER TO A TRANSPORTATION
12 NETWORK COMPANY REQUIRING DISQUALIFICATION OF A DRIVER FROM
13 BEING A TRANSPORTATION NETWORK COMPANY DRIVER IF DURING ANY
14 THREE-YEAR PERIOD THE DRIVER COMMITS FIVE OR MORE VIOLATIONS OF
15 THE REGULATIONS PROMULGATED UNDER THIS SECTION.

16 (II) AN AUTHORITY DIRECTIVE TO THE TRANSPORTATION NETWORK
17 COMPANY TO DISQUALIFY A DRIVER FROM BEING A TRANSPORTATION
18 NETWORK COMPANY DRIVER MAY OCCUR ONLY AFTER THE FILING AND
19 ADJUDICATION OF A FORMAL COMPLAINT PURSUANT TO 52 PA. CODE CH.
20 1005 (RELATING TO FORMAL PROCEEDINGS), BY WHICH THE
21 TRANSPORTATION NETWORK COMPANY SHALL BE AFFORDED FULL DUE
22 PROCESS, INCLUDING NOTICE AND OPPORTUNITY TO BE HEARD.

23 (III) THE AUTHORITY MAY ADOPT REGULATIONS TO ALLOW
24 REINSTATEMENT OF A DRIVER FOLLOWING AN APPROPRIATE
25 DISQUALIFICATION PERIOD AND COMPLIANCE WITH ANY CONDITIONS
26 IMPOSED BY THE AUTHORITY.

27 (IV) THE AUTHORITY MAY ONLY CONFISCATE THE VEHICLE OF A
28 DRIVER IF THE DRIVER CONTINUES TO PROVIDE SERVICE WHILE
29 DISQUALIFIED OR FOLLOWING SUSPENSION OR REVOCATION OF A
30 TRANSPORTATION NETWORK COMPANY'S LICENSE BY THE COMMISSION.

1 (E) A TRANSPORTATION NETWORK COMPANY OPERATING IN A CITY OF
2 THE FIRST CLASS SHALL PAY TO THE CITY'S PARKING AUTHORITY AN
3 AMOUNT EQUAL TO ONE PER CENT (1%) OF THE GROSS RECEIPTS FROM ALL
4 FARES CHARGED TO ALL PASSENGERS FOR PREARRANGED RIDES THAT
5 ORIGINATE IN THE CITY OF THE FIRST CLASS. THE AMOUNT ASSESSED
6 SHALL BE REMITTED ON A QUARTERLY BASIS AND DEPOSITED INTO A
7 RESTRICTED RECEIPTS ACCOUNT IN THE STATE TREASURY. THE TREASURER
8 SHALL, BEGINNING JANUARY 1, 2016, DISTRIBUTE SIXTY-SIX AND
9 SIXTY-SEVEN HUNDREDTHS PER CENT (66.67%) TO A SCHOOL DISTRICT OF
10 THE FIRST CLASS AND THIRTY-THREE AND THREE TENTHS PER CENT
11 (33.3%) TO THE PARKING AUTHORITY OF THE CITY OF THE FIRST CLASS
12 ON A QUARTERLY BASIS.

13 (F) FOR THE PURPOSE OF THIS SECTION, A TRANSPORTATION
14 NETWORK COMPANY SHALL MEAN A MOTOR CARRIER SERVICE THAT USES AN
15 ONLINE APPLICATION, SOFTWARE OR INTERNET WEBSITE TO PROVIDE
16 PREARRANGED RIDES TO PASSENGERS.

17 (G) THIS SECTION SHALL EXPIRE DECEMBER 31, 2016.

18 SECTION 4. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

19 ARTICLE XXVIII-D

20 RACE HORSE INDUSTRY REFORM

21 (A) PRELIMINARY PROVISIONS

22 SECTION 2801-D. DEFINITIONS.

23 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
24 SHALL HAVE, UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE, THE
25 MEANINGS GIVEN TO THEM IN THIS SECTION:

26 "ACCOUNT." AN ACCOUNT FOR ACCOUNT WAGERING WITH A SPECIFIC
27 IDENTIFIABLE RECORD OF DEPOSITS, WAGERS AND WITHDRAWALS
28 ESTABLISHED BY AN ACCOUNT HOLDER AND MANAGED BY THE LICENSED
29 RACING ENTITY OR SECONDARY PARI-MUTUEL ORGANIZATION.

30 "ACCOUNT HOLDER." AN INDIVIDUAL WHO SUCCESSFULLY COMPLETED

1 AN APPLICATION AND FOR WHOM THE LICENSED RACING ENTITY OR
2 SECONDARY PARI-MUTUEL ORGANIZATION HAS OPENED AN ACCOUNT.

3 "ADVANCE DEPOSIT ACCOUNT WAGERING SYSTEM." A SYSTEM BY WHICH
4 WAGERS ARE DEBITED AND PAYOUTS ARE CREDITED TO AN ADVANCE
5 DEPOSIT ACCOUNT HELD BY A LICENSED RACING ENTITY OR SECONDARY
6 PARI-MUTUEL ORGANIZATION ON BEHALF OF A PERSON.

7 "APPLICANT." A PERSON WHO, ON HIS OWN BEHALF OR ON BEHALF OF
8 ANOTHER, IS APPLYING FOR PERMISSION TO ENGAGE IN AN ACT OR
9 ACTIVITY WHICH IS REGULATED UNDER THE PROVISIONS OF THIS
10 ARTICLE. IF THE APPLICANT IS A PERSON OTHER THAN AN INDIVIDUAL,
11 THE COMMISSION SHALL DETERMINE THE ASSOCIATED PERSONS WHOSE
12 QUALIFICATIONS ARE NECESSARY AS A PRECONDITION TO THE LICENSING
13 OF THE APPLICANT.

14 "BACKSIDE AREA." AN AREA OF THE RACETRACK ENCLOSURE THAT IS
15 NOT GENERALLY ACCESSIBLE TO THE PUBLIC AND WHICH INCLUDES, BUT
16 IS NOT LIMITED TO, A FACILITY COMMONLY REFERRED TO AS A BARN,
17 Paddock ENCLOSURE, TRACK KITCHEN, RECREATION HALL, BACKSIDE
18 EMPLOYEE QUARTERS AND TRAINING TRACK, AND ROADWAYS PROVIDING
19 ACCESS TO THE AREA. THE TERM DOES NOT INCLUDE AN AREA OF THE
20 RACETRACK ENCLOSURE WHICH IS GENERALLY ACCESSIBLE TO THE PUBLIC,
21 INCLUDING THE VARIOUS BUILDINGS COMMONLY REFERRED TO AS THE
22 GRANDSTAND OR THE RACING SURFACE AND WALKING RING.

23 "BREAKAGE." THE ODD CENTS OF REDISTRIBUTIONS TO BE MADE ON
24 CONTRIBUTIONS TO PARI-MUTUEL POOLS EXCEEDING A SUM EQUAL TO THE
25 NEXT LOWEST MULTIPLE OF TEN.

26 "CLEAN LETTER OF CREDIT." A LETTER OF CREDIT WHICH IS
27 AVAILABLE TO THE BENEFICIARY AGAINST PRESENTATION OF ONLY A
28 DRAFT OR RECEIPT.

29 "COMMISSION." THE STATE HORSE RACING COMMISSION.

30 "COMMISSIONER." AN INDIVIDUAL APPOINTED TO AND SWORN IN AS A

1 MEMBER OF THE COMMISSION IN ACCORDANCE WITH SECTION 2811-D(B).

2 "CONVICTION." A FINDING OF GUILT OR A PLEA OF GUILTY OR NOLO
3 CONTENDERE, WHETHER OR NOT A JUDGMENT OF SENTENCE HAS BEEN
4 IMPOSED AS DETERMINED BY THE LAW OF THE JURISDICTION IN WHICH
5 THE PROSECUTION WAS HELD. THE TERM DOES NOT INCLUDE A CONVICTION
6 THAT HAS BEEN EXPUNGED OR OVERTURNED OR FOR WHICH AN INDIVIDUAL
7 HAS BEEN PARDONED OR AN ORDER OF ACCELERATED REHABILITATIVE
8 DISPOSITION.

9 "ELECTRONIC WAGERING." A METHOD OF PLACING OR TRANSMITTING A
10 LEGAL WAGER BY AN INDIVIDUAL IN THIS COMMONWEALTH THROUGH
11 TELEPHONE, ELECTROMECHANICAL, COMPUTERIZED SYSTEM OR ANY OTHER
12 FORM OF ELECTRONIC MEDIA APPROVED BY THE COMMISSION AND ACCEPTED
13 BY A SECONDARY PARI-MUTUEL ORGANIZATION OR A LICENSED RACING
14 ENTITY OR THE LICENSED RACING ENTITY'S APPROVED OFF-TRACK
15 BETTING SYSTEM LOCATED IN THIS COMMONWEALTH.

16 "EVERGREEN CLAUSE." A TERM IN A LETTER OF CREDIT PROVIDING
17 FOR AUTOMATIC RENEWAL OF THE LETTER OF CREDIT.

18 "EX PARTE COMMUNICATION." AN OFF-THE-RECORD COMMUNICATION
19 ENGAGED IN OR RECEIVED BY A COMMISSIONER OF THE COMMISSION
20 REGARDING THE MERITS OF, OR ANY FACT IN ISSUE RELATING TO, A
21 PENDING MATTER BEFORE THE COMMISSION OR WHICH MAY REASONABLY BE
22 EXPECTED TO COME BEFORE THE COMMISSION IN A CONTESTED ON-THE-
23 RECORD PROCEEDING. THE TERM SHALL NOT INCLUDE:

24 (1) AN OFF-THE-RECORD COMMUNICATION BY A COMMISSIONER,
25 THE DEPARTMENT OF REVENUE, PENNSYLVANIA STATE POLICE,
26 ATTORNEY GENERAL OR OTHER LAW ENFORCEMENT OFFICIAL, PRIOR TO
27 THE BEGINNING OF THE PROCEEDING SOLELY FOR THE PURPOSE OF
28 SEEKING CLARIFICATION OR CORRECTION TO EVIDENTIARY MATERIALS
29 INTENDED FOR USE IN THE PROCEEDINGS.

30 (2) A COMMUNICATION BETWEEN THE COMMISSION OR A

1 COMMISSIONER AND LEGAL COUNSEL.

2 "FELONY." AN OFFENSE UNDER THE LAWS OF THIS COMMONWEALTH OR
3 THE LAWS OF ANOTHER JURISDICTION, PUNISHABLE BY IMPRISONMENT FOR
4 MORE THAN FIVE YEARS.

5 "FINANCIAL INTEREST." AN OWNERSHIP, PROPERTY, LEASEHOLD OR
6 OTHER BENEFICIAL INTEREST IN AN ENTITY. THE TERM SHALL NOT
7 INCLUDE AN INTEREST WHICH IS HELD OR DEEMED TO BE HELD IN ANY OF
8 THE FOLLOWING:

9 (1) SECURITIES THAT ARE HELD IN A PENSION PLAN, PROFIT-
10 SHARING PLAN, INDIVIDUAL RETIREMENT ACCOUNT, TAX-SHELTERED
11 ANNUITY, A PLAN ESTABLISHED UNDER SECTION 457 OF THE INTERNAL
12 REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 457), OR
13 ANY SUCCESSOR PROVISION, DEFERRED COMPENSATION PLAN WHETHER
14 QUALIFIED OR NOT QUALIFIED UNDER THE INTERNAL REVENUE CODE OF
15 1986, OR ANY SUCCESSOR PROVISION OR OTHER RETIREMENT PLAN
16 THAT:

17 (I) IS NOT SELF-DIRECTED BY THE INDIVIDUAL.

18 (II) IS ADVISED BY AN INDEPENDENT INVESTMENT ADVISER
19 WHO HAS SOLE AUTHORITY TO MAKE INVESTMENT DECISIONS WITH
20 RESPECT TO CONTRIBUTIONS MADE BY THE INDIVIDUAL TO THESE
21 PLANS.

22 (2) A TUITION ACCOUNT PLAN ORGANIZED AND OPERATED UNDER
23 SECTION 529 OF THE INTERNAL REVENUE CODE OF 1986 THAT IS NOT
24 SELF-DIRECTED BY THE INDIVIDUAL.

25 (3) A MUTUAL FUND WHERE THE INTEREST OWNED BY THE MUTUAL
26 FUND IN A LICENSED RACING ENTITY DOES NOT CONSTITUTE A
27 CONTROLLING INTEREST AS DEFINED IN 4 PA.C.S. § 1103 (RELATING
28 TO DEFINITIONS).

29 "HORSE RACE MEETING." A SPECIFIED PERIOD AND DATES EACH YEAR
30 DURING WHICH A LICENSED RACING ENTITY IS AUTHORIZED TO CONDUCT

1 LIVE RACING OR PARI-MUTUEL WAGERING AS APPROVED BY THE
2 COMMISSION.

3 "HORSE RACING." STANDARDBRED HORSE RACING AND THOROUGHBRED
4 HORSE RACING.

5 "HORSEMEN'S ORGANIZATION." A TRADE ASSOCIATION WHICH
6 REPRESENTS THE MAJORITY OF OWNERS AND TRAINERS WHO OWN AND RACE
7 HORSES AT A RACETRACK.

8 "IMMEDIATE FAMILY." A SPOUSE, PARENT, BROTHER, SISTER OR
9 CHILD.

10 "IRREVOCABLE CLEAN LETTER OF CREDIT." A CLEAN LETTER OF
11 CREDIT WHICH CANNOT BE CANCELED OR AMENDED UNLESS THERE IS AN
12 AGREEMENT TO CANCEL OR AMEND AMONG ALL PARTIES TO THE LETTER OF
13 CREDIT.

14 "LAND MILE." A UNIT OF DISTANCE EQUAL TO 1,609.3 METERS OR
15 5,280 FEET, AS MEASURED IN A STRAIGHT LINE.

16 "LICENSED RACING ENTITY." ANY PERSON THAT HAS OBTAINED A
17 LICENSE TO CONDUCT LIVE THOROUGHBRED OR HARNESS HORSE RACE
18 MEETINGS RESPECTIVELY WITH PARI-MUTUEL WAGERING FROM THE
19 COMMISSION.

20 "LICENSEE." THE HOLDER OF A LICENSE ISSUED UNDER THIS
21 ARTICLE.

22 "NOMINAL CHANGE IN OWNERSHIP." THE SALE, PLEDGE,
23 ENCUMBRANCE, EXECUTION OF AN OPTION AGREEMENT OR OTHER TRANSFER
24 OF LESS THAN 5% OF THE EQUITY SECURITIES OR OTHER OWNERSHIP
25 INTEREST OF A PERSON WHOSE PERCENTAGE OWNERSHIP DOES NOT AFFECT
26 THE DECISIONS OF THE LICENSED RACING ENTITY.

27 "NONPRIMARY LOCATION." ANY FACILITY IN WHICH PARI-MUTUEL
28 WAGERING IS CONDUCTED BY A LICENSED RACING ENTITY PURSUANT TO
29 THIS ARTICLE OTHER THAN THE RACETRACK WHERE LIVE RACING IS
30 CONDUCTED.

1 "OWNERSHIP INTEREST." OWNING OR HOLDING, OR BEING DEEMED TO
2 HOLD, DEBT OR EQUITY SECURITIES OR OTHER OWNERSHIP INTEREST OR
3 PROFIT INTEREST.

4 "PARI-MUTUEL WAGERING." A FORM OF WAGERING, INCLUDING
5 MANUAL, ELECTRONIC, COMPUTERIZED AND OTHER FORMS AS APPROVED BY
6 THE COMMISSION, ON THE OUTCOME OF A HORSE RACING EVENT IN WHICH
7 ALL WAGERS ARE POOLED AND HELD BY A LICENSED RACING ENTITY OR
8 SECONDARY PARI-MUTUEL ORGANIZATION FOR DISTRIBUTION OF THE TOTAL
9 AMOUNT, LESS THE DEDUCTIONS AUTHORIZED BY LAW, TO HOLDERS OF
10 WINNING TICKETS.

11 "PERSON." ANY NATURAL PERSON, CORPORATION, FOUNDATION,
12 ORGANIZATION, BUSINESS TRUST, ESTATE, LIMITED LIABILITY COMPANY,
13 LICENSE CORPORATION, TRUST, PARTNERSHIP, LIMITED LIABILITY
14 PARTNERSHIP, ASSOCIATION OR ANY OTHER FORM OF LEGAL BUSINESS
15 ENTITY.

16 "PRIMARY MARKET AREA OF A RACETRACK." THE LAND AREA INCLUDED
17 IN A CIRCLE DRAWN WITH THE RACETRACK AS THE CENTER AND A RADIUS
18 OF 35 LAND MILES.

19 "PRINCIPAL." ANY OF THE FOLLOWING INDIVIDUALS ASSOCIATED
20 WITH A PARTNERSHIP, TRUST ASSOCIATION, LIMITED LIABILITY COMPANY
21 OR CORPORATION:

22 (1) THE CHAIRMAN AND EACH MEMBER OF THE BOARD OF
23 DIRECTORS OF A CORPORATION.

24 (2) EACH PARTNER OF A PARTNERSHIP AND EACH PARTICIPATING
25 MEMBER OF A LIMITED LIABILITY COMPANY.

26 (3) EACH TRUSTEE AND TRUST BENEFICIARY OF AN
27 ASSOCIATION.

28 (4) THE PRESIDENT OR CHIEF EXECUTIVE OFFICER AND EACH
29 OTHER OFFICER, MANAGER AND EMPLOYEE WHO HAS POLICY-MAKING OR
30 FIDUCIARY RESPONSIBILITY WITHIN THE ORGANIZATION.

1 (5) EACH STOCKHOLDER OR OTHER INDIVIDUAL WHO OWNS, HOLDS
2 OR CONTROLS, EITHER DIRECTLY OR INDIRECTLY, 5% OR MORE OF
3 STOCK OR FINANCIAL INTEREST IN THE COLLECTIVE ORGANIZATION.

4 (6) ANY OTHER EMPLOYEE, AGENT, GUARDIAN, PERSONAL
5 REPRESENTATIVE, LENDER OR HOLDER OF INDEBTEDNESS WHO HAS THE
6 POWER TO EXERCISE A SIGNIFICANT INFLUENCE OVER THE
7 APPLICANT'S OR LICENSEE'S OPERATION.

8 "RACETRACK." THE PHYSICAL FACILITY WHERE A LICENSED RACING
9 ENTITY CONDUCTS THOROUGHBRED OR STANDARDBRED RACE MEETINGS
10 RESPECTIVELY WITH PARI-MUTUEL WAGERING.

11 "RACETRACK ENCLOSURE." FOR PURPOSES OF THIS ARTICLE, THE
12 TERM "RACETRACK ENCLOSURE," WITH RESPECT TO EACH LICENSED RACING
13 ENTITY, SHALL BE DEEMED TO INCLUDE AT LEAST ONE PRIMARY
14 RACETRACK LOCATION AT WHICH HORSE RACE MEETINGS AUTHORIZED TO BE
15 HELD BY THE LICENSED RACING ENTITIES ARE CONDUCTED, INCLUDING
16 THE GRANDSTAND, FRONTSIDE AND BACKSIDE FACILITIES AND ALL
17 PRIMARY, NONPRIMARY, CONTIGUOUS AND NONCONTIGUOUS LOCATIONS OF
18 THE LICENSED RACING ENTITY WHICH ARE SPECIFICALLY APPROVED BY
19 THE COMMISSION FOR CONDUCTING THE PARI-MUTUEL SYSTEM OF WAGERING
20 ON THE RESULTS OF HORSE RACING HELD AT SUCH MEETINGS OR RACE
21 MEETINGS CONDUCTED BY ANOTHER LICENSED RACING ENTITY OR
22 TRANSMITTED TO SUCH LOCATIONS BY SIMULCASTING.

23 "RACING VENDOR." A PERSON WHO PROVIDES GOODS OR SERVICES TO
24 A LICENSED RACING ENTITY DIRECTLY RELATED TO RACING OR THE
25 RACING PRODUCT, AS DETERMINED BY THE COMMISSION.

26 "SECONDARY MARKET AREA OF A RACETRACK." THE LAND AREA
27 INCLUDED IN A CIRCLE DRAWN WITH THE RACETRACK AS THE CENTER AND
28 A RADIUS OF 50 LAND MILES, NOT INCLUDING THE PRIMARY MARKET AREA
29 OF THE RACETRACK.

30 "SECONDARY PARI-MUTUEL ORGANIZATION." A LICENSED ENTITY,

1 OTHER THAN A LICENSED RACING ENTITY, THAT OFFERS AND ACCEPTS
2 PARI-MUTUEL WAGERS. A PERSON OR ENTITY THAT PROVIDES TO A
3 LICENSED RACING ENTITY HARDWARE, SOFTWARE, EQUIPMENT, CONTENT OR
4 SERVICES USED TO MANAGE, CONDUCT, OPERATE OR RECORD PARI-MUTUEL
5 WAGERING ACTIVITY BY OR FROM RESIDENTS OF THIS COMMONWEALTH
6 SHALL NOT BE DEEMED TO BE A SECONDARY PARI-MUTUEL ORGANIZATION
7 SOLELY BY VIRTUE OF THE PROVISION OF THE ASSETS OR SERVICES.

8 "SIMULCAST." LIVE VIDEO AND AUDIO TRANSMISSION OF A RACE AND
9 PARI-MUTUEL INFORMATION FOR THE PURPOSE OF PARI-MUTUEL WAGERING
10 AT LOCATIONS OTHER THAN THE RACETRACK WHERE THE RACE IS RUN.

11 "STANDARD BRED HORSE RACING" OR "HARNESS RACING." A FORM OF
12 HORSE RACING IN WHICH THE HORSES PARTICIPATING ARE ATTACHED "IN
13 HARNESS" TO A SULKY OR OTHER SIMILAR VEHICLE, AT A SPECIFIC
14 GAIT, EITHER A TROT OR PACE.

15 "SUBSTANTIAL CHANGE IN OWNERSHIP." THE SALE, PLEDGE,
16 ENCUMBRANCE, EXECUTION OF AN OPTION AGREEMENT OR ANOTHER
17 TRANSFER OF 5% OR MORE OF THE EQUITY SECURITIES OR OTHER
18 OWNERSHIP INTEREST OF A PERSON WHOSE PERCENTAGE OWNERSHIP
19 AFFECTS THE DECISIONS OF THE LICENSED RACING ENTITY.

20 "THOROUGHBRED HORSE RACING." THE FORM OF HORSE RACING IN
21 WHICH EACH PARTICIPATING HORSE IS MOUNTED BY A JOCKEY, IS DULY
22 REGISTERED WITH THE JOCKEY CLUB OF NEW YORK AND ENGAGES IN HORSE
23 RACING ON THE FLAT, WHICH MAY INCLUDE A STEEPLECHASE OR HURDLE
24 RACE.

25 "TOTALISATOR." A COMPUTER SYSTEM USED TO POOL WAGERS, RECORD
26 SALES, CALCULATE PAYOFFS AND DISPLAY WAGERING DATA ON A DISPLAY
27 DEVICE THAT IS LOCATED AT A PARI-MUTUEL FACILITY OR NONPRIMARY
28 LOCATION.

29 (B) RACING OVERSIGHT
30 SECTION 2811-D. STATE HORSE RACING COMMISSION.

1 (A) ESTABLISHMENT.--THE STATE HORSE RACING COMMISSION IS
2 ESTABLISHED AS A COMMISSION WITHIN THE DEPARTMENT OF AGRICULTURE
3 TO INDEPENDENTLY REGULATE THE OPERATIONS OF HORSE RACING, THE
4 CONDUCT OF PARI-MUTUEL WAGERING AND THE PROMOTION AND MARKETING
5 OF HORSE RACING IN THIS COMMONWEALTH IN ACCORDANCE WITH THIS
6 ARTICLE.

7 (B) MEMBERSHIP.--THE COMMISSION SHALL CONSIST OF THE
8 FOLLOWING MEMBERS:

9 (1) FOUR MEMBERS APPOINTED BY THE GOVERNOR AS FOLLOWS:

10 (I) ONE INDIVIDUAL REPRESENTING THE THOROUGHBRED
11 HORSEMEN'S ORGANIZATIONS IN THIS COMMONWEALTH, SELECTED
12 FROM A LIST OF AT LEAST 10 QUALIFIED INDIVIDUALS
13 SUBMITTED BY THE THOROUGHBRED HORSEMEN'S ORGANIZATIONS.

14 (II) ONE INDIVIDUAL REPRESENTING A THOROUGHBRED
15 BREEDER ORGANIZATION IN THIS COMMONWEALTH, SELECTED FROM
16 A LIST OF AT LEAST 10 QUALIFIED INDIVIDUALS SUBMITTED BY
17 A THOROUGHBRED BREEDER ORGANIZATION.

18 (III) ONE INDIVIDUAL REPRESENTING THE STANDARDBRED
19 HORSEMEN'S ORGANIZATIONS IN THIS COMMONWEALTH, SELECTED
20 FROM A LIST OF AT LEAST 10 QUALIFIED INDIVIDUALS
21 SUBMITTED BY THE STANDARDBRED HORSEMEN'S ORGANIZATIONS.

22 (IV) ONE INDIVIDUAL REPRESENTING A STANDARDBRED
23 BREEDER ORGANIZATION IN THIS COMMONWEALTH, SELECTED FROM
24 A LIST OF AT LEAST 10 QUALIFIED INDIVIDUALS SUBMITTED BY
25 A STANDARDBRED BREEDER ORGANIZATION.

26 (2) ONE MEMBER APPOINTED BY EACH OF THE FOLLOWING, NONE
27 OF WHOM SHALL BE A MEMBER OF A HORSEMEN'S ORGANIZATION OR
28 BREEDER ORGANIZATION:

29 (I) THE PRESIDENT PRO TEMPORE OF THE SENATE.

30 (II) THE MINORITY LEADER OF THE SENATE.

1 (III) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

2 (IV) THE MINORITY LEADER OF THE HOUSE OF
3 REPRESENTATIVES.

4 (3) THE SECRETARY OF AGRICULTURE OR THE SECRETARY'S
5 DESIGNEE, WHO SHALL BE A NONVOTING EX OFFICIO MEMBER.

6 (4) ONE INDIVIDUAL WHO IS A LICENSED DOCTOR OF
7 VETERINARY MEDICINE IN THIS COMMONWEALTH, WHO SHALL NOT BE A
8 MEMBER OF A HORSEMEN'S ORGANIZATION OR BREEDER ORGANIZATION,
9 APPOINTED BY THE GOVERNOR.

10 (5) EACH APPOINTING AUTHORITY SHALL MAKE ITS
11 APPOINTMENTS WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS
12 SECTION. APPOINTMENTS TO FILL A VACANCY SHALL BE MADE WITHIN
13 10 DAYS OF THE CREATION OF THE VACANCY. AN APPOINTMENT SHALL
14 NOT BE FINAL UNTIL RECEIPT BY THE APPOINTING AUTHORITY OF A
15 BACKGROUND INVESTIGATION OF THE APPOINTEE BY THE PENNSYLVANIA
16 STATE POLICE, WHICH SHALL BE COMPLETED WITHIN 30 DAYS OF THE
17 APPOINTMENT. A PERSON WHO HAS BEEN CONVICTED IN A DOMESTIC OR
18 FOREIGN JURISDICTION OF A FELONY, INFAMOUS CRIME, GAMBLING
19 OFFENSE OR AN OFFENSE RELATED TO FIXING HORSE RACES OR ANIMAL
20 CRUELTY MAY NOT BE APPOINTED TO THE COMMISSION.

21 (6) THE FOLLOWING SHALL APPLY TO APPOINTEES,
22 COMMISSIONERS, EMPLOYEES AND INDEPENDENT CONTRACTORS:

23 (I) EACH COMMISSIONER AT THE TIME OF APPOINTMENT
24 MUST BE AT LEAST 25 YEARS OF AGE AND MUST HAVE BEEN A
25 RESIDENT OF THIS COMMONWEALTH FOR A PERIOD OF AT LEAST
26 ONE YEAR IMMEDIATELY PRECEDING APPOINTMENT. EACH
27 COMMISSIONER MUST REMAIN A RESIDENT OF THIS COMMONWEALTH
28 DURING THE TERM OF MEMBERSHIP ON THE COMMISSION.

29 (II) EXCEPT FOR THE COMMISSIONER APPOINTED UNDER
30 PARAGRAPH (3), A PERSON MAY NOT BE APPOINTED A

1 COMMISSIONER IF THE PERSON IS A PUBLIC OFFICIAL OR PARTY
2 OFFICER AS DEFINED IN 4 PA.C.S. § 1512 (RELATING TO
3 FINANCIAL AND EMPLOYMENT INTERESTS) IN THIS COMMONWEALTH
4 OR ANY OF ITS POLITICAL SUBDIVISIONS.

5 (III) EACH COMMISSIONER, EMPLOYEE AND INDEPENDENT
6 CONTRACTOR OF THE COMMISSION MUST SIGN AN AGREEMENT NOT
7 TO DISCLOSE CONFIDENTIAL INFORMATION.

8 (IV) EXCEPT FOR A COMMISSIONER APPOINTED UNDER
9 PARAGRAPH (1), A COMMISSIONER, EMPLOYEE OR INDEPENDENT
10 CONTRACTOR OF THE COMMISSION OR OTHER AGENCY HAVING
11 REGULATORY AUTHORITY OVER HORSE RACING UNDER THIS ARTICLE
12 MAY NOT BE EMPLOYED, HOLD AN OFFICE OR POSITION OR BE
13 ENGAGED IN AN ACTIVITY WHICH IS INCOMPATIBLE WITH THE
14 POSITION, EMPLOYMENT OR CONTRACT.

15 (V) A COMMISSIONER MAY NOT BE PAID OR RECEIVE A FEE
16 OR OTHER COMPENSATION FOR ANY ACTIVITY RELATED TO THE
17 DUTIES OR AUTHORITY OF THE COMMISSION OTHER THAN
18 COMPENSATION AND EXPENSES PROVIDED BY LAW.

19 (VI) A COMMISSIONER, EMPLOYEE OR INDEPENDENT
20 CONTRACTOR OF THE COMMISSION MAY NOT PARTICIPATE IN A
21 HEARING, PROCEEDING OR OTHER MATTER IN WHICH THE MEMBER,
22 EMPLOYEE OR INDEPENDENT CONTRACTOR, OR THE IMMEDIATE
23 FAMILY THEREOF, HAS A FINANCIAL INTEREST IN THE SUBJECT
24 MATTER OF THE HEARING OR PROCEEDING OR OTHER INTEREST
25 THAT COULD BE SUBSTANTIALLY AFFECTED BY THE OUTCOME OF
26 THE HEARING OR PROCEEDING WITHOUT FIRST FULLY DISCLOSING
27 THE NATURE OF THE INTEREST TO THE COMMISSION AND OTHER
28 PERSONS PARTICIPATING IN THE HEARING OR PROCEEDING. THE
29 COMMISSION SHALL DETERMINE IF THE INTEREST IS A
30 DISQUALIFYING INTEREST THAT REQUIRES THE DISQUALIFICATION

1 OR NONPARTICIPATION OF A COMMISSIONER, AN EMPLOYEE OR
2 INDEPENDENT CONTRACTOR.

3 (VII) AT THE TIME OF APPOINTMENT AND ANNUALLY
4 THEREAFTER, EACH COMMISSIONER SHALL DISCLOSE THE
5 EXISTENCE OF ANY FINANCIAL INTEREST IN ANY APPLICANT OR
6 LICENSED RACING ENTITY AND IN AN AFFILIATE, INTERMEDIARY,
7 SUBSIDIARY OR HOLDING COMPANY THEREOF HELD BY THE
8 COMMISSIONER OR KNOWN TO BE HELD BY A COMMISSIONER'S
9 IMMEDIATE FAMILY. THE DISCLOSURE STATEMENT SHALL BE FILED
10 WITH EACH DIRECTOR ESTABLISHED UNDER SUBSECTION (D) (2)
11 AND WITH THE APPOINTING AUTHORITY FOR SUCH COMMISSIONER
12 AND SHALL BE OPEN TO INSPECTION BY THE PUBLIC AT THE
13 OFFICE OF THE COMMISSION DURING THE NORMAL BUSINESS HOURS
14 OF THE COMMISSION AND POSTED ON THE COMMISSION'S INTERNET
15 WEBSITE FOR THE DURATION OF A COMMISSIONER'S TERM AND FOR
16 TWO YEARS AFTER A COMMISSIONER LEAVES OFFICE.

17 (VIII) (RESERVED).

18 (IX) A COMMISSIONER, EMPLOYEE OR BUREAU DIRECTOR OF
19 THE COMMISSION MAY NOT DIRECTLY OR INDIRECTLY SOLICIT,
20 REQUEST, SUGGEST OR RECOMMEND TO ANY APPLICANT, LICENSED
21 RACING ENTITY, LICENSED GAMING ENTITY OR AN AFFILIATE,
22 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF OR TO
23 AN EMPLOYEE OR AGENT THEREOF, THE APPOINTMENT OR
24 EMPLOYMENT OF ANY PERSON IN ANY CAPACITY BY THE
25 APPLICANT, LICENSED RACING ENTITY, LICENSED GAMING ENTITY
26 OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
27 COMPANY THEREOF DURING THE TERM OF OFFICE OR EMPLOYMENT
28 WITH THE COMMISSION.

29 (X) EXCEPT FOR A COMMISSIONER APPOINTED UNDER
30 PARAGRAPH (1), A COMMISSIONER MAY NOT ACCEPT EMPLOYMENT

1 WITH AN APPLICANT FOR A HORSE RACING LICENSE, A LICENSED
2 RACING ENTITY, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY
3 OR HOLDING COMPANY THEREOF, FOR A PERIOD OF TWO YEARS
4 FROM THE TERMINATION OF TERM OF OFFICE.

5 (XI) A FORMER COMMISSIONER MAY NOT APPEAR BEFORE THE
6 COMMISSION IN ANY HEARING OR PROCEEDING OR PARTICIPATE IN
7 ANY OTHER ACTIVITY ON BEHALF OF ANY APPLICANT FOR A HORSE
8 RACING LICENSE, A LICENSED RACING ENTITY, OR AN
9 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF
10 AN APPLICANT OR LICENSED RACING ENTITY FOR A PERIOD OF
11 TWO YEARS FROM THE TERMINATION OF TERM OF OFFICE.

12 (XII) A COMMISSIONER OR EMPLOYEE OF THE COMMISSION
13 MAY NOT ACCEPT A COMPLIMENTARY SERVICE, PLACE A WAGER OR
14 BE PAID ANY PRIZE FROM ANY WAGER ON A HORSE RACE AT A
15 RACETRACK OR NONPRIMARY LOCATION WITHIN THIS COMMONWEALTH
16 OR AT ANY OTHER RACETRACK OR NONPRIMARY LOCATION OUTSIDE
17 THIS COMMONWEALTH WHICH IS OWNED OR OPERATED BY A
18 LICENSED RACING ENTITY OR ANY OF ITS AFFILIATES,
19 INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES FOR THE
20 DURATION OF THE COMMISSIONER'S OR EMPLOYEE'S TERM OF
21 OFFICE OR EMPLOYMENT. NOTHING IN THIS SECTION SHALL BE
22 CONSTRUED TO PROHIBIT A COMMISSIONER APPOINTED UNDER
23 PARAGRAPH (1) FROM BEING AWARDED A PURSE OR BREEDERS'
24 AWARD FOR THE COMMISSIONER'S PARTICIPATION IN HORSE
25 RACING.

26 (XIII) A COMMISSIONER WHO HAS BEEN CONVICTED DURING
27 HIS TERM OF OFFICE IN A DOMESTIC OR FOREIGN JURISDICTION
28 OF A FELONY, INFAMOUS CRIME, OFFENSE RELATED TO FIXING OR
29 RIGGING HORSE RACES OR GAMBLING OFFENSE SHALL, UPON
30 CONVICTION, BE AUTOMATICALLY REMOVED FROM THE COMMISSION

1 AND SHALL BE INELIGIBLE TO BECOME A COMMISSIONER IN THE
2 FUTURE.

3 (XIV) THE FOLLOWING SHALL APPLY TO AN EMPLOYEE OF
4 THE COMMISSION, WHO IS NOT SUBJECT TO A COLLECTIVE
5 BARGAINING AGREEMENT, WHOSE DUTIES SUBSTANTIALLY INVOLVE
6 LICENSING, ENFORCEMENT, DEVELOPMENT OF LAW, PROMULGATION
7 OF REGULATIONS OR DEVELOPMENT OF POLICY, RELATING TO
8 HORSE RACING UNDER THIS ARTICLE OR WHO HAS OTHER
9 DISCRETIONARY AUTHORITY WHICH MAY AFFECT OR INFLUENCE THE
10 OUTCOME OF AN ACTION, PROCEEDING OR DECISION UNDER THIS
11 ARTICLE, INCLUDING THE DIRECTOR OF A BUREAU:

12 (A) THE INDIVIDUAL MAY NOT, FOR A PERIOD OF TWO
13 YEARS FOLLOWING TERMINATION OF EMPLOYMENT, ACCEPT
14 EMPLOYMENT WITH OR BE RETAINED BY AN APPLICANT FOR A
15 HORSE RACING LICENSE OR A LICENSED RACING ENTITY OR
16 BY AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
17 COMPANY OF AN APPLICANT OR A LICENSED RACING ENTITY.

18 (B) THE INDIVIDUAL MAY NOT, FOR A PERIOD OF TWO
19 YEARS FOLLOWING TERMINATION OF EMPLOYMENT, APPEAR
20 BEFORE THE COMMISSION IN A HEARING OR PROCEEDING OR
21 PARTICIPATE IN ACTIVITY ON BEHALF OF ANY APPLICANT,
22 LICENSEE OR LICENSED RACING ENTITY OR ON BEHALF OF AN
23 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
24 COMPANY OF ANY APPLICANT, LICENSEE OR LICENSED RACING
25 ENTITY.

26 (C) THIS SUBPARAGRAPH SHALL NOT APPLY TO AN
27 EMPLOYEE SUBJECT TO THE JURISDICTION OF THE
28 PENNSYLVANIA SUPREME COURT UNDER SECTION 10(C) OF
29 ARTICLE V OF THE CONSTITUTION OF PENNSYLVANIA.

30 (XV) NOTHING UNDER SUBPARAGRAPH (XIV) SHALL PREVENT

1 A CURRENT OR FORMER EMPLOYEE OF THE COMMISSION FROM
2 APPEARING BEFORE THE COMMISSION IN A HEARING OR
3 PROCEEDING AS A WITNESS OR TESTIFYING AS TO A FACT OR
4 INFORMATION.

5 (XVI) THE STATE ETHICS COMMISSION SHALL ISSUE A
6 WRITTEN DETERMINATION OF WHETHER A PERSON IS SUBJECT TO
7 SUBPARAGRAPH (XIV) UPON THE WRITTEN REQUEST OF THE PERSON
8 OR THE PERSON'S EMPLOYER OR POTENTIAL EMPLOYER. A PERSON
9 THAT RELIES IN GOOD FAITH ON A DETERMINATION ISSUED UNDER
10 THIS PARAGRAPH SHALL NOT BE SUBJECT TO ANY PENALTY FOR AN
11 ACTION TAKEN, IF ALL MATERIAL FACTS SET FORTH IN THE
12 REQUEST FOR THE DETERMINATION ARE CORRECT.

13 (XVII) THE STATE ETHICS COMMISSION SHALL PUBLISH A
14 LIST OF ALL EMPLOYMENT POSITIONS WITHIN THE COMMISSION
15 WHOSE DUTIES WOULD SUBJECT THE INDIVIDUALS IN THOSE
16 POSITIONS TO THE PROVISIONS OF SUBPARAGRAPH (XIV). THE
17 COMMISSION SHALL ASSIST THE STATE ETHICS COMMISSION IN
18 THE DEVELOPMENT OF THE LIST, WHICH SHALL BE PUBLISHED BY
19 THE STATE ETHICS COMMISSION IN THE PENNSYLVANIA BULLETIN
20 BIENNIALLY AND POSTED BY THE COMMISSION ON THE
21 COMMISSION'S INTERNET WEBSITE. UPON REQUEST, EMPLOYEES OF
22 THE COMMISSION SHALL HAVE A DUTY TO PROVIDE THE STATE
23 ETHICS COMMISSION WITH ADEQUATE INFORMATION TO ACCURATELY
24 DEVELOP AND MAINTAIN THE LIST. THE STATE ETHICS
25 COMMISSION MAY IMPOSE A CIVIL PENALTY UNDER 65 PA.C.S. §
26 1109(F) (RELATING TO PENALTIES) UPON AN INDIVIDUAL WHO
27 FAILS TO COOPERATE WITH THE STATE ETHICS COMMISSION UNDER
28 THIS SUBPARAGRAPH. AN INDIVIDUAL WHO RELIES IN GOOD FAITH
29 ON THE LIST PUBLISHED BY THE STATE ETHICS COMMISSION
30 SHALL NOT BE SUBJECT TO ANY PENALTY FOR A VIOLATION OF

1 SUBPARAGRAPH (XIV) .

2 (XVIII) A COMMISSIONER MAY NOT SOLICIT, REQUEST,
3 SUGGEST OR RECOMMEND THE EMPLOYMENT BY THE COMMISSION OF
4 AN IMMEDIATE FAMILY MEMBER.

5 (XIX) IF A COMMISSIONER VIOLATES ANY PROVISION OF
6 THIS SECTION, THE APPOINTING AUTHORITY MAY REMOVE THE
7 PERSON FROM THE COMMISSION. A COMMISSIONER REMOVED UNDER
8 THIS PARAGRAPH SHALL, FOR A PERIOD OF FIVE YEARS
9 FOLLOWING REMOVAL, BE PROHIBITED FROM FUTURE APPOINTMENT
10 TO THE COMMISSION AND SHALL BE PROHIBITED FROM APPLYING
11 FOR A LICENSE, PERMIT OR OTHER AUTHORIZATION UNDER THIS
12 ARTICLE AND FROM BECOMING AN INDEPENDENT CONTRACTOR WITH
13 THE COMMISSION.

14 (XX) EXCEPT FOR A COMMISSIONER APPOINTED UNDER
15 PARAGRAPH (1), A COMMISSIONER OR EMPLOYEE OF THE
16 COMMISSION MAY NOT DIRECTLY OR INDIRECTLY HAVE AN
17 OWNERSHIP INTEREST IN A RACE HORSE WHICH IS ENTERED IN A
18 HORSE RACE MEETING IN THIS COMMONWEALTH.

19 (7) A COMMISSIONER SHALL NOT BE PERSONALLY LIABLE FOR
20 ANY OF THE FOLLOWING:

21 (I) OBLIGATIONS OF THE COMMISSION.

22 (II) ACTIONS WHICH WERE WITHIN THE SCOPE OF THEIR
23 OFFICE AND MADE IN GOOD FAITH.

24 (B.1) INITIAL APPOINTMENTS TO COMMISSION.--

25 (1) APPOINTEES INITIALLY APPOINTED UNDER SUBSECTION (B)
26 SHALL SERVE AN INITIAL TERM OF TWO YEARS AND UNTIL THEIR
27 SUCCESSORS ARE APPOINTED AND QUALIFIED.

28 (2) AN APPOINTMENT TO FILL A VACANCY CREATED BY A
29 COMMISSIONER APPOINTED IN ACCORDANCE WITH PARAGRAPH (1) SHALL
30 BE FOR THE REMAINDER OF THE UNEXPIRED TERM.

1 (B.2) TERMS OF OFFICE.--UPON THE EXPIRATION OF A TERM OF A
2 COMMISSIONER APPOINTED UNDER SUBSECTIONS (B) AND (B.1), THE
3 FOLLOWING SHALL APPLY:

4 (1) THE TERM OF OFFICE OF A GUBERNATORIAL APPOINTEE
5 SHALL BE THREE YEARS AND UNTIL A SUCCESSOR IS APPOINTED AND
6 QUALIFIED.

7 (2) THE TERM OF OFFICE OF A LEGISLATIVE APPOINTEE SHALL
8 BE TWO YEARS AND UNTIL A SUCCESSOR IS APPOINTED AND
9 QUALIFIED.

10 (3) A LEGISLATIVE APPOINTEE SHALL SERVE NO MORE THAN
11 THREE FULL CONSECUTIVE TERMS.

12 (4) A GUBERNATORIAL APPOINTEE SHALL SERVE NO MORE THAN
13 TWO FULL CONSECUTIVE TERMS.

14 (5) AN APPOINTMENT TO FILL A VACANCY SHALL BE FOR THE
15 REMAINDER OF THE UNEXPIRED TERM.

16 (6) A COMMISSIONER APPOINTED TO FILL A VACANCY UNDER
17 PARAGRAPH (3) MAY SERVE THREE FULL TERMS FOLLOWING THE
18 EXPIRATION OF THE TERM RELATED TO THE VACANCY.

19 (7) A COMMISSIONER APPOINTED TO FILL A VACANCY UNDER
20 PARAGRAPH (4) MAY SERVE TWO FULL TERMS FOLLOWING THE
21 EXPIRATION OF THE TERM RELATED TO THE VACANCY.

22 (C) CHAIRPERSON.--THE GOVERNOR SHALL APPOINT THE CHAIRPERSON
23 OF THE COMMISSION.

24 (C.1) COMPENSATION.--COMMISSIONERS SHALL BE REIMBURSED FOR
25 DOCUMENTED EXPENSES INCURRED IN THE PERFORMANCE OF THEIR
26 OFFICIAL DUTIES AND EXCEPT FOR COMMISSIONERS APPOINTED UNDER
27 SUBSECTION (B) (3), COMMISSIONERS SHALL BE PAID \$300 PER DIEM.

28 (C.2) MEETINGS.--THE COMMISSION SHALL MEET AT LEAST ONCE A
29 MONTH AND AT OTHER TIMES AS THE COMMISSION CHAIRPERSON DEEMS
30 NECESSARY. PUBLIC NOTICE OF THE TIME AND PLACE OF MEETINGS OF

1 THE COMMISSION SHALL BE GIVEN IN ACCORDANCE WITH 65 PA.C.S. CH.
2 7 (RELATING TO OPEN MEETINGS).

3 (D) OFFICE OF HORSE RACING.--THERE IS HEREBY ESTABLISHED
4 WITHIN THE COMMISSION AN OFFICE OF HORSE RACING.

5 (1) THE OFFICE SHALL BE COMPRISED OF THE FOLLOWING:

6 (I) THE BUREAU OF THOROUGHBRED HORSE RACING SHALL
7 HAVE OVERSIGHT OVER THE CONDUCT OF THOROUGHBRED HORSE
8 RACING IN THIS COMMONWEALTH.

9 (II) THE BUREAU OF STANDARDBRED HORSE RACING SHALL
10 HAVE OVERSIGHT OVER THE CONDUCT OF STANDARDBRED HORSE
11 RACING IN THIS COMMONWEALTH.

12 (2) THERE SHALL BE A DIRECTOR OF THE BUREAU OF
13 THOROUGHBRED HORSE RACING AND A DIRECTOR OF THE BUREAU OF
14 STANDARDBRED HORSE RACING TO SERVE AND REPORT TO THE
15 COMMISSION. THE DIRECTOR OF EACH BUREAU SHALL NOT BE
16 SUPERVISED BY THE DEPARTMENT OF AGRICULTURE. THE COMMISSION
17 SHALL ASSIGN THE DIRECTORS DUTIES AND RESPONSIBILITIES AS
18 REQUIRED TO FULFILL THE COMMISSION'S OBLIGATIONS UNDER THIS
19 OR ANY OTHER ACT. THE COMMISSION MAY, BY ORDER, DELEGATE
20 DUTIES AND RESPONSIBILITIES TO THE BUREAU DIRECTOR AS THE
21 COMMISSION DETERMINES NECESSARY TO DISCHARGE THE DAY-TO-DAY
22 LICENSING, ENFORCEMENT AND ADMINISTRATIVE OPERATIONS OF THE
23 COMMISSION. THE DIRECTOR OF EACH BUREAU ESTABLISHED IN THIS
24 SECTION MUST MEET ALL OF THE FOLLOWING REQUIREMENTS:

25 (I) HAS EITHER:

26 (A) BEEN CERTIFIED AS A RACING OFFICIAL; OR

27 (B) HAS AT LEAST FIVE YEARS' EXPERIENCE IN THE
28 MANAGEMENT OF A LICENSED RACING ENTITY OR EQUIVALENT
29 RACING EXPERIENCE.

30 (II) ANY OTHER CRITERIA ESTABLISHED BY THE

1 COMMISSION.

2 (3) EACH BUREAU ESTABLISHED UNDER THIS SUBSECTION SHALL
3 HAVE THE FOLLOWING POWERS AND DUTIES:

4 (I) EVALUATE AND REVIEW ALL APPLICANTS AND
5 APPLICATIONS FOR A THOROUGHBRED HORSE RACING OR
6 STANDARD BRED HORSE RACING LICENSE. A BUREAU UNDER THIS
7 SECTION SHALL BE PROHIBITED FROM DISCLOSING ANY PORTION
8 OF AN EVALUATION TO A COMMISSIONER PRIOR TO THE DECISION
9 RELATING TO THE APPLICANT'S SUITABILITY FOR LICENSURE BY
10 THE COMMISSION.

11 (II) INSPECT AND MONITOR LICENSEES AND OTHER PERSONS
12 REGULATED UNDER THIS ARTICLE FOR NONCRIMINAL VIOLATIONS,
13 INCLUDING POTENTIAL VIOLATIONS REFERRED TO EITHER BUREAU
14 BY THE COMMISSION OR OTHER PERSON.

15 (III) MONITOR HORSE RACING OPERATIONS TO ENSURE
16 COMPLIANCE WITH THIS ARTICLE.

17 (IV) INSPECT AND EXAMINE LICENSED RACING ENTITIES
18 AND RACETRACK FACILITIES.

19 (A) INSPECTIONS MAY INCLUDE THE REVIEW AND
20 REPRODUCTION OF ANY DOCUMENT OR RECORD.

21 (B) EXAMINATIONS MAY INCLUDE THE REVIEW OF
22 ACCOUNTING, ADMINISTRATIVE AND FINANCIAL RECORDS,
23 MANAGEMENT CONTROL SYSTEMS, PROCEDURES AND OTHER
24 RECORDS.

25 (V) REFER POSSIBLE CRIMINAL VIOLATION TO LAW
26 ENFORCEMENT.

27 (VI) COOPERATE IN THE INVESTIGATION AND PROSECUTION
28 OF ANY CRIMINAL VIOLATION.

29 (VII) ISSUE ADMINISTRATIVE SUBPOENAS TO EFFECTUATE
30 AN INSPECTION AND REVIEW UNDER THIS PARAGRAPH, ADMINISTER

1 OATHS AND TAKE TESTIMONY AS NECESSARY FOR THE
2 ADMINISTRATION OF THIS ARTICLE.

3 (E) JURISDICTION.--THE COMMISSION SHALL HAVE JURISDICTION
4 AND REGULATORY AUTHORITY OVER THE FOLLOWING:

5 (1) PARI-MUTUEL WAGERING AND OTHER HORSE RACING
6 ACTIVITIES IN THIS COMMONWEALTH.

7 (2) A LICENSED PERSON ENGAGED IN PARI-MUTUEL HORSE
8 RACING ACTIVITIES.

9 (3) OUT-OF-COMPETITION DRUG TESTING, WHICH SHALL INCLUDE
10 THE RANDOM DRUG TESTING OF ANY HORSE ENTERED IN A RACE,
11 NOTWITHSTANDING THE PHYSICAL LOCATION OF THE HORSE, STABLED
12 ON THE GROUNDS OR SHIPPED INTO A LICENSED RACING ENTITY'S
13 FACILITY.

14 (4) THE CONDUCT OF HORSE RACING IN THIS COMMONWEALTH.

15 (F) VOTING.--

16 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,
17 ACTIONS OF THE COMMISSION SHALL BE SUBJECT TO A SIMPLE
18 MAJORITY VOTE OF THE COMMISSION.

19 (2) A QUALIFIED MAJORITY VOTE CONSISTING OF THE TWO
20 COMMISSIONERS APPOINTED UNDER SUBSECTION (B) (1) (I) AND (II)
21 AND AS MANY VOTES OF THE REMAINING VOTING COMMISSIONERS AS
22 NECESSARY TO CONSTITUTE A MAJORITY OF THOSE COMMISSIONERS
23 VOTING SHALL BE REQUIRED TO:

24 (I) APPROVE, ISSUE, DENY OR CONDITION A LICENSE TO
25 CONDUCT THOROUGHBRED HORSE RACING MEETINGS UNDER SECTION
26 2818-D.

27 (II) ADOPT REGULATIONS GOVERNING THOROUGHBRED HORSE
28 RACING MEETINGS AND REGULATIONS GOVERNING MEDICATION
29 UNDER THIS SECTION.

30 (III) EMPLOY A DIRECTOR OF THE BUREAU OF

1 THOROUGHBRED HORSE RACING UNDER SUBSECTION (D) (2) .

2 (3) A QUALIFIED MAJORITY VOTE CONSISTING OF THE TWO
3 COMMISSIONERS APPOINTED UNDER SUBSECTION (B) (1) (III) AND (IV)
4 AND AS MANY VOTES OF THE REMAINING VOTING COMMISSIONERS AS
5 NECESSARY TO CONSTITUTE A MAJORITY OF THOSE COMMISSIONERS
6 VOTING SHALL BE REQUIRED TO:

7 (I) APPROVE, ISSUE, DENY OR CONDITION A LICENSE TO
8 CONDUCT STANDARDBRED HORSE RACING MEETINGS UNDER SECTION
9 2818-D.

10 (II) ADOPT RULES AND REGULATIONS GOVERNING
11 STANDARDBRED HORSE RACING MEETINGS AND REGULATIONS
12 GOVERNING MEDICATION UNDER THIS SECTION.

13 (III) EMPLOY A DIRECTOR OF THE BUREAU OF
14 STANDARDBRED HORSE RACING UNDER SUBSECTION (D) (2) .

15 (4) COMMISSIONERS APPOINTED UNDER SUBSECTION (B) (1) (I)
16 AND (II) SHALL BE DISQUALIFIED AND MUST ABSTAIN FROM VOTING
17 ON ANY MATTER UNDER PARAGRAPH (3) .

18 (5) COMMISSIONERS APPOINTED UNDER SUBSECTION (B) (1) (III)
19 AND (IV) SHALL BE DISQUALIFIED AND MUST ABSTAIN FROM VOTING
20 ON ANY MATTER UNDER PARAGRAPH (2) .

21 (6) IF ONE OR MORE APPOINTEES UNDER SUBSECTION (B) (1) IS
22 NOT PARTICIPATING IN VOTING ON ANY MATTER UPON WHICH THEY ARE
23 OTHERWISE ELIGIBLE TO VOTE UNDER PARAGRAPH (2) OR (3), THE
24 QUALIFIED MAJORITY SHALL CONSIST OF THE REMAINING APPOINTEE
25 UNDER THE RESPECTIVE SUBPARAGRAPH OF SUBSECTION (B) (1)
26 PURSUANT TO WHICH THE NONPARTICIPATING COMMISSIONER HAS BEEN
27 APPOINTED, IF ANY, AND AS MANY COMMISSIONERS AS NECESSARY TO
28 CONSTITUTE A MAJORITY OF THOSE COMMISSIONERS VOTING.

29 (G) RECORDS.--THE COMMISSION SHALL MAINTAIN AT ITS OFFICE
30 THE FOLLOWING:

1 (1) ALL DOCUMENTS, DIGITAL OR NONDIGITAL, PROVIDED TO OR
2 FILED WITH THE COMMISSION RELATING TO THE REGULATION OF HORSE
3 RACING AND PARI-MUTUEL WAGERING UNDER THIS ARTICLE. THE
4 COMMISSION MAY ACCEPT DIGITAL SIGNATURES ON DOCUMENTS
5 PROVIDED OR FILED AND DOCUMENTS MAY BE DESIGNATED AS
6 CONFIDENTIAL IN ACCORDANCE WITH COMMISSION POLICY.

7 (2) A DOCKET SETTING FORTH THE NAMES OF ALL STOCKHOLDERS
8 IN A LICENSED RACING ENTITY. THE DOCKET SHALL BE AVAILABLE
9 FOR PUBLIC INSPECTION DURING NORMAL BUSINESS HOURS OF THE
10 COMMISSION.

11 (3) THE NUMBER OF SHARES HELD BY EACH STOCKHOLDER.

12 (4) A COMPLETE RECORD OF PROCEEDINGS OF THE COMMISSION
13 RELATING TO HORSE RACING AND PARI-MUTUEL WAGERING.

14 (H) RULES AND REGULATIONS.--THE FOLLOWING SHALL APPLY:

15 (1) ALL RULES AND REGULATIONS PROMULGATED UNDER THE
16 FORMER ACT OF DECEMBER 11, 1967 (P.L.707, NO.331), REFERRED
17 TO AS THE PENNSYLVANIA THOROUGHBRED HORSE RACING LAW, OR THE
18 FORMER ACT OF DECEMBER 22, 1959 (P.L.1978, NO.728), REFERRED
19 TO AS THE PENNSYLVANIA HARNESS RACING LAW, SHALL REMAIN IN
20 EFFECT EXCEPT TO THE EXTENT THAT THEY ARE IN DIRECT CONFLICT
21 WITH THIS ARTICLE. THE COMMISSION MAY ADOPT, AMEND, REVISE OR
22 ALTER THE RULES AND REGULATIONS AS THE COMMISSION DEEMS
23 NECESSARY.

24 (2) THE COMMISSION SHALL PROMULGATE RULES AND
25 REGULATIONS NECESSARY FOR THE ADMINISTRATION AND ENFORCEMENT
26 OF THIS ARTICLE. EXCEPT AS PROVIDED IN THIS PARAGRAPH AND
27 PARAGRAPH (3), REGULATIONS SHALL BE PROMULGATED IN ACCORDANCE
28 WITH LAW.

29 (3) IN ORDER TO FACILITATE THE PROMPT IMPLEMENTATION OF
30 THIS ARTICLE, REGULATIONS PROMULGATED BY THE COMMISSION SHALL

1 BE DEEMED TEMPORARY REGULATIONS WHICH SHALL NOT EXPIRE FOR A
2 PERIOD OF THREE YEARS FOLLOWING PUBLICATION. TEMPORARY
3 REGULATIONS SHALL NOT BE SUBJECT TO:

4 (I) SECTIONS 201, 202, 203, 204 AND 205 OF THE ACT
5 OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
6 COMMONWEALTH DOCUMENTS LAW.

7 (II) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181),
8 KNOWN AS THE REGULATORY REVIEW ACT.

9 (III) SECTIONS 204(B) AND 301(10) OF THE ACT OF
10 OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE
11 COMMONWEALTH ATTORNEYS ACT.

12 (4) THE COMMISSION'S AUTHORITY TO PROMULGATE TEMPORARY
13 REGULATIONS UNDER PARAGRAPH (3) SHALL EXPIRE THREE YEARS
14 AFTER THE EFFECTIVE DATE OF THIS SECTION. REGULATIONS ADOPTED
15 AFTER THIS PERIOD SHALL BE PROMULGATED AS PROVIDED BY LAW.

16 (I) APPLICATION.--THE COMMISSION SHALL DEVELOP AN
17 APPLICATION FOR APPLICANTS SEEKING A LICENSE TO CONDUCT HORSE
18 RACING PURSUANT TO THIS ARTICLE.

19 (J) LICENSES.--EACH LICENSE TO CONDUCT HORSE RACING OR ANY
20 OTHER ACTIVITY UNDER THIS ARTICLE ISSUED PRIOR TO JANUARY 1,
21 2017, SHALL REMAIN IN EFFECT FOR THE REMAINDER OF THE TERM FOR
22 WHICH THE LICENSE WAS ISSUED UNLESS REVOKED OR SUSPENDED.
23 BEGINNING JANUARY 1, 2017, A LICENSE SHALL BE RENEWED OR A NEW
24 LICENSE SHALL BE ISSUED IN ACCORDANCE WITH THIS ARTICLE.

25 (K) REPORT OF COMMISSION.--TWELVE MONTHS AFTER THE EFFECTIVE
26 DATE OF THIS SECTION AND EVERY YEAR ON THAT DATE THEREAFTER, THE
27 COMMISSION, THROUGH THE DEPARTMENT OF AGRICULTURE, SHALL ISSUE A
28 REPORT TO THE GOVERNOR AND EACH MEMBER OF THE GENERAL ASSEMBLY
29 ON THE GENERAL OPERATION OF THE COMMISSION AND EACH LICENSEE'S
30 PERFORMANCE, INCLUDING NUMBER AND WIN PER RACE AND TOTAL GROSS

1 REVENUE AT EACH FACILITY OF A LICENSED RACING ENTITY DURING THE
2 PREVIOUS YEAR, ALL TAXES, FEES, FINES AND OTHER REVENUES
3 COLLECTED AND, WHERE APPROPRIATE, DISBURSED, THE COSTS OF
4 OPERATION OF THE COMMISSION, ALL HEARINGS CONDUCTED AND THE
5 RESULTS OF THE HEARINGS AND OTHER INFORMATION THAT THE
6 COMMISSION DEEMS NECESSARY AND APPROPRIATE. NOTWITHSTANDING ANY
7 OTHER REPORTING REQUIREMENTS IN 4 PA.C.S. § 1211 (RELATING TO
8 REPORTS OF BOARD), THE PENNSYLVANIA GAMING CONTROL BOARD AND THE
9 DEPARTMENT OF AGRICULTURE MUST JOINTLY SUBMIT THE REPORT UNDER
10 THIS SUBSECTION RELATING TO RACING ON AN ANNUAL BASIS.

11 (L) RECORD OF PROCEEDINGS.--THE COMMISSION SHALL CAUSE TO BE
12 MADE AND KEPT A RECORD OF ALL PROCEEDINGS HELD AT PUBLIC
13 MEETINGS OF THE COMMISSION. A VERBATIM TRANSCRIPT OF THOSE
14 PROCEEDINGS SHALL BE PREPARED BY THE COMMISSION UPON THE REQUEST
15 OF ANY PERSON AND THE PAYMENT BY THAT PERSON OF THE COSTS OF
16 PREPARATION.

17 (M) PUBLIC RECORDS.--THE COMMISSION SHALL ANNUALLY POST ON
18 ITS INTERNET WEBSITE, A LIST OF ALL THE ITEMIZED EXPENSES OF
19 EMPLOYEES AND COMMISSIONERS THAT WERE OR ARE TO BE REIMBURSED
20 FROM THE STATE RACING FUND. THE LIST SHALL IDENTIFY THE NATURE
21 OF THE EXPENSE, THE EMPLOYEE, MEMBER OR THE AGENCY AND EMPLOYEE
22 OF THE AGENCY TO WHICH AN EXPENSE IS ATTRIBUTABLE. BY OCTOBER 1
23 OF EACH YEAR, A FINAL REPORT OF ALL EXPENSES DESCRIBED IN THIS
24 SUBSECTION FOR THE PRECEDING FISCAL YEAR SHALL BE POSTED ON THE
25 COMMISSION'S INTERNET WEBSITE AND SHALL BE SUBMITTED TO THE
26 APPROPRIATIONS COMMITTEE OF THE SENATE, THE AGRICULTURE AND
27 RURAL AFFAIRS COMMITTEE OF THE SENATE, THE APPROPRIATIONS
28 COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE AGRICULTURE
29 AND RURAL AFFAIRS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.
30 INFORMATION POSTED ON THE INTERNET WEBSITE PURSUANT TO THIS

1 SUBSECTION SHALL BE FINANCIAL RECORDS FOR THE PURPOSES OF AND
2 SUBJECT TO REDACTION UNDER THE RIGHT-TO-KNOW LAW.

3 (N) REIMBURSEMENT.--THE DEPARTMENT OF AGRICULTURE'S
4 PROVISION OF SHARED ADMINISTRATIVE SERVICES, SHARED STAFF AND
5 SHARED FACILITIES TO THE COMMISSION MUST BE REIMBURSED FROM THE
6 STATE RACING FUND AND SHALL BE LIMITED TO ACTUAL COSTS OF
7 PROVIDING THE SERVICES, STAFF AND FACILITIES, INCLUDING
8 SALARIES, BENEFITS AND EXPENSES OF EMPLOYEES PROVIDING THE
9 SHARED ADMINISTRATIVE SERVICES. THE DEPARTMENT OF AGRICULTURE
10 MUST RETAIN RECORDS REGARDING ADMINISTRATIVE SHARED SERVICES
11 PROVIDED TO THE COMMISSION BY A DEPARTMENT OF AGRICULTURE'S
12 EMPLOYEE.

13 SECTION 2812-D. ADDITIONAL POWERS OF COMMISSION.

14 THE COMMISSION SHALL REGULATE HORSE RACING AT WHICH PARI-
15 MUTUEL WAGERING IS CONDUCTED AND APPROVE THE NUMBER OF RACING
16 DAYS ALLOCATED TO EACH LICENSED RACING ENTITY. IN ADDITION TO
17 ANY OTHER POWERS OF THE COMMISSION:

18 (1) THE COMMISSION SHALL PROMULGATE REGULATIONS
19 REGARDING MEDICATION RULES AS REQUIRED UNDER SUBARTICLE E.

20 (2) THE FOLLOWING SHALL APPLY:

21 (I) THE COMMISSION SHALL REQUIRE AN APPLICANT UNDER
22 THIS ARTICLE TO SUBMIT TO FINGERPRINTING FOR A REPORT OF
23 FEDERAL CRIMINAL HISTORY RECORD INFORMATION.

24 (II) THE APPLICANT MUST SUBMIT A FULL SET OF
25 FINGERPRINTS TO THE PENNSYLVANIA STATE POLICE OR THE
26 PENNSYLVANIA STATE POLICE'S AUTHORIZED AGENT FOR THE
27 PURPOSE OR A RECORD CHECK. THE PENNSYLVANIA STATE POLICE
28 OR THE PENNSYLVANIA STATE POLICE'S AUTHORIZED AGENT MUST
29 THEN SUBMIT THE FINGERPRINTS TO THE FEDERAL BUREAU OF
30 INVESTIGATION FOR THE PURPOSE OF VERIFYING THE IDENTITY

1 OF THE APPLICANT AND OBTAINING A CURRENT RECORD OF ANY
2 CRIMINAL ARRESTS AND CONVICTIONS.

3 (III) THE COMMISSION SHALL CONSIDER INFORMATION
4 OBTAINED PURSUANT TO THIS PARAGRAPH FOR THE PURPOSE OF
5 SCREENING APPLICANTS FOR FITNESS FOR LICENSURE IN
6 ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE.

7 (IV) NATIONAL CRIMINAL HISTORY RECORD INFORMATION
8 RECEIVED BY THE COMMISSION SHALL BE HANDLED AND
9 MAINTAINED IN ACCORDANCE WITH FEDERAL BUREAU OF
10 INVESTIGATION POLICY.

11 (V) FINGERPRINTS OBTAINED UNDER THIS PARAGRAPH MAY
12 BE MAINTAINED BY THE COMMISSION AND PENNSYLVANIA STATE
13 POLICE TO ENFORCE THIS ARTICLE AND FOR GENERAL LAW
14 ENFORCEMENT PURPOSES.

15 (VI) IN ADDITION TO ANY OTHER FEE OR COST ASSESSED
16 BY THE COMMISSION, AN APPLICANT MUST PAY FOR THE COST OF
17 THE FINGERPRINT PROCESS.

18 (VII) THE COMMISSION MAY EXEMPT APPLICANTS FOR
19 POSITIONS NOT RELATED TO THE CARE OR TRAINING OF HORSES,
20 RACING, WAGERING, SECURITY OR THE MANAGEMENT OF A
21 LICENSED RACING ENTITY, FROM THE PROVISIONS OF THIS
22 CHAPTER.

23 (3) WITHIN 90 DAYS OF THE EFFECTIVE DATE OF THIS
24 SECTION, THE COMMISSION MUST ADOPT AND PUBLISH A
25 COMPREHENSIVE FEE SCHEDULE IN THE PENNSYLVANIA BULLETIN. TWO
26 YEARS FOLLOWING THE EFFECTIVE DATE OF THIS SECTION, THE
27 COMMISSION MAY ADOPT REGULATIONS TO ANNUALLY INCREASE ANY
28 FEE, CHARGE OR COST AUTHORIZED UNDER THIS ARTICLE.

29 (4) THE COMMISSION OR DESIGNATED EMPLOYEE OF THE
30 COMMISSION SHALL HAVE THE POWER TO ADMINISTER OATHS AND

1 EXAMINE WITNESSES AND MAY ISSUE SUBPOENAS TO COMPEL
2 ATTENDANCE OF WITNESSES AND PRODUCTION OF ALL RELEVANT AND
3 MATERIAL REPORTS, BOOKS, PAPERS, DOCUMENTS, CORRESPONDENCE
4 AND OTHER EVIDENCE RELATED TO REGULATION AND ENFORCEMENT OF
5 HORSE RACING UNDER THIS ARTICLE.

6 (5) THE COMMISSION'S CONSIDERATION AND RESOLUTION OF ALL
7 LICENSE OR OTHER REGULATORY ADMINISTRATIVE ACTIONS SHALL BE
8 CONDUCTED IN ACCORDANCE WITH 2 PA.C.S. (RELATING TO
9 ADMINISTRATIVE LAW AND PROCEDURE) OR WITH PROCEDURES ADOPTED
10 BY ORDER OF THE COMMISSION. NOTWITHSTANDING 2 PA.C.S. §§ 504
11 (RELATING TO HEARING AND RECORD) AND 505 (RELATING TO
12 EVIDENCE AND CROSS-EXAMINATION), THE COMMISSION MAY ADOPT
13 PROCEDURES TO PROVIDE PARTIES BEFORE IT WITH A DOCUMENTARY
14 HEARING AND MAY RESOLVE DISPUTED MATERIAL FACTS WITHOUT
15 CONDUCTING AN ORAL HEARING WHERE CONSTITUTIONALLY
16 PERMISSIBLE.

17 (6) THE COMMISSION MAY ADOPT NATIONAL STANDARDS FROM
18 OTHER RACING JURISDICTIONS OR COMMISSION-APPROVED TRADE
19 ORGANIZATIONS TO ESTABLISH:

20 (I) UNIFORM DRUG THRESHOLD LEVELS;

21 (II) CONSISTENT SANCTIONS FOR DRUG TESTING
22 VIOLATIONS; AND

23 (III) A SYSTEM TO MONITOR ADVANCED DEPOSIT WAGERING
24 AND ONLINE PARI-MUTUEL WAGERING COMPANY ACTIVITIES.

25 (7) THE COMMISSION MAY ISSUE GRANTS FROM THE ANNUAL
26 APPROPRIATIONS TO RACE HORSE RESCUE AND REHABILITATION
27 PROGRAMS OPERATING WITHIN THIS COMMONWEALTH.

28 (8) THE COMMISSION SHALL DIRECT AND OVERSEE THAT EACH
29 LICENSED RACING ENTITY'S RACETRACK SURFACE IS MAINTAINED IN
30 SUCH A WAY AS TO MAXIMIZE THE SAFETY OF THE HORSE, JOCKEY OR

1 DRIVER. THE COMMISSION MAY DEVELOP GUIDELINES TO CARRY OUT
2 THIS PARAGRAPH AND MAY CONTRACT WITH, HIRE OR OTHERWISE
3 CONSULT WITH RACETRACK SURFACE EXPERTS TO CARRY OUT THE
4 PROVISIONS OF THIS SECTION.

5 (9) THE STATE HORSE RACING COMMISSION SHALL HAVE
6 JURISDICTION OVER AND SHALL PROMULGATE REGULATIONS AS
7 NECESSARY FOR THE PROPER ADMINISTRATION OF ALL RACING
8 CONDUCTED BY A COUNTY AGRICULTURAL SOCIETY OR AN INDEPENDENT
9 AGRICULTURAL SOCIETY AS PROVIDED IN THE ACT OF JULY 8, 1986
10 (P.L.437, NO.92), KNOWN AS THE PENNSYLVANIA AGRICULTURAL FAIR
11 ACT.

12 SECTION 2813-D. BUDGET.

13 BEGINNING JULY 1, 2016, THE COMMISSION AND THE DEPARTMENT OF
14 AGRICULTURE SHALL ANNUALLY SUBMIT A BUDGET REQUEST TO THE
15 SECRETARY OF THE BUDGET IN ACCORDANCE WITH THE PROVISIONS
16 CONTAINED IN SECTION 610, CONSISTING OF AMOUNTS TO BE
17 APPROPRIATED FROM THE STATE RACING FUND, THE PENNSYLVANIA RACE
18 HORSE DEVELOPMENT FUND AND THE GENERAL FUND TO ADMINISTER AND
19 ENFORCE THIS ARTICLE AND FOR THE PROMOTION OF HORSE RACING.

20 BEGINNING JULY 1, 2016, AND ANNUALLY THEREAFTER, 1% OF THE
21 PREVIOUS FISCAL YEAR'S DEPOSITS INTO THE PENNSYLVANIA RACE HORSE
22 DEVELOPMENT FUND SHALL BE TRANSFERED FROM THE PENNSYLVANIA RACE
23 HORSE DEVELOPMENT FUND TO THE STATE RACING FUND TO PROVIDE FOR
24 THE PROMOTION OF HORSE RACING.

25 SECTION 2814-D. LOCATION.

26 AFTER JANUARY 1, 2017, A LICENSED RACING ENTITY SHALL CONDUCT
27 A HORSE RACE MEETING AT THE LOCATION DESIGNATED AND APPROVED BY
28 THE COMMISSION.

29 SECTION 2815-D. NUMBER OF LICENSED RACING ENTITIES.

30 (A) STANDARD BRED HORSE RACING.--NO MORE THAN FIVE PERSONS

1 SHALL BE LICENSED TO CONDUCT A RACE HORSE MEETING. NO PERSON
2 LICENSED UNDER THIS ARTICLE TO CONDUCT STANDARDBRED HORSE RACING
3 WITH PARI-MUTUEL WAGERING SHALL BE LICENSED TO CONDUCT
4 THOROUGHBRED HORSE RACING WITH PARI-MUTUEL WAGERING.

5 (B) THOROUGHBRED HORSE RACING.--NO MORE THAN SIX PERSONS
6 SHALL BE LICENSED BY THE COMMISSION TO CONDUCT A RACE HORSE
7 MEETING. NO PERSON LICENSED UNDER THIS ARTICLE TO CONDUCT
8 THOROUGHBRED HORSE RACING WITH PARI-MUTUEL WAGERING SHALL BE
9 LICENSED TO CONDUCT STANDARDBRED HORSE RACING WITH PARI-MUTUEL
10 WAGERING.

11 SECTION 2816-D. DEPARTMENT OF REVENUE.

12 THE DEPARTMENT OF REVENUE SHALL PROVIDE FINANCIAL
13 ADMINISTRATION OF PARI-MUTUEL WAGERING UNDER THIS ARTICLE IN
14 ACCORDANCE WITH DEPARTMENT OF REVENUE REGULATIONS AND
15 REGULATIONS OF THE COMMISSION. THE DEPARTMENT OF REVENUE SHALL
16 PRESCRIBE THE FORM AND SYSTEM OF ACCOUNTING TO BE USED BY
17 LICENSED RACING ENTITIES, AND MAY ACCESS AND EXAMINE RECORDS,
18 EQUIPMENT AND OTHER INFORMATION RELATING TO PARI-MUTUEL
19 WAGERING.

20 SECTION 2817-D. ALLOCATION OF RACING DAYS.

21 (A) GENERAL RULE.--

22 (1) HORSE RACING SHALL BE CONDUCTED CONSISTENT WITH 4
23 PA.C.S. § 1303 (RELATING TO ADDITIONAL CATEGORY 1 SLOT
24 MACHINE LICENSE REQUIREMENTS).

25 (2) THE PROVISIONS OF THIS SECTION AND 4 PA.C.S. § 1303

26 (A) (2) AND (B) MAY BE WAIVED OR MODIFIED BY THE COMMISSION IF
27 THE WAIVER OR MODIFICATION HAS BEEN AGREED TO BY THE
28 HORSEMEN'S ORGANIZATION AND THE LICENSED RACING ENTITY AT THE
29 RACETRACK WHERE THE RACING DAYS ARE TO BE SCHEDULED OR RACED.

30 (3) THE PROVISIONS OF 4 PA.C.S. § 1303(D) SHALL NOT

1 APPLY IF THE REASON FOR NONCOMPLIANCE WITH THAT SECTION BY A
2 LICENSED RACING ENTITY IS THE CANCELLATION OF RACING DAYS DUE
3 TO THE COMMISSION'S INABILITY TO PROPERLY REGULATE AND
4 OVERSEE THE CONDUCT OF HORSE RACING IN THIS COMMONWEALTH DUE
5 TO INADEQUATE FUNDING.

6 (B) CERTIFICATION.--THE COMMISSION SHALL SUBMIT TO THE
7 SECRETARY OF REVENUE THE APPROVED NUMBER OF RACING DAYS FOR EACH
8 LICENSED RACING ENTITY, INCLUDING THE FOLLOWING INFORMATION:

9 (1) THE NAMES AND ADDRESSES OF THE LICENSED RACING
10 ENTITY;

11 (2) THE NAMES AND ADDRESSES OF THE OWNERS, OFFICERS AND
12 GENERAL MANAGERS OF THE LICENSED RACING ENTITY; AND

13 (3) ANY OTHER INFORMATION THE COMMISSION DEEMS
14 APPROPRIATE.

15 (C) CANCELLATION.--

16 (1) IF A RACING DAY IS CANCELED BY A LICENSED RACING
17 ENTITY FOR REASONS BEYOND THE LICENSED RACING ENTITY'S
18 CONTROL, THE COMMISSION SHALL GRANT THE LICENSED RACING
19 ENTITY THE RIGHT TO CONDUCT THAT RACING DAY IN THE SAME OR
20 THE NEXT ENSUING CALENDAR YEAR, IF SCHEDULES PERMIT.

21 (2) A DIRECTOR OF A BUREAU ESTABLISHED UNDER SECTION
22 2811-D, AFTER CONSULTATION WITH THE LICENSED RACING ENTITY
23 AND THE HORSEMEN'S ORGANIZATION AT THE RACETRACK, MAY CANCEL
24 A RACE IF IT IS DETERMINED THAT FEWER THAN SIX HORSES HAVE
25 ENTERED THE RACE.

26 SECTION 2818-D. LICENSES FOR HORSE RACE MEETINGS.

27 (A) PROCEDURE AND TERMS.--

28 (1) AFTER JANUARY 1, 2017, A PERSON SEEKING A LICENSE TO
29 CONDUCT HORSE RACE MEETINGS AT WHICH PARI-MUTUEL WAGERING IS
30 PERMITTED OR SEEKING TO RENEW THE LICENSE, SHALL FILE AN

1 APPLICATION OR RENEWAL APPLICATION WITH THE COMMISSION IN THE
2 MANNER PRESCRIBED BY THE COMMISSION. A LICENSE TO CONDUCT
3 HORSE RACE MEETINGS SHALL BE ISSUED FOR A PERIOD OF THREE
4 YEARS.

5 (2) A LICENSED RACING ENTITY SHALL HAVE THE PRIVILEGE TO
6 CONDUCT A HORSE RACE MEETING AT WHICH PARI-MUTUEL WAGERING IS
7 PERMITTED. A LICENSE TO CONDUCT A HORSE RACE MEETING SHALL
8 NOT BE A PROPERTY RIGHT AND MAY NOT BE USED AS COLLATERAL OR
9 BE ENCUMBERED.

10 (3) THE COMMISSION MAY REVOKE OR SUSPEND THE LICENSE OF
11 A LICENSED RACING ENTITY IF THE COMMISSION FINDS THAT THE
12 LICENSED RACING ENTITY, ITS OWNERS, OFFICERS, MANAGERS OR
13 AGENTS, HAVE NOT COMPLIED WITH THIS ARTICLE AND REGULATIONS
14 PROMULGATED IN ACCORDANCE WITH THIS ARTICLE.

15 (4) A LICENSED RACING ENTITY MAY NOT TRANSFER A LICENSE
16 WITHOUT THE APPROVAL OF THE COMMISSION.

17 (B) CONDITIONS.--EACH HORSE RACING LICENSE SHALL BE ISSUED
18 AND REMAIN IN EFFECT IF THE LICENSED RACING ENTITY COMPLIES WITH
19 EACH CONDITION, RULE AND REGULATION OF THE COMMISSION AND THE
20 PROVISIONS OF THIS ARTICLE, INCLUDING THE FOLLOWING CONDITIONS:

21 (1) A HORSE RACE MEETING AT WHICH PARI-MUTUEL WAGERING
22 IS CONDUCTED SHALL BE REGULATED BY THE COMMISSION.

23 (2) THE CONDUCT OF PARI-MUTUEL WAGERING SHALL ALSO BE
24 REGULATED BY THE DEPARTMENT OF REVENUE.

25 (3) THE LICENSED RACING ENTITY SHALL PRINT IN ITS RACING
26 PROGRAMS THE PROCEDURE FOR FILING A COMPLAINT WITH THE
27 COMMISSION.

28 (C) APPLICATIONS.--APPLICATIONS TO CONDUCT HORSE RACE
29 MEETINGS SHALL BE IN THE FORM PRESCRIBED BY THE COMMISSION AND
30 SHALL CONTAIN INFORMATION AS THE COMMISSION MAY REQUIRE.

1 (D) FEE.--AN APPLICANT OR LICENSEE SEEKING TO CONDUCT A
2 HORSE RACE MEETING OR SEEKING RENEWAL OF A LICENSE, SHALL PAY TO
3 THE COMMISSION A FEE OF \$50,000. NOTWITHSTANDING THE FOREGOING,
4 A LICENSED RACING ENTITY THAT HOLDS MORE THAN ONE HORSE RACE
5 MEETING LICENSE SHALL PAY NO MORE THAN \$50,000 UPON RENEWAL OF
6 THE LICENSES. THE LICENSE OR RENEWAL FEE SHALL BE DEPOSITED INTO
7 THE STATE RACING FUND.

8 (E) ACTION ON LICENSES.--THE FOLLOWING SHALL APPLY:

9 (1) THE COMMISSION SHALL BE PROHIBITED FROM ISSUING A
10 LICENSE TO CONDUCT A HORSE RACE MEETING AT WHICH PARI-MUTUEL
11 WAGERING IS PERMITTED TO AN INDIVIDUAL OR APPLICANT OR AN
12 OWNER, OFFICER, DIRECTOR OR MANAGER OF THE APPLICANT WHO HAS
13 BEEN CONVICTED OF:

14 (I) A FELONY IN ANY JURISDICTION.

15 (II) A MISDEMEANOR GAMBLING OFFENSE IN ANY
16 JURISDICTION, UNLESS 15 YEARS HAS ELAPSED FROM THE DATE
17 OF CONVICTION.

18 (III) FRAUD OR MISREPRESENTATION IN ANY JURISDICTION
19 RELATED TO HORSE RACING OR HORSE BREEDING, UNLESS 15
20 YEARS HAS ELAPSED FROM THE DATE OF CONVICTION.

21 (IV) AN OFFENSE UNDER 18 PA.C.S. § 5511 (RELATING TO
22 CRUELTY TO ANIMALS).

23 (V) AN OFFENSE RELATED TO FIXING OR RIGGING HORSE
24 RACES, INCLUDING 18 PA.C.S. § 4109 (RELATING TO RIGGING
25 PUBLICLY EXHIBITED CONTEST) OR 7102 (RELATING TO
26 ADMINISTERING DRUGS TO RACE HORSES), OR ANY SIMILAR CRIME
27 IN ANOTHER JURISDICTION, UNLESS THE CONVICTION HAS BEEN
28 OVERTURNED ON APPEAL UNDER THE LAWS OF THE JURISDICTION
29 OF THE ORIGINAL FINDING OR A PARDON HAS BEEN ISSUED.

30 (2) FOLLOWING EXPIRATION OF ANY PERIOD APPLICABLE TO AN

1 APPLICANT UNDER PARAGRAPH (1) (II) OR (III), IN DETERMINING
2 WHETHER TO ISSUE A HORSE RACING LICENSE TO AN APPLICANT, THE
3 COMMISSION SHALL CONSIDER THE FOLLOWING FACTORS:

4 (I) THE INDIVIDUAL OR A PRINCIPAL OF THE APPLICANT'S
5 POSITION WITH THE APPLICANT.

6 (II) THE NATURE AND SERIOUSNESS OF THE OFFENSE OR
7 CONDUCT.

8 (III) THE CIRCUMSTANCES UNDER WHICH THE OFFENSE OR
9 CONDUCT OCCURRED.

10 (IV) THE AGE OF THE APPLICANT WHEN THE OFFENSE OR
11 CONDUCT OCCURRED.

12 (V) WHETHER THE OFFENSE OR CONDUCT WAS AN ISOLATED
13 OR A REPEATED INCIDENT.

14 (VI) ANY EVIDENCE OF REHABILITATION, INCLUDING GOOD
15 CONDUCT IN THE COMMUNITY, COUNSELING OR PSYCHIATRIC
16 TREATMENT RECEIVED AND THE RECOMMENDATIONS OF PERSONS WHO
17 HAVE SUBSTANTIAL CONTACT WITH THE APPLICANT.

18 (3) IF, IN THE JUDGMENT OF THE COMMISSION, THE APPLICANT
19 HAS DEMONSTRATED BY CLEAR AND CONVINCING EVIDENCE THAT THE
20 PARTICIPATION OF THE APPLICANT IN HORSE RACING OR RELATED
21 ACTIVITIES IS NOT:

22 (I) INCONSISTENT WITH THE PUBLIC INTEREST OR BEST
23 INTERESTS OF HORSE RACING;

24 (II) INTERFERING WITH THE EFFECTIVE REGULATION OF
25 HORSE RACING; OR

26 (III) CREATING OR ENHANCING THE DANGER OF
27 UNSUITABLE, UNFAIR OR ILLEGAL PRACTICES, METHODS OR
28 ACTIVITIES IN THE CONDUCT OF HORSE RACING.

29 (F) DENIAL, SUSPENSION OR REVOCATION.--THE COMMISSION MAY
30 DENY AN APPLICATION FOR A LICENSE OR REVOKE, SUSPEND OR FAIL TO

1 RENEW THE LICENSE OF ANY APPLICANT OR LICENSED RACING ENTITY, IF
2 THE COMMISSION FINDS BY A PREPONDERANCE OF THE EVIDENCE THAT:

3 (1) THE APPLICANT OR LICENSED RACING ENTITY, OR ANY OF
4 ITS OWNERS, OFFICERS, DIRECTOR, MANAGERS, EMPLOYEES OR
5 AGENTS:

6 (I) HAS NOT COMPLIED WITH THE CONDITIONS, RULES,
7 REGULATIONS AND PROVISIONS OF THIS ARTICLE AND THAT IT
8 WOULD BE IN THE PUBLIC INTEREST, CONVENIENCE OR NECESSITY
9 TO DENY, REVOKE, SUSPEND OR NOT RENEW THE LICENSE.

10 (II) HAS BEEN CONVICTED OF A VIOLATION OR ATTEMPT TO
11 VIOLATE A HORSE RACING LAW, RULE OR REGULATION OF A HORSE
12 RACING JURISDICTION.

13 (III) HAS FURNISHED THE COMMISSION WITH FALSE OR
14 MISLEADING INFORMATION RELATING TO THE APPLICATION OR
15 LICENSE RENEWAL.

16 (IV) HAS BEEN CONVICTED OF A CRIME INVOLVING MORAL
17 TURPITUDE.

18 (V) HAS BEEN CONVICTED OF A MISDEMEANOR GAMBLING
19 OFFENSE IN ANY JURISDICTION.

20 (VI) HAS BEEN CONVICTED IN ANY JURISDICTION OF FRAUD
21 OR MISREPRESENTATION RELATED TO HORSE RACING OR HORSE
22 BREEDING.

23 (2) THE APPLICANT OR LICENSED RACING ENTITY DOES NOT
24 HAVE THE USE OF A RACETRACK OR RACETRACK ENCLOSURE IN
25 ACCORDANCE WITH THE PROVISIONS OF 4 PA.C.S. PT. II (RELATING
26 TO GAMING).

27 (3) THE LICENSED RACING ENTITY HAS COMMINGLED HORSEMEN'S
28 ORGANIZATION FUNDS IN VIOLATION OF SECTION 2845-D(C) OR HAS
29 REFUSED TO PLACE ON DEPOSIT A LETTER OF CREDIT UNDER SECTION
30 2846-D.

1 (4) THE COMMISSION DETERMINES THAT THE LICENSED RACING
2 ENTITY HAS FAILED TO PROPERLY MAINTAIN ITS RACETRACK AND
3 RACETRACK ENCLOSURE IN GOOD CONDITION PURSUANT TO THIS
4 ARTICLE OR TO PROVIDE ADEQUATE CAPITAL IMPROVEMENTS TO THE
5 RACETRACK AND RACETRACK ENCLOSURE AS REQUIRED UNDER THIS
6 ARTICLE AND 4 PA.C.S. § 1404 (RELATING TO DISTRIBUTIONS FROM
7 LICENSEE'S REVENUE RECEIPTS).

8 (5) THE LICENSEE HAS BEEN CONVICTED IN ANY JURISDICTION
9 OF AN OFFENSE RELATED TO FIXING OR RIGGING HORSE RACES,
10 INCLUDING 18 PA.C.S. § 4109 OR 7102, OR ANY SIMILAR CRIME IN
11 ANOTHER JURISDICTION, UNLESS THE CONVICTION HAS BEEN
12 OVERTURNED ON APPEAL UNDER THE LAWS OF THE JURISDICTION OF
13 THE ORIGINAL FINDING OR A PARDON HAS BEEN ISSUED.

14 (G) CESSATION.--IF A REVOCATION OR FAILURE TO RENEW A
15 LICENSE UNDER SUBSECTION (E) OCCURS, THE LICENSEE'S
16 AUTHORIZATION TO CONDUCT PREVIOUSLY APPROVED ACTIVITY SHALL
17 IMMEDIATELY CEASE, SUBJECT TO 2 PA.C.S. (RELATING TO
18 ADMINISTRATIVE LAW AND PROCEDURE). IN THE CASE OF A SUSPENSION,
19 THE LICENSEE'S AUTHORIZATION TO CONDUCT PREVIOUSLY APPROVED
20 ACTIVITY SHALL IMMEDIATELY CEASE UNTIL THE COMMISSION HAS
21 NOTIFIED THE LICENSEE THAT THE SUSPENSION IS NO LONGER IN
22 EFFECT. AFTER REQUEST FOR A HEARING BY A LICENSEE, THE
23 COMMISSION MAY GRANT A SUPERSEDEAS, PENDING THE FINAL
24 DETERMINATION OF THE SUSPENSION.

25 (H) RENEWAL.--A HORSE RACE MEETING LICENSE SHALL BE RENEWED
26 EVERY THREE YEARS UPON APPLICATION AND, EXCEPT AS PROVIDED FOR
27 UNDER SUBSECTION (A) (4), SHALL NOT BE TRANSFERRED. RENEWALS OF
28 HORSE RACE MEETING LICENSES SHALL NOT BE GRANTED AUTOMATICALLY.

29 (I) CONDITIONAL LICENSES.--PENDING A FINAL DETERMINATION
30 UNDER THIS SECTION, THE COMMISSION MAY ISSUE A CONDITIONAL

1 LICENSE UPON THE TERMS AND CONDITIONS AS ARE NECESSARY TO
2 EFFECTUATE THE PROVISIONS OF THIS ARTICLE.

3 (J) COMPLIANCE.--NOTHING IN THIS SECTION SHALL BE CONSTRUED
4 TO RELIEVE A LICENSED RACING ENTITY OF ITS DUTY TO COMPLY WITH
5 THE REQUIREMENTS OF 4 PA.C.S. PT. II.
6 SECTION 2819-D. CODE OF CONDUCT.

7 (A) SCOPE.--THE COMMISSION MAY ADOPT A COMPREHENSIVE CODE OF
8 CONDUCT APPLICABLE TO COMMISSIONERS, EMPLOYEES OF THE
9 COMMISSION, INDEPENDENT CONTRACTORS AND THE IMMEDIATE FAMILY OF
10 THE COMMISSIONERS, EMPLOYEES AND INDEPENDENT CONTRACTORS TO
11 ENABLE THEM TO AVOID ANY PERCEIVED OR ACTUAL CONFLICT OF
12 INTEREST AND TO PROMOTE PUBLIC CONFIDENCE IN THE INTEGRITY AND
13 IMPARTIALITY OF THE COMMISSION.

14 (B) RESTRICTIONS.--IN ADDITION TO THE OTHER PROHIBITIONS
15 CONTAINED IN THIS CHAPTER, A COMMISSIONER SHALL:

16 (1) NOT ACCEPT ANY DISCOUNT, GIFT, GRATUITY,
17 COMPENSATION, TRAVEL, LODGING OR OTHER THING OF VALUE,
18 DIRECTLY OR INDIRECTLY, FROM ANY APPLICANT, LICENSED RACING
19 ENTITY, AFFILIATE, SUBSIDIARY OR INTERMEDIARY OF AN APPLICANT
20 OR OTHER LICENSEE.

21 (2) DISCLOSE A CONFLICT OF INTEREST AND RECUSE HIMSELF
22 FROM ANY HEARING OR OTHER PROCEEDING IN WHICH THE
23 COMMISSIONER'S OBJECTIVITY, IMPARTIALITY, INTEGRITY OR
24 INDEPENDENCE OF JUDGMENT MAY BE REASONABLY QUESTIONED DUE TO
25 THE COMMISSIONER'S RELATIONSHIP OR ASSOCIATION WITH A PARTY
26 CONNECTED TO ANY HEARING OR PROCEEDING OR A PERSON APPEARING
27 BEFORE THE COMMISSION.

28 (3) REFRAIN FROM ANY FINANCIAL OR BUSINESS DEALING WHICH
29 WOULD TEND TO REFLECT ADVERSELY ON THE COMMISSIONER'S
30 OBJECTIVITY, IMPARTIALITY OR INDEPENDENCE OF JUDGMENT.

1 (4) AVOID IMPROPRIETY AND THE APPEARANCE OF IMPROPRIETY
2 AT ALL TIMES AND OBSERVE STANDARDS AND CONDUCT THAT PROMOTE
3 PUBLIC CONFIDENCE IN THE OVERSIGHT OF HORSE RACING.

4 (5) COMPLY WITH ANY OTHER LAWS, RULES OR REGULATIONS
5 RELATING TO THE CONDUCT OF A COMMISSIONER.

6 (D) EX PARTE COMMUNICATIONS.--

7 (1) A COMMISSIONER MAY NOT ENGAGE IN ANY EX PARTE
8 COMMUNICATION WITH ANY PERSON.

9 (2) IF A COMMISSIONER RECEIVED OR ENGAGED IN AN EX PARTE
10 COMMUNICATION, A COMMISSIONER SHALL INFORM THE DIRECTOR OF
11 THE APPROPRIATE BUREAU WHO SHALL NOTIFY ALL PARTIES DIRECTLY
12 AFFECTED BY THE ANTICIPATED VOTE OR ACTION OF THE
13 COMMISSIONER RELATED TO THE EX PARTE COMMUNICATION OF THE
14 SUBSTANCE OF THE COMMUNICATION AND PROVIDE THE PARTIES WITH
15 AN OPPORTUNITY TO RESPOND.

16 (3) A COMMISSIONER WHO ENGAGED IN OR RECEIVED AN EX
17 PARTE COMMUNICATION SHALL DISQUALIFY HIMSELF FROM THE HEARING
18 OR PROCEEDING RELATED TO THE EX PARTE COMMUNICATION IF THE
19 CONTEXT AND SUBSTANCE OF THE COMMUNICATION CREATES
20 SUBSTANTIAL REASONABLE DOUBT AS TO A COMMISSIONER'S ABILITY
21 TO ACT OBJECTIVELY, INDEPENDENTLY OR IMPARTIALLY.

22 (4) A COMMISSIONER WHO ENGAGED IN OR RECEIVED AN EX
23 PARTE COMMUNICATION AND ELECTS NOT TO DISQUALIFY HIMSELF FROM
24 THE HEARING OR PROCEEDING SHALL STATE THE REASONS FOR NOT
25 DISQUALIFYING HIMSELF ON THE RECORD PRIOR TO THE COMMENCEMENT
26 OF THE HEARING OR PROCEEDING.

27 (5) IF A COMMISSIONER DISQUALIFIES HIMSELF UNDER THIS
28 SUBSECTION, A SUPERMAJORITY VOTE UNDER THIS ARTICLE SHALL
29 CONSIST OF THE REMAINING COMMISSIONERS.

30 (6) FAILURE OF A COMMISSIONER WHO RECEIVED OR ENGAGED IN

1 AN EX PARTE COMMUNICATION TO DISQUALIFY HIMSELF UNDER THIS
2 SUBSECTION SHALL BE GROUNDS FOR APPEAL TO A COURT OF
3 COMPETENT JURISDICTION IF THE COMMISSION ACTION BEING
4 APPEALED COULD NOT HAVE OCCURRED WITHOUT THE PARTICIPATION OF
5 THE COMMISSIONER.

6 (7) THIS SUBSECTION SHALL NOT PRECLUDE A COMMISSIONER
7 FROM CONSULTING WITH OTHER COMMISSIONERS INDIVIDUALLY IF THE
8 CONSULTATION COMPLIES WITH 65 PA.C.S. CH. 7 (RELATING TO OPEN
9 MEETINGS) OR WITH COMMISSION EMPLOYEES OR INDEPENDENT
10 CONTRACTORS WHOSE FUNCTIONS ARE TO ASSIST THE COMMISSION IN
11 CARRYING OUT ITS ADJUDICATIVE FUNCTIONS.

12 SECTION 2820-D. FINANCIAL INTERESTS.

13 NO DIRECTOR, OWNER, OFFICER, MANAGER OR EMPLOYEE OF AN
14 APPLICANT OR LICENSED RACING ENTITY OR THEIR IMMEDIATE FAMILY
15 SHALL ACCEPT GIFTS FROM BREEDERS, OWNERS, TRAINERS OR OTHER
16 INDIVIDUALS WHO PARTICIPATE IN THE CONDUCT OF HORSE RACING IN
17 THIS COMMONWEALTH.

18 SECTION 2821-D. OFFICIALS AT HORSE RACE MEETINGS.

19 (A) RACETRACK RACING OFFICIAL.--THE COMMISSION SHALL APPROVE
20 EACH RACETRACK EMPLOYEE WHOSE DUTIES INCLUDE THE ENFORCEMENT OF
21 PARI-MUTUEL RACING ACTIVITIES WHICH DIRECTLY OR INDIRECTLY
22 AFFECT THE RACING PRODUCT. COMPENSATION FOR AN OFFICIAL UNDER
23 THIS SUBSECTION SHALL BE PAID BY THE LICENSED RACING ENTITY.

24 (B) COMMISSION RACING OFFICIAL.--THE COMMISSION SHALL EMPLOY
25 INDIVIDUALS WHO SHALL BE DESIGNATED AS COMMISSION RACING
26 OFFICIALS AND WHOSE DUTIES SHALL INCLUDE THE OVERSIGHT AND
27 ENFORCEMENT OF THIS ARTICLE, REGULATIONS AND COMMISSION POLICIES
28 RELATED TO PRERACE ACTIVITIES, THE CONDUCT OF LIVE RACING AND
29 PARI-MUTUEL WAGERING. THE COMMISSION, BY REGULATION, SHALL
30 ESTABLISH THE DUTIES AND RESPONSIBILITIES FOR A COMMISSION

1 RACING OFFICIAL. THE COST FOR AND COMPENSATION OF A COMMISSION
2 RACING OFFICIAL SHALL BE PAID BY THE COMMISSION.

3 SECTION 2822-D. SECONDARY PARI-MUTUEL ORGANIZATION.

4 (A) REQUIREMENTS.--THE FOLLOWING SHALL APPLY TO A SECONDARY
5 PARI-MUTUEL ORGANIZATION:

6 (1) A SECONDARY PARI-MUTUEL ORGANIZATION OFFERING AND
7 ACCEPTING PARI-MUTUEL WAGERS WITHIN THIS COMMONWEALTH MUST BE
8 PROPERLY LICENSED BY THE COMMISSION. EACH SECONDARY PARI-
9 MUTUEL ORGANIZATION EMPLOYEE DIRECTLY OR INDIRECTLY
10 RESPONSIBLE FOR THE ACCEPTANCE OF WAGERS ON HORSE RACES OR
11 THE TRANSMITTAL OF WAGERING INFORMATION TO AND FROM THE
12 COMMONWEALTH MUST BE PROPERLY LICENSED.

13 (2) A SECONDARY PARI-MUTUEL ORGANIZATION MUST COMPLY
14 WITH EACH RULE AND REGULATION OF THE COMMISSION.

15 (3) AS A CONDITION OF LICENSING AND ANNUAL LICENSE
16 RENEWAL, A LICENSE APPLICATION OF A SECONDARY PARI-MUTUEL
17 ORGANIZATION MUST INCLUDE ALL OF THE FOLLOWING:

18 (I) DISCLOSURE OF EACH OFFICER, DIRECTOR, PARTNER
19 AND SHARE HOLDER WITH A 5% OR GREATER SHARE OF OWNERSHIP
20 OR BENEFICIAL INTEREST.

21 (II) A LIST OF PERSONNEL ASSIGNED TO WORK IN THIS
22 COMMONWEALTH.

23 (III) CERTIFICATION OF COMPLIANCE WITH TOTALISATOR
24 STANDARDS AND LICENSING REQUIREMENTS ADOPTED BY THE
25 COMMISSION.

26 (IV) A TYPE II SAS 70 REPORT, OR OTHER INDEPENDENT
27 REPORT IN A FORM ACCEPTABLE TO THE COMMISSION, COMPLETED
28 WITHIN THE PRECEDING 12 MONTHS, TO ASSURE ADEQUATE
29 FINANCIAL CONTROLS ARE IN PLACE IN THE SECONDARY PARI-
30 MUTUEL ORGANIZATION.

1 (V) AN AGREEMENT TO ALLOW THE COMMISSION TO INSPECT
2 AND MONITOR EACH FACILITY USED BY THE SECONDARY PARI-
3 MUTUEL ORGANIZATION FOR ACCEPTING, RECORDING OR
4 PROCESSING PARI-MUTUEL WAGERS ACCEPTED IN THIS
5 COMMONWEALTH.

6 (VI) CERTIFICATION OF THE USE OF A PARI-MUTUEL
7 SYSTEM WHICH MEETS ALL REQUIREMENTS FOR A PARI-MUTUEL
8 SYSTEM UTILIZED BY A LICENSED RACING ENTITY IN THIS
9 COMMONWEALTH.

10 (4) FITNESS AND EXPERIENCE OF A SECONDARY PARI-MUTUEL
11 ORGANIZATION MUST BE CONSISTENT WITH THE PUBLIC INTEREST,
12 CONVENIENCE AND NECESSITY AND THE BEST INTERESTS OF RACING
13 GENERALLY, INCLUDING, BUT NOT LIMITED TO, ALL OF THE
14 FOLLOWING:

15 (I) MEETING GENERAL INDUSTRY STANDARDS FOR BUSINESS
16 AND FINANCIAL PRACTICES, PROCEDURES AND CONTROLS.

17 (II) POSSESSION OF A WAGERING SYSTEM THAT ENSURES
18 THAT ALL WAGERING INFORMATION IS TRANSMITTED TO AND
19 CALCULATED IN THE APPROPRIATE HOST TRACK POOL.

20 (III) UTILIZATION OF A TOTALISATOR SYSTEM THAT MEETS
21 WAGERING-INDUSTRY STANDARDS AND CERTIFICATION CRITERIA.

22 (IV) MEETING GENERAL INDUSTRY STANDARDS FOR PHYSICAL
23 SECURITY OF COMPUTERIZED WAGERING SYSTEMS, BUSINESS
24 RECORDS, FACILITIES AND PATRONS.

25 (V) HAVING NO INDICATIONS OF IMPROPER MANIPULATION
26 OF A SECONDARY PARI-MUTUEL ORGANIZATION'S WAGERING
27 SYSTEM, INCLUDING SOFTWARE.

28 (VI) HAVING POLICIES AND PROCEDURES THAT ENSURE A
29 SECONDARY PARI-MUTUEL ORGANIZATION'S KEY INDIVIDUALS HAVE
30 APPLIED AND ARE ELIGIBLE FOR ALL REQUIRED OCCUPATIONAL

1 LICENSES.

2 (VII) HAVING AN ANNUAL INDEPENDENT AUDIT WITH NO
3 AUDIT OPINION QUALIFICATIONS THAT REFLECT ADVERSELY ON
4 INTEGRITY.

5 (VIII) HAVING A SYSTEM THAT VERIFIES THE IDENTITY OF
6 EACH PERSON PLACING A WAGER AND REQUIRES THE PERSON
7 PLACING A WAGER TO DISCLOSE EACH BENEFICIAL INTEREST IN A
8 WAGER THE SECONDARY PARI-MUTUEL ORGANIZATION ACCEPTS.

9 (IX) HAVING A REAL-TIME INDEPENDENT MONITORING
10 SYSTEM TO MONITOR WAGERING ACTIVITY TO DETECT SUSPICIOUS
11 PATTERNS INCLUDING ANY THAT MIGHT INDICATE CRIMINAL
12 ACTIVITY OR REGULATORY VIOLATIONS. THE SYSTEM MUST VERIFY
13 EACH TRANSACTION PERFORMED BY THE TOTALISATOR SYSTEM AND
14 PROVIDE EXPEDITIOUS NOTICE OF ANY DISCREPANCIES OR
15 SUSPICIOUS ACTIVITY TO THE HOST TRACK, WAGERING SITE, DUE
16 DILIGENCE INVESTIGATING BODY AND ANY AFFECTED REGULATORY
17 AGENCY.

18 (X) HAVING A SATISFACTORY RECORD OF CUSTOMER
19 RELATIONS, INCLUDING NO EXCESSIVE UNRESOLVED PATRON
20 COMPLAINTS CONCERNING THE SECONDARY PARI-MUTUEL
21 ORGANIZATION'S BUSINESS PRACTICES.

22 (XI) HOLDING REQUIRED PERMITS, LICENSES,
23 CERTIFICATIONS OR SIMILAR DOCUMENTS THAT MAY BE REQUIRED
24 BY A RACING, GAMING OR OTHER PARI-MUTUEL WAGERING
25 JURISDICTION.

26 (XII) HAVING SUFFICIENT MEASURES TO PROTECT CUSTOMER
27 FUNDS.

28 (XIII) PUBLICIZING AND PROVIDING A SUFFICIENT
29 PROGRAM FOR CUSTOMER SELF-EXCLUSION AND WAGERING
30 LIMITATION.

1 (XIV) HAVING EXPERTISE IN PARI-MUTUEL WAGERING AND
2 BEING TECHNOLOGICALLY CAPABLE OF PARTICIPATING IN
3 SIMULCAST AND WAGERING ACTIVITIES.

4 (5) FINANCIAL RESPONSIBILITY OF A SECONDARY PARI-MUTUEL
5 ORGANIZATION MUST BE CONSISTENT WITH THE PUBLIC INTEREST,
6 CONVENIENCE AND NECESSITY AND THE BEST INTERESTS OF RACING
7 GENERALLY, INCLUDING ALL OF THE FOLLOWING:

8 (I) THE SECONDARY PARI-MUTUEL ORGANIZATION AND THE
9 SECONDARY PARI-MUTUEL ORGANIZATION'S KEY INDIVIDUALS MAY
10 NOT BE IN DEFAULT OR HAVE A HISTORY OF DEFAULTING IN THE
11 PAYMENT OF AN FINANCIAL OBLIGATION, INCLUDING THE PAYMENT
12 OF TAXES DUE TO A TAXING JURISDICTION OR ON THE PAYMENT
13 OF GAMING, WAGERING OR PARI-MUTUEL RACING-RELATED
14 FINANCIAL OBLIGATIONS. A SECONDARY PARI-MUTUEL
15 ORGANIZATION'S KEY INDIVIDUALS MAY NOT BE FOUR OR MORE
16 MONTHS IN ARREARS FOR CHILD SUPPORT THAT IS ORDERED OR
17 APPROVED BY A COURT IN ANY JURISDICTION WITHIN THE UNITED
18 STATES.

19 (II) THE SECONDARY PARI-MUTUEL ORGANIZATION AND THE
20 SECONDARY PARI-MUTUEL ORGANIZATION'S OWNERS AND SOURCES
21 OF FUNDS MUST HAVE SUFFICIENT FINANCIAL MEANS TO
22 PARTICIPATE IN SIMULCAST AND WAGERING ACTIVITIES,
23 INCLUDING SUFFICIENT ASSETS AND MEANS TO PAY INDUSTRY-
24 RELATED DEBTS AND OBLIGATIONS AND TO FUND THE OPERATIONS
25 OF THE SECONDARY PARI-MUTUEL ORGANIZATION.

26 (6) THE SECONDARY PARI-MUTUEL ORGANIZATION MUST BE FULLY
27 COOPERATIVE AND ACT IN GOOD FAITH WITH ALL DISCLOSURE AND
28 OTHER DUTIES INVOLVED IN A DUE DILIGENCE INVESTIGATION,
29 VOLUNTARILY SUBMIT TO REGULATORY AND INVESTIGATING BODY
30 OVERSIGHT, PERMIT INSPECTION OF EACH BUSINESS RECORD UPON

1 REQUEST BY A REGULATORY AUTHORITY OR INVESTIGATING BODY,
2 PROMPTLY HONOR REGULATORY OR INVESTIGATING BODY REQUESTS FOR
3 WAGERING PATTERNS OR OTHER INFORMATION AND, AFTER REASONABLE
4 NOTICE, PERMIT FULL ACCESS TO EACH FACILITY AND PROPERTY BY A
5 REGULATORY AUTHORITY OR INVESTIGATING BODY.

6 (B) WAIVER.--

7 (1) A DUE DILIGENCE INVESTIGATION MAY RELY ON AN
8 INVESTIGATION AND OVERSIGHT CONDUCTED BY A COMMISSION-
9 APPROVED ENTITY.

10 (2) THE COMMISSION MAY NOT CONSENT TO THE ACCEPTANCE OF
11 AN INTERSTATE OFF-TRACK WAGER BY A SECONDARY PARI-MUTUEL
12 ORGANIZATION THAT HAS NOT BEEN DETERMINED TO BE SUITABLE
13 UNDER THIS SECTION.

14 SECTION 2823-D. OCCUPATIONAL LICENSES FOR INDIVIDUALS.

15 (A) GENERAL RULE.--THE COMMISSION SHALL DEVELOP A LICENSING,
16 PERMITTING OR OTHER CLASSIFICATION SYSTEM FOR THE REGULATION OF
17 VENDORS, TRAINERS, JOCKEYS, DRIVERS, HORSE OWNERS, BACKSIDE AREA
18 EMPLOYEES AND OTHER INDIVIDUALS PARTICIPATING IN HORSE RACING
19 AND ALL OTHER PERSONS REQUIRED TO BE LICENSED OR PERMITTED AS
20 DETERMINED BY THE COMMISSION. THE LICENSE SHALL NOT BE A
21 PROPERTY RIGHT.

22 (B) FEE.--THE COMMISSION SHALL FIX AND MAY ESTABLISH CLASSES
23 FOR APPLICATION FEES TO BE PAID BY INDIVIDUALS. A LICENSE OR
24 PERMIT FEE SHALL NOT EXCEED \$500. ALL FEES SHALL BE PAID TO THE
25 COMMISSION AND DEPOSITED INTO THE STATE RACING FUND.

26 (C) APPLICATION.--THE APPLICATION FOR A LICENSE OR PERMIT
27 SHALL BE IN THE FORM AND CONTAIN THE INFORMATION AS THE
28 COMMISSION MAY REQUIRE.

29 (D) RENEWAL.--ALL LICENSES SHALL BE SUBJECT TO RENEWAL EVERY
30 THREE YEARS UPON APPLICATION AND REVIEW. NOTHING IN THIS ARTICLE

1 SHALL BE CONSTRUED TO RELIEVE A LICENSEE OF THE AFFIRMATIVE DUTY
2 TO NOTIFY THE COMMISSION OF ANY CHANGES RELATING TO THE STATUS
3 OF ITS LICENSE OR TO ANY OTHER INFORMATION CONTAINED IN THE
4 APPLICATION MATERIALS ON FILE WITH THE COMMISSION. THE
5 APPLICATION FOR RENEWAL SHALL BE SUBMITTED AT LEAST 60 DAYS
6 PRIOR TO EXPIRATION OF THE LICENSE AND SHALL INCLUDE AN UPDATE
7 OF THE INFORMATION CONTAINED IN THE INITIAL APPLICATION AND ANY
8 PRIOR RENEWAL APPLICATIONS AND THE PAYMENT OF ANY RENEWAL FEE
9 REQUIRED BY THE COMMISSION. A LICENSE FOR WHICH A COMPLETED
10 RENEWAL APPLICATION AND FEE, IF REQUIRED, HAS BEEN RECEIVED BY
11 THE COMMISSION SHALL CONTINUE IN EFFECT UNLESS AND UNTIL THE
12 COMMISSION SENDS WRITTEN NOTIFICATION TO THE HOLDER OF THE
13 LICENSE THAT THE COMMISSION HAS DENIED THE RENEWAL OF THE
14 LICENSE.

15 (E) LICENSES.--THE COMMISSION MAY ISSUE ANY OF THE
16 FOLLOWING:

17 (1) A TEMPORARY LICENSE FOR FOUR MONTHS WITHIN A 12-
18 MONTH PERIOD PENDING A FINAL DETERMINATION.

19 (2) A CONDITIONAL LICENSE UPON THE TERMS AND CONDITIONS
20 AS NECESSARY TO ADMINISTER THIS ARTICLE.

21 (F) PROCESSING AND ISSUANCE.--THE COMMISSION SHALL ADOPT
22 REGULATIONS TO FIX THE MANNER BY WHICH LICENSES ARE PROCESSED
23 AND ISSUED.

24 (G) ACTION ON APPLICATIONS.--THE FOLLOWING SHALL APPLY:

25 (1) THE COMMISSION MAY NOT ISSUE A LICENSE UNDER THIS
26 SECTION TO AN INDIVIDUAL WHO HAS BEEN CONVICTED IN A
27 JURISDICTION OF A FELONY OFFENSE, A MISDEMEANOR GAMBLING
28 OFFENSE OR A FRAUD OR MISREPRESENTATION IN CONNECTION WITH
29 HORSE RACING OR BREEDING, UNLESS 15 YEARS HAS PASSED FROM THE
30 DATE OF CONVICTION OF THE OFFENSE.

1 (2) FOLLOWING EXPIRATION OF A PERIOD APPLICABLE TO AN
2 APPLICANT UNDER PARAGRAPH (1), IN DETERMINING WHETHER TO
3 ISSUE A LICENSE OR PERMIT TO AN APPLICANT, THE COMMISSION
4 SHALL CONSIDER THE FOLLOWING FACTORS:

5 (I) THE NATURE OF THE APPLICANT'S INVOLVEMENT WITH
6 HORSE RACING.

7 (II) THE NATURE AND SERIOUSNESS OF THE OFFENSE OR
8 CONDUCT.

9 (III) THE CIRCUMSTANCES UNDER WHICH THE OFFENSE OR
10 CONDUCT OCCURRED.

11 (IV) THE AGE OF THE APPLICANT WHEN THE OFFENSE OR
12 CONDUCT OCCURRED.

13 (V) WHETHER THE OFFENSE OR CONDUCT WAS AN ISOLATED
14 OR A REPEATED INCIDENT.

15 (VI) ANY EVIDENCE OF REHABILITATION, INCLUDING GOOD
16 CONDUCT IN THE COMMUNITY, COUNSELING OR PSYCHIATRIC
17 TREATMENT RECEIVED AND THE RECOMMENDATIONS OF PERSONS WHO
18 HAVE SUBSTANTIAL CONTACT WITH THE APPLICANT.

19 (G.1) DENIAL.--THE COMMISSION MAY DENY AN APPLICATION FOR A
20 LICENSE OR PERMIT OR SUSPEND, REVOKE OR REFUSE TO RENEW A
21 LICENSE OR PERMIT ISSUED UNDER THIS SECTION IF IT DETERMINES
22 THAT THE APPLICANT, LICENSEE OR PERMITTEE MEETS ANY OF THE
23 FOLLOWING:

24 (1) (RESERVED).

25 (2) HAS BEEN CONVICTED OF ANY VIOLATION OR ATTEMPTS TO
26 VIOLATE ANY LAW, RULE OR REGULATION OF HORSE RACING IN ANY
27 JURISDICTION.

28 (3) HAS BEEN CONVICTED OF AN OFFENSE UNDER 18 PA.C.S. §
29 5511 (RELATING TO CRUELTY TO ANIMALS).

30 (4) HAS VIOLATED A RULE, REGULATION OR ORDER OF THE

1 COMMISSION.

2 (5) HAS BEEN CONVICTED IN ANY JURISDICTION OF AN OFFENSE
3 RELATED TO FIXING OR RIGGING HORSE RACES, INCLUDING 18
4 PA.C.S. § 4109 (RELATING TO RIGGING PUBLICLY EXHIBITED
5 CONTEST) OR 7102 (RELATING TO ADMINISTERING DRUGS TO RACE
6 HORSES), OR ANY SIMILAR CRIME IN ANY OTHER JURISDICTION,
7 UNLESS THE CONVICTION HAS BEEN OVERTURNED ON APPEAL UNDER THE
8 LAWS OF THE JURISDICTION OF THE ORIGINAL FINDING OR A PARDON
9 HAS BEEN ISSUED.

10 (6) HAS NOT DEMONSTRATED BY CLEAR AND CONVINCING
11 EVIDENCE THAT THE APPLICANT OR LICENSEE:

12 (I) IS A PERSON OF GOOD CHARACTER, HONESTY AND
13 INTEGRITY.

14 (II) IS A PERSON WHOSE PRIOR ACTIVITIES, CRIMINAL
15 RECORD, IF ANY, REPUTATION, HABITS AND ASSOCIATIONS:

16 (A) DO NOT POSE A THREAT TO THE PUBLIC INTEREST
17 OR THE EFFECTIVE REGULATION AND CONTROL OF HORSE
18 RACING.

19 (B) DO NOT CREATE OR ENHANCE THE DANGER OF
20 UNSUITABLE, UNFAIR OR ILLEGAL PRACTICES, METHODS AND
21 ACTIVITIES IN THE CONDUCT OF HORSE RACING OR THE
22 CARRYING ON OF THE BUSINESS AND FINANCIAL
23 ARRANGEMENTS INCIDENTAL TO THE CONDUCT OF HORSE
24 RACING.

25 (H) INSPECTION.--THE COMMISSION SHALL HAVE THE RIGHT TO
26 INSPECT ALL CONTRACTS DIRECTLY AFFECTING THE ADMINISTRATION OF
27 THE RACING PRODUCT AND WAGERING ACTIVITIES BETWEEN A SECONDARY
28 PARI-MUTUEL ORGANIZATION, LICENSED RACING ENTITIES AND VENDORS
29 FOR GOODS AND SERVICES. THE COMMISSION SHALL ADOPT REGULATIONS
30 TO REQUIRE VENDORS TO DISCLOSE ALL PRINCIPAL OWNERS AND OFFICERS

1 AND A DESCRIPTION OF THEIR INTERESTS IN THE VENDORS' BUSINESSES.
2 FAILURE TO DISCLOSE THIS INFORMATION SHALL CONSTITUTE GROUNDS TO
3 DENY, TO REVOKE OR TO SUSPEND ANY VENDOR'S LICENSE ISSUED UNDER
4 THIS ARTICLE.

5 (I) REVOCATION OR FAILURE TO RENEW.--IN THE EVENT OF A
6 REVOCATION OR FAILURE TO RENEW, THE LICENSEE'S AUTHORIZATION TO
7 CONDUCT PREVIOUSLY APPROVED ACTIVITY SHALL IMMEDIATELY CEASE AND
8 ALL FEES PAID IN CONNECTION THEREWITH SHALL BE DEEMED TO BE
9 FORFEITED. IN THE EVENT OF A SUSPENSION, THE APPLICANT'S
10 AUTHORIZATION TO CONDUCT THE PREVIOUSLY APPROVED ACTIVITY SHALL
11 IMMEDIATELY CEASE UNTIL THE COMMISSION HAS NOTIFIED THE
12 APPLICANT THAT THE SUSPENSION IS NO LONGER IN EFFECT.

13 (J) HEARINGS.--THE COMMISSION MAY SUSPEND A LICENSE UNDER
14 SUBSECTION (I) PENDING A HEARING ON THE MATTER, WHICH MUST OCCUR
15 WITHIN 10 DAYS OF THE SUSPENSION. THE COMMISSION OR ITS DIRECTOR
16 MAY GRANT A SUPERSEDEAS, IF REQUESTED, PENDING A FINAL
17 RESOLUTION OF THE MATTER.

18 (K) (RESERVED).

19 (L) CRIMINAL ACTION.--

20 (1) EACH DISTRICT ATTORNEY SHALL HAVE AUTHORITY TO
21 INVESTIGATE AND TO INSTITUTE CRIMINAL PROCEEDINGS FOR A
22 VIOLATION OF THIS ARTICLE.

23 (2) IN ADDITION TO THE AUTHORITY CONFERRED UPON THE
24 ATTORNEY GENERAL UNDER THE ACT OF OCTOBER 15, 1980 (P.L.950,
25 NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT, THE
26 ATTORNEY GENERAL SHALL HAVE THE AUTHORITY TO INVESTIGATE AND,
27 FOLLOWING CONSULTATION WITH THE APPROPRIATE DISTRICT
28 ATTORNEY, TO INSTITUTE CRIMINAL PROCEEDINGS FOR A VIOLATION
29 OF THIS ARTICLE. A PERSON CHARGED WITH A VIOLATION OF THIS
30 ARTICLE BY THE ATTORNEY GENERAL SHALL NOT HAVE STANDING TO

1 CHALLENGE THE AUTHORITY OF THE ATTORNEY GENERAL TO
2 INVESTIGATE OR PROSECUTE THE CASE, AND, IF ANY SUCH CHALLENGE
3 IS MADE, THE CHALLENGE SHALL BE DISMISSED AND NO RELIEF SHALL
4 BE AVAILABLE IN THE COURTS OF THIS COMMONWEALTH TO THE PERSON
5 MAKING THE CHALLENGE.

6 (M) REGULATORY ACTION.--NOTHING CONTAINED IN SUBSECTION (L)
7 SHALL BE CONSTRUED TO LIMIT THE EXISTING REGULATORY OR
8 INVESTIGATIVE AUTHORITY OF AN AGENCY OR THE COMMONWEALTH WHOSE
9 FUNCTIONS RELATE TO PERSONS OR MATTERS WITHIN THE SCOPE OF THIS
10 PART.

11 (N) INSPECTION, SEIZURE AND WARRANTS ON RACETRACK
12 ENCLOSURES.--

13 (1) THE COMMISSION, THE ATTORNEY GENERAL AND THE
14 PENNSYLVANIA STATE POLICE SHALL HAVE THE AUTHORITY WITHOUT
15 NOTICE AND WITHOUT WARRANT TO DO ALL OF THE FOLLOWING IN THE
16 PERFORMANCE OF THEIR DUTIES:

17 (I) INSPECT AND EXAMINE ALL PREMISES WHERE HORSE
18 RACING IS CONDUCTED, OR WHERE RECORDS OF THESE ACTIVITIES
19 ARE PREPARED OR MAINTAINED.

20 (II) INSPECT ALL EQUIPMENT AND SUPPLIES IN, ABOUT,
21 UPON OR AROUND PREMISES REFERRED TO IN SUBPARAGRAPH (I).

22 (III) SEIZE, SUMMARILY REMOVE AND IMPOUND EQUIPMENT
23 AND SUPPLIES FROM PREMISES REFERRED TO IN SUBPARAGRAPH
24 (I) FOR THE PURPOSES OF EXAMINATION AND INSPECTION.

25 (IV) INSPECT, EXAMINE AND AUDIT ALL BOOKS, RECORDS
26 AND DOCUMENTS PERTAINING TO A LICENSEE'S OPERATION.

27 (V) SEIZE, IMPOUND OR ASSUME PHYSICAL CONTROL OF ANY
28 BOOK, RECORD, LEDGER OR DEVICE.

29 (2) THE PROVISIONS OF PARAGRAPH (1) SHALL NOT BE DEEMED
30 TO LIMIT WARRANTLESS INSPECTIONS EXCEPT IN ACCORDANCE WITH

1 CONSTITUTIONAL REQUIREMENTS.

2 SECTION 2824-D. (RESERVED).

3 SECTION 2825-D. POWER OF COMMISSION TO IMPOSE FINES.

4 (A) GENERAL RULE.--THE COMMISSION MAY IMPOSE ADMINISTRATIVE
5 FINES UPON ANY LICENSED OR UNLICENSED RACING ENTITY, ASSOCIATION
6 OR PERSON PARTICIPATING IN HORSE RACING AT WHICH PARI-MUTUEL
7 WAGERING IS CONDUCTED, OTHER THAN AS A PATRON, FOR A VIOLATION
8 OF ANY PROVISION OF THIS ARTICLE OR RULE OR REGULATION OF THE
9 COMMISSION, NOT EXCEEDING \$10,000 FOR EACH VIOLATION. EACH DAY
10 MAY BE CONSIDERED A SEPARATE VIOLATION. FINES SHALL BE DEPOSITED
11 IN THE STATE RACING FUND AND MAY BE APPROPRIATED FOR THE
12 ENFORCEMENT OF THIS ARTICLE.

13 (B) INTERESTS.--

14 (1) NO OWNER, OFFICER OR EMPLOYEE OF A LICENSED RACING
15 ENTITY OR THEIR IMMEDIATE FAMILY SHALL HAVE ANY DIRECT OR
16 INDIRECT INTEREST IN A RACE HORSE THAT IS PARTICIPATING IN A
17 HORSE RACE MEETING AT WHICH THE PERSON OR RELATIVE LISTED
18 UNDER THIS PARAGRAPH HOLDS ANY INTEREST IN THE LICENSED
19 RACING ENTITY CONDUCTING THE HORSE RACE MEETING OR IN THE
20 RACETRACK FACILITY.

21 (2) THE COMMISSION MAY IMPOSE A FINE UPON ANY PERSON FOR
22 A VIOLATION OF THIS SUBSECTION IN ACCORDANCE WITH SUBSECTION

23 (A).

24 SECTION 2826-D. ADMISSION TO RACETRACK.

25 (A) POWER OF LICENSED RACING ENTITY.--EXCEPT AS PROVIDED IN
26 SUBSECTION (B), A LICENSED RACING ENTITY MAY REFUSE ADMISSION TO
27 AND EJECT FROM THE RACETRACK ENCLOSURE OPERATED BY THE LICENSED
28 RACING ENTITY, ANY PERSON LICENSED BY THE COMMISSION UNDER THIS
29 ARTICLE AND EMPLOYED AT AN OCCUPATION AT THE RACETRACK IF THE
30 PERSON'S PRESENCE IS DEEMED DETRIMENTAL TO THE BEST INTERESTS OF

1 HORSE RACING AND AFTER CITING THE REASONS FOR THE DETERMINATION
2 IN WRITING. THE ACTION OF THE LICENSED RACING ENTITY REFUSING
3 THE PERSON ADMISSION TO OR EJECTING THE PERSON FROM A RACE
4 MEETING GROUND OR RACETRACK ENCLOSURE SHALL HAVE IMMEDIATE
5 EFFECT UNLESS A SUPERSEDEAS HAS BEEN GRANTED BY THE BUREAU
6 DIRECTOR. THE PERSON REFUSED ADMISSION OR EJECTED SHALL RECEIVE
7 A HEARING BEFORE THE COMMISSION, IF REQUESTED, PURSUANT TO RULES
8 AND REGULATIONS ADOPTED FOR THAT PURPOSE BY THE COMMISSION AND A
9 DECISION RENDERED FOLLOWING THAT HEARING.

10 (B) ADMISSION.--A LICENSED RACING ENTITY MAY NOT REFUSE
11 ADMISSION TO OR EJECT A LAW ENFORCEMENT OFFICIAL, COMMISSION
12 MEMBER OR EMPLOYEE OR EMPLOYEE OF THE DEPARTMENT OF REVENUE
13 WHILE THE OFFICIAL IS ENGAGED IN THE PERFORMANCE OF THE
14 INDIVIDUAL'S OFFICIAL DUTIES.
15 SECTION 2827-D. SECURITY PERSONNEL.

16 (A) GENERAL RULE.--THE COMMISSION SHALL REQUIRE LICENSED
17 RACING ENTITIES TO EMPLOY PERSONS AS SECURITY AS DETERMINED BY
18 THE COMMISSION. DESIGNATED SECURITY PERSONNEL:

19 (1) SHALL REFER POSSIBLE VIOLATIONS OF THE CRIMINAL LAWS
20 OF THIS COMMONWEALTH WITHIN THE RACETRACK OR ENCLOSURE TO LAW
21 ENFORCEMENT AGENCIES.

22 (2) MAY NOT EJECT OR EXCLUDE FROM THE RACETRACK OR
23 ENCLOSURE ANY PERSON BECAUSE OF THE RACE, CREED, COLOR, SEX,
24 SEXUAL ORIENTATION, NATIONAL ORIGIN OR RELIGION OF THAT
25 PERSON.

26 (B) PENALTY.--AN INDIVIDUAL FOUND WITHIN A RACETRACK OR
27 ENCLOSURE AFTER HAVING BEEN EJECTED THEREFROM SHALL, UPON
28 CONVICTION, BE GUILTY OF A SUMMARY OFFENSE AND BE SENTENCED TO
29 PAY A FINE OF NOT MORE THAN \$500.

30 SECTION 2828-D. (RESERVED).

1 SECTION 2829-D. INTERSTATE SIMULCASTING.

2 (A) HOST LICENSEES.--THE COMMISSION MAY APPROVE THE
3 APPLICATION OF A LICENSED RACING ENTITY OR SECONDARY PARI-MUTUEL
4 ORGANIZATION TO ELECTRONICALLY SIMULCAST HORSE RACES TO AND FROM
5 THIS COMMONWEALTH. UPON REQUEST BY A LICENSED RACING ENTITY OR
6 SECONDARY PARI-MUTUEL ORGANIZATION, THE COMMISSION MAY DESIGNATE
7 THE ENTITY AS A HOST LICENSEE, AUTHORIZED TO MAINTAIN COMMON
8 PARI-MUTUEL POOLS ON INTERNATIONAL AND INTERSTATE RACES
9 TRANSMITTED TO AND FROM THE RACETRACK ENCLOSURES WITHIN THIS
10 COMMONWEALTH. ALL SIMULCASTS OF HORSE RACES SHALL COMPLY WITH
11 THE PROVISIONS OF THE INTERSTATE HORSERACING ACT OF 1978 (PUBLIC
12 LAW 95-515, 15 U.S.C. § 3001 ET SEQ.) AND THE LAWS OF EACH STATE
13 INVOLVED, PLACED OR TRANSMITTED BY AN INDIVIDUAL IN ONE STATE
14 VIA TELEPHONE, INTERNET OR OTHER ELECTRONIC MEDIA AND ACCEPTED
15 AND MAINTAINED IN COMMON PARI-MUTUEL POOLS. THE DESIGNATION AS A
16 HOST LICENSEE FOR INTERNATIONAL AND INTERSTATE SIMULCAST RACES
17 SHALL BE LIMITED TO LICENSED RACING ENTITIES WHICH COMPLY WITH 4
18 PA.C.S. § 1303(D) (RELATING TO ADDITIONAL CATEGORY 1 SLOT
19 MACHINE LICENSE REQUIREMENTS).

20 (B) SIMULCASTS.--THE FOLLOWING APPLY:

21 (1) CROSS SIMULCASTING OF THE RACES DESCRIBED IN
22 SUBSECTION (A) SHALL BE PERMITTED IF ALL AMOUNTS WAGERED ON
23 THE RACES IN THIS COMMONWEALTH ARE INCLUDED IN COMMON PARI-
24 MUTUEL POOLS. A HOST LICENSEE SEEKING PERMISSION TO CROSS
25 SIMULCAST MUST OBTAIN APPROVAL FROM THE COMMISSION.

26 (2) ALL FORMS OF PARI-MUTUEL WAGERING SHALL BE ALLOWED
27 ON HORSE RACES SIMULCASTED. THE COMMISSION MAY PERMIT PARI-
28 MUTUEL POOLS IN THIS COMMONWEALTH TO BE COMBINED WITH PARI-
29 MUTUEL POOLS CREATED UNDER THE LAWS OF ANOTHER JURISDICTION
30 AND MAY PERMIT PARI-MUTUEL POOLS CREATED UNDER THE LAWS OF

1 ANOTHER JURISDICTION TO BE COMBINED WITH PARI-MUTUEL POOLS IN
2 THIS COMMONWEALTH. THE COMMISSION SHALL PROMULGATE
3 REGULATIONS NECESSARY TO REGULATE WAGERING ON TELEVISED
4 SIMULCASTS.

5 (C) TAXATION.--MONEY WAGERED BY PATRONS IN THIS COMMONWEALTH
6 ON HORSE RACES SHALL BE COMPUTED BY THE AMOUNT OF MONEY WAGERED
7 EACH RACING DAY FOR PURPOSES OF TAXATION UNDER SECTION 2834-D.
8 THOROUGHBRED RACES SHALL BE CONSIDERED A PART OF A THOROUGHBRED
9 HORSE RACE MEETING AND STANDARD BRED HORSE RACES SHALL BE
10 CONSIDERED A PART OF A STANDARD BRED HORSE RACE MEETING.
11 SECTION 2830-D. PLACE AND MANNER OF CONDUCTING PARI-MUTUEL
12 WAGERING AT RACETRACK ENCLOSURE.

13 (A) WAGERING LOCATION.--A LICENSED RACING ENTITY SHALL
14 PROVIDE A LOCATION DURING A HORSE RACE MEETING WITHIN THE
15 RACETRACK ENCLOSURE WHERE THE LICENSED RACING ENTITY SHALL
16 OPERATE THE PARI-MUTUEL SYSTEM OF WAGERING BY ITS PATRONS ON THE
17 RESULTS OF HORSE RACES HELD AT THE RACETRACK OR TELEVISED TO THE
18 RACETRACK ENCLOSURE BY SIMULCASTING UNDER SECTION 2829-D. THE
19 LICENSED RACING ENTITY SHALL ERECT A SIGN OR BOARD COMPATIBLE
20 WITH THE TOTALISATOR SYSTEMS WHICH SHALL DISPLAY ALL OF THE
21 FOLLOWING:

22 (1) THE APPROXIMATE STRAIGHT ODDS ON EACH HORSE IN ANY
23 RACE.

24 (2) THE VALUE OF A WINNING MUTUEL TICKET, STRAIGHT,
25 PLACE OR SHOW ON THE FIRST THREE HORSES IN THE RACE.

26 (3) THE ELAPSED TIME OF THE RACE.

27 (4) THE VALUE OF A WINNING DAILY DOUBLE TICKET, IF A
28 DAILY DOUBLE IS CONDUCTED, AND ANY OTHER INFORMATION THAT THE
29 COMMISSION DEEMS NECESSARY TO INFORM THE GENERAL PUBLIC.

30 (B) EQUIPMENT.--THE COMMISSION MAY TEST AND EXAMINE THE

1 EQUIPMENT TO BE USED FOR THE DISPLAY OF THE INFORMATION UNDER
2 SUBSECTION (A).

3 (C) ELECTRONIC WAGERING SYSTEM.--IN ADDITION TO OTHER FORMS
4 OF LIVE WAGERING, INCLUDING CASH AT A WINDOW TELLER, A LICENSED
5 RACING ENTITY MAY OPERATE AN ELECTRONIC WAGERING SYSTEM ON HORSE
6 RACING IN ACCORDANCE WITH ALL OF THE FOLLOWING:

7 (1) MESSAGES TO PLACE WAGERS SHALL BE TO A PLACE WITHIN
8 THE RACETRACK ENCLOSURE.

9 (2) MONEY USED TO PLACE WAGERS UNDER THIS SUBSECTION
10 SHALL BE ON DEPOSIT IN AN AMOUNT SUFFICIENT TO COVER THE
11 WAGER AT THE RACETRACK WHERE THE ACCOUNT IS OPENED.

12 (C.1) REGULATIONS.--THE COMMISSION MAY PROMULGATE
13 REGULATIONS NECESSARY TO REGULATE ELECTRONIC WAGERING FOR HORSE
14 RACING.

15 (D) TAXATION.--MONEY WAGERED AS A RESULT OF ELECTRONIC
16 WAGERING SHALL BE INCLUDED IN THE AMOUNT WAGERED EACH RACING DAY
17 FOR PURPOSES OF TAXATION UNDER SECTION 2834-D AND SHALL BE
18 INCLUDED IN THE SAME PARI-MUTUEL POOLS FOR EACH POSTED RACE.
19 ELECTRONIC WAGERING SYSTEMS SHALL BE OPERATED BY THE LICENSED
20 RACING ENTITY, SECONDARY PARI-MUTUEL ORGANIZATION OR BY A DULY
21 LICENSED VENDOR.

22 (E) CONDITIONS.--A LICENSED RACING ENTITY SHALL ONLY ACCEPT
23 AND TABULATE A WAGER BY A DIRECT REQUEST VIA ELECTRONIC MEDIA
24 FROM THE HOLDER OF AN ELECTRONIC WAGERING ACCOUNT. ONLY THE
25 HOLDER OF THE ELECTRONIC WAGERING ACCOUNT SHALL PLACE A WAGER.

26 (F) PRIMARY MARKET AREA.--

27 (1) A LICENSED RACING ENTITY OR SECONDARY PARI-MUTUEL
28 ORGANIZATION MAY NOT ACCEPT A WAGER OR ESTABLISH ELECTRONIC
29 WAGERING OR ADVANCED DEPOSIT ACCOUNT WAGERING FOR ANY PERSON
30 LOCATED IN THE PRIMARY MARKET AREA OF A RACETRACK, OTHER THAN

1 THE RACETRACK AT WHICH THE LICENSED RACING ENTITY IS
2 CONDUCTING A RACE MEETING.

3 (2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
4 PROHIBIT A LICENSED RACING ENTITY FROM ACCEPTING A WAGER FROM
5 OR ESTABLISHING AN ELECTRONIC WAGERING ACCOUNT FOR ANY PERSON
6 LOCATED IN THE PRIMARY MARKET AREA OF THE RACETRACK WHERE THE
7 LICENSED RACING ENTITY IS CONDUCTING A MEET. IF TWO TRACKS
8 SHARE THE PRIMARY MARKET AREA, BOTH RACETRACKS SHALL HAVE
9 EQUAL RIGHTS TO THE MARKET IN THE SHARED AREA.

10 SECTION 2831-D. PARI-MUTUEL WAGERING AT NONPRIMARY LOCATIONS.

11 (A) NONPRIMARY LOCATIONS.--THE FOLLOWING SHALL APPLY:

12 (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE,
13 THE COMMISSION MAY APPROVE A LICENSED RACING ENTITY TO
14 CONTINUE TO OPERATE A NONPRIMARY LOCATION WHERE IT HAS
15 CONDUCTED PARI-MUTUEL WAGERING ON HORSE RACES CONDUCTED BY
16 THE LICENSED RACING ENTITY. THE LICENSED RACING ENTITY MAY
17 CONTINUE TO CONDUCT PARI-MUTUEL WAGERING AT THE LOCATION ON
18 HORSE RACES CONDUCTED BY ANOTHER LICENSED RACING ENTITY,
19 WHICH HORSE RACES MAY BE TELEVISED TO THE LOCATION OR ON
20 HORSE RACES SIMULCAST TO THE LOCATION UNDER SECTION 2826-D,
21 PROVIDED THAT:

22 (I) A LICENSED RACING ENTITY HAS NOT ESTABLISHED A
23 NONPRIMARY LOCATION WITHIN THE PRIMARY MARKET AREA OF ANY
24 RACETRACK OTHER THAN A RACETRACK WHERE THE LICENSED
25 RACING ENTITY CONDUCTS HORSE RACE MEETINGS. ESTABLISHMENT
26 OF A NONPRIMARY LOCATION BY A LICENSED RACING ENTITY
27 WITHIN THE PRIMARY MARKET AREA OF A RACETRACK WHERE THE
28 LICENSED RACING ENTITY CONDUCTS HORSE RACE MEETINGS SHALL
29 REQUIRE APPROVAL OF THE COMMISSION.

30 (II) A LICENSED RACING ENTITY HAS NOT ESTABLISHED A

1 NONPRIMARY LOCATION WITHIN THE SECONDARY MARKET AREA OF A
2 RACETRACK IF THE NONPRIMARY LOCATION IS APPROVED BY THE
3 COMMISSION.

4 (III) A LICENSED RACING ENTITY HAS NOT ESTABLISHED A
5 NONPRIMARY LOCATION IN AN AREA OUTSIDE THE PRIMARY AND
6 SECONDARY MARKET AREAS OF ANY RACETRACK IF THE LOCATION
7 IS APPROVED BY THE COMMISSION.

8 (2) EXCEPT AS PROVIDED UNDER PARAGRAPH (1), NO
9 ADDITIONAL LICENSES SHALL BE PERMITTED.

10 (3) THE COMMISSION SHALL ANNUALLY CONDUCT INSPECTIONS OF
11 THE PRIMARY FACILITY.

12 (4) THE REGULATORY AUTHORITY OF THE COMMISSION SHALL
13 APPLY TO NONPRIMARY LOCATIONS AND ANY EMPLOYEES OR VENDORS OF
14 THE LICENSED RACING ENTITY ESTABLISHING THE NONPRIMARY
15 LOCATION.

16 (B) TAXATION AND RECORDS.--MONEY WAGERED AT ALL PRIMARY AND
17 NONPRIMARY LOCATIONS UNDER THIS ARTICLE SHALL BE INCLUDED IN
18 COMMON PARI-MUTUEL POOLS. MONEY WAGERED BY PATRONS ON THE RACES
19 SHALL BE COMPUTED BY THE AMOUNT OF MONEY WAGERED EACH RACING DAY
20 FOR PURPOSES OF TAXATION UNDER SECTION 2834-D. THE LICENSED
21 RACING ENTITY CONDUCTING THE HORSE RACE MEETING AND MAINTAINING
22 THE PARI-MUTUEL POOLS SHALL MAINTAIN ACCURATE RECORDS OF THE
23 AMOUNT WAGERED IN EACH POOL FROM EVERY PRIMARY AND NONPRIMARY
24 LOCATION.

25 (C) RETENTION.--MONEY RETAINED UNDER SECTION 2834-D SHALL BE
26 CALCULATED FOR EACH LOCATION WHERE PARI-MUTUEL WAGERING IS BEING
27 CONDUCTED. IF WAGERING HAS TAKEN PLACE AT A NONPRIMARY LOCATION
28 WHERE THE WAGERING IS CONDUCTED BY A LICENSED RACING ENTITY
29 OTHER THAN THE LICENSED RACING ENTITY CONDUCTING THE HORSE RACE
30 MEETING, THE LICENSED RACING ENTITY CONDUCTING THE HORSE RACE

1 MEETING SHALL RETAIN ANY MONEY TO WHICH IT IS ENTITLED BY
2 AGREEMENT. THE LICENSED RACING ENTITY CONDUCTING THE MEETING
3 SHALL PAY OVER THE BALANCE OF THE RETAINED MONEY TO THE LICENSED
4 RACING ENTITY CONDUCTING THE WAGERING AT THE NONPRIMARY
5 LOCATION.

6 (D) PAYMENT OF PURSES.--A LICENSED RACING ENTITY CONDUCTING
7 A HORSE RACE MEETING WHERE PARI-MUTUEL WAGERING IS CONDUCTED AT
8 ONE OR MORE NONPRIMARY LOCATIONS SHALL DISTRIBUTE MONEY TO THE
9 HORSEMEN'S ORGANIZATION, OR IN ACCORDANCE WITH THE PRACTICE OF
10 THE PARTIES, TO BE USED FOR PAYMENT OF PURSES AT THAT RACETRACK,
11 AS FOLLOWS:

12 (1) EXCEPT AS PROVIDED FOR IN PARAGRAPHS (2), (3), (4)
13 AND (5), AN AMOUNT EQUAL TO BUT NOT LESS THAN 6% OF THE DAILY
14 GROSS WAGERING HANDLE ON THE RACES AT A NONPRIMARY LOCATION.

15 (2) WHEN THE GROSS WAGERING HANDLE ON THE RACES AT A
16 NONPRIMARY LOCATION ON A GIVEN DAY IS LESS THAN \$30,000, THE
17 PERCENTAGE MAY NOT BE LESS THAN 3%.

18 (3) WHEN THE GROSS WAGERING HANDLE ON THE RACES AT A
19 NONPRIMARY LOCATION ON A GIVEN DAY IS BETWEEN \$30,000 AND
20 \$75,000, THE PERCENTAGE MAY NOT BE LESS THAN 4.75%.

21 (4) WHENEVER A NONPRIMARY LOCATION IS WITHIN THE PRIMARY
22 MARKET AREA OF A LICENSED RACING ENTITY OTHER THAN THE
23 LICENSED RACING ENTITY CONDUCTING THE RACES, THE APPLICABLE
24 PERCENTAGE SHALL BE DISTRIBUTED ONE-HALF TO THE HORSEMEN'S
25 ORGANIZATION AT THE RACETRACK OR IN ACCORDANCE WITH THE
26 PRACTICE OF THE PARTIES.

27 (5) WHERE THE HORSE RACE MEETING IS BEING CONDUCTED TO
28 BE USED FOR THE PAYMENT OF PURSES AT THE RACETRACK AND ONE-
29 HALF TO THE HORSEMEN'S ORGANIZATION, OR IN ACCORDANCE WITH
30 THE PRACTICE OF THE PARTIES, AT THE RACETRACK WITHIN THE

1 PRIMARY MARKET AREA TO BE USED FOR THE PAYMENT OF PURSES AT
2 THE RACETRACK.
3 NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO PREVENT A
4 LICENSED RACING ENTITY FROM AGREEING TO DISTRIBUTE AMOUNTS
5 GREATER THAN THE PERCENTAGES SET FORTH IN THIS SUBSECTION.
6 HOWEVER, IF NO ALTERNATIVE AGREEMENT HAS BEEN REACHED, THE TOTAL
7 PERCENTAGE FOR PURSES UNDER THIS SUBSECTION SHALL BE PAID IN
8 ACCORDANCE WITH THE MINIMUM PERCENTAGES SET FORTH IN THIS
9 SUBSECTION.

10 (E) OTHER PAYMENTS.--NOTWITHSTANDING ANY OTHER PROVISION OF
11 THIS ARTICLE, A NONPRIMARY LOCATION MAY BE ESTABLISHED WITHIN
12 THE PRIMARY MARKET AREA OF A RACETRACK BY AGREEMENT BETWEEN THE
13 LICENSED RACING ENTITY AND THE HORSEMEN'S ORGANIZATION AT THE
14 RACETRACK SPECIFYING THE TOTAL PERCENTAGE OF HANDLE WAGERED AT
15 THE NONPRIMARY LOCATION TO BE DISTRIBUTED TO THE HORSEMEN'S
16 ORGANIZATION, OR IN ACCORDANCE WITH THE PRACTICE OF THE PARTIES,
17 TO BE USED FOR THE PAYMENT OF PURSES AT THAT RACETRACK. IF NO
18 AGREEMENT IS REACHED COVERING THE LOCATIONS, THE TOTAL
19 PERCENTAGE TO BE PAID FOR PURSES SHALL BE THE SAME AS THAT
20 APPLIED TO ON-TRACK WAGERING AT THE RACETRACK LOCATED WITHIN THE
21 PRIMARY MARKET AREA.

22 SECTION 2832-D. BOOKS AND RECORDS OF PARI-MUTUEL WAGERING.
23 EVERY LICENSED RACING ENTITY THAT CONDUCTS A HORSE RACE
24 MEETING AT WHICH PARI-MUTUEL WAGERING IS AUTHORIZED, SHALL
25 MAINTAIN BOOKS AND RECORDS THAT CLEARLY SHOW BY SEPARATE RECORD
26 THE TOTAL AMOUNT OF MONEY CONTRIBUTED TO EVERY PARI-MUTUEL POOL.
27 THE DEPARTMENT OF REVENUE OR ITS AUTHORIZED REPRESENTATIVE SHALL
28 HAVE ACCESS TO EXAMINE ALL BOOKS AND RECORDS AND ASCERTAIN
29 WHETHER THE PROPER AMOUNT DUE TO THE STATE IS BEING PAID BY THE
30 LICENSED RACING ENTITY.

1 SECTION 2833-D. FILING OF CERTAIN AGREEMENTS WITH COMMISSION.

2 A LICENSED RACING ENTITY SHALL PROMPTLY FILE WITH THE
3 COMMISSION ANY LEASE AGREEMENT CONCERNING ANY CONCESSION, LABOR
4 MANAGEMENT RELATION, HIRING OF DESIGNATED CLASSES OF OFFICERS,
5 EMPLOYEES OR CONTRACTORS SPECIFIED BY THE COMMISSION OR ANY
6 OTHER CONTRACT OR AGREEMENT AS THE COMMISSION MAY PRESCRIBE.

7 SECTION 2834-D. STATE RACING FUND AND TAX RATE.

8 (A) FUND.--THERE IS HEREBY ESTABLISHED IN THE STATE TREASURY
9 THE STATE RACING FUND. FOR FISCAL YEAR 2015-2016, MONEY IN THE
10 FUND IS APPROPRIATED ON A CONTINUING BASIS TO THE DEPARTMENT FOR
11 THE PURPOSES OF ADMINISTERING THIS ACT. BEGINNING ON JULY 1,
12 2016, ALL MONEY DEPOSITED IN THE FUND, EXCEPT MONEY DEPOSITED IN
13 RESTRICTED ACCOUNTS, SHALL BE ANNUALLY APPROPRIATED BY THE
14 GENERAL ASSEMBLY FOR THE ADMINISTRATION AND ENFORCEMENT OF THIS
15 ARTICLE AND FOR THE OVERSIGHT AND PROMOTION OF HORSE RACING IN
16 THIS COMMONWEALTH. A LICENSED RACING ENTITY THAT CONDUCTS HORSE
17 RACE MEETINGS OR A SECONDARY PARI-MUTUEL ORGANIZATION SHALL PAY
18 A TAX TO THE DEPARTMENT OF REVENUE FOR DEPOSIT IN THE STATE
19 RACING FUND.

20 (B) TAX RATE.--THE TAX IMPOSED ON A LICENSED RACING ENTITY
21 OR SECONDARY PARI-MUTUEL ORGANIZATION SHALL BE 1.5% OF THE
22 AMOUNT WAGERED EACH RACING DAY ON WIN, PLACE OR SHOW WAGERS AND
23 2.5% OF THE TOTAL AMOUNT ON AN EXOTIC WAGER, INCLUDING AN
24 EXACTA, DAILY DOUBLE, QUINELLA AND TRIFECTA WAGER.

25 (C) EXPENDITURES.--FUNDS COLLECTED UNDER SUBSECTION (B) AND
26 ANY INTEREST SHALL BE USED AS FOLLOWS:

27 (1) FOR THE ADMINISTRATION AND ENFORCEMENT OF THIS
28 ARTICLE INCLUDING:

29 (I) FUNDS TO THE COMMISSION IN AN AMOUNT
30 APPROPRIATED BY THE GENERAL ASSEMBLY.

1 (II) FUNDS TO THE DEPARTMENT OF REVENUE IN AN AMOUNT
2 APPROPRIATED BY THE GENERAL ASSEMBLY.

3 (2) IF ANNUAL REVENUE UNDER SUBSECTION (B) IS SUFFICIENT
4 TO SATISFY THE REQUIREMENT UNDER PARAGRAPH (1), THE REMAINDER
5 OF THE MONEY SHALL BE DISTRIBUTED AS FOLLOWS:

6 (I) FIFTY PERCENT SHALL REMAIN IN THE STATE RACING
7 FUND AS A CARRY FORWARD BALANCE TO THE NEXT FISCAL YEAR.
8 ANY CARRY FORWARD BALANCE SHALL BE FIRST APPLIED TO THE
9 COST OF EQUINE TESTING UNDER SECTION 2874-D AND, IF ANY
10 STILL REMAINS, FOR COMMISSION EXPENSES AS BUDGETED BY THE
11 GENERAL ASSEMBLY.

12 (II) FIFTY PERCENT SHALL BE DIVIDED EQUALLY AND
13 DISTRIBUTED AS FOLLOWS:

14 (A) TWENTY-FIVE PERCENT SHALL BE PAID BY THE
15 DEPARTMENT OF REVENUE FROM THE STATE RACING FUND FOR
16 CREDIT TO THE PENNSYLVANIA BREEDING FUND.

17 (B) TWENTY-FIVE PERCENT SHALL BE PAID BY THE
18 DEPARTMENT OF REVENUE FROM THE STATE RACING FUND FOR
19 CREDIT TO THE PENNSYLVANIA SIRE STAKES FUND.

20 (D) BREAKAGE.--ALL BREAKAGE RETAINED UNDER SECTION 2835-D BY
21 LICENSED RACING ENTITIES THAT CONDUCT HORSE RACE MEETINGS SHALL
22 BE DISTRIBUTED IN THE FOLLOWING MANNER:

23 (1) THIRTY-SEVEN AND ONE-HALF PERCENT OF THE BREAKAGE
24 SHALL BE PAID TO THE DEPARTMENT OF REVENUE FOR CREDIT TO THE
25 STATE RACING FUND.

26 (2) SIXTY-TWO AND ONE-HALF PERCENT OF THE BREAKAGE SHALL
27 BE RETAINED BY THE LICENSED RACING ENTITY.

28 (E) OTHER REVENUES.--THE STATE RACING FUND MAY ALSO RECEIVE
29 MONEYS FROM ANY OTHER SOURCE, INCLUDING, BUT NOT LIMITED TO
30 APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY.

1 SECTION 2835-D. PARI-MUTUEL POOL DISTRIBUTION.

2 (A) DISTRIBUTION.--A LICENSED RACING ENTITY SHALL DISTRIBUTE
3 MONEY IN A PARI-MUTUEL POOL TO THE HOLDERS OF WINNING TICKETS
4 PRESENTED FOR PAYMENT BEFORE THE FIRST DAY OF APRIL OF THE YEAR
5 FOLLOWING THE DATE OF PURCHASE. FAILURE TO PRESENT A WINNING
6 TICKET WITHIN THE PRESCRIBED PERIOD OF TIME SHALL CONSTITUTE A
7 WAIVER OF THE RIGHT TO PARTICIPATE IN THE AWARD OR DIVIDEND.
8 AFTER APRIL 1 OF THE YEAR FOLLOWING THE YEAR OF PURCHASE, A
9 LICENSED RACING ENTITY SHALL FORWARD THE NECESSARY FUNDS HELD
10 FOR UNCASHED TICKETS TO THE DEPARTMENT OF REVENUE. THE FUNDS
11 SHALL BE DEPOSITED INTO THE STATE RACING FUND.

12 (B) REMAINDER.--THE REMAINDER OF THE MONEY SHALL BE RETAINED
13 BY THE LICENSED RACING ENTITY IN THE FOLLOWING MANNER:

14 (1) SEVENTEEN PERCENT OF THE MONEY PLUS THE BREAKAGE
15 FROM REGULAR WAGERING POOLS OR 19% OF THE MONEY PLUS THE
16 BREAKAGE FROM REGULAR WAGERING POOLS FOR LICENSED RACING
17 ENTITIES WHOSE DAILY TOTAL IN ALL PARI-MUTUEL POOLS AVERAGED
18 LESS THAN \$300,000.

19 (2) TWENTY PERCENT OF THE MONEY PLUS BREAKAGE FROM THE
20 EXACTA, DAILY DOUBLE, QUINELLA AND OTHER WAGERING POOLS AS
21 DETERMINED BY THE COMMISSION.

22 (3) AT LEAST 26%, BUT NO MORE THAN 35%, FROM THE
23 TRIFECTA OR OTHER WAGERING POOLS AS DETERMINED BY THE
24 COMMISSION.

25 (C) RETENTION.--A LICENSED RACING ENTITY MAY RETAIN LESSER
26 PERCENTAGES UPON APPROVAL OF THE COMMISSION.

27 SECTION 2836-D. PENNSYLVANIA BREEDING FUND.

28 (A) ESTABLISHMENT.--THERE IS HEREBY CREATED A RESTRICTED
29 ACCOUNT IN THE STATE RACING FUND TO BE KNOWN AS THE PENNSYLVANIA
30 BREEDING FUND WHICH SHALL CONSIST OF THE MONEY DEPOSITED UNDER

1 SECTION 2834-D AND ANY PROVISION OF 4 PA.C.S. PT. II (RELATING
2 TO GAMING) AND WHICH SHALL BE DISTRIBUTED BY THE COMMISSION.

3 (B) AWARDS FROM THE PENNSYLVANIA BREEDING FUND.--THE
4 COMMISSION SHALL DISTRIBUTE MONEY FROM THE PENNSYLVANIA BREEDING
5 FUND AS FOLLOWS:

6 (1) AN AWARD OF 30% OF THE PURSE EARNED BY EVERY
7 REGISTERED THOROUGHBRED RACING HORSE Sired IN THIS
8 COMMONWEALTH BY A REGISTERED PENNSYLVANIA SIRE AT THE TIME OF
9 CONCEPTION OF THE REGISTERED THOROUGHBRED RACING HORSE Sired
10 IN THIS COMMONWEALTH, OR AN AWARD OF 20% OF THE PURSE EARNED
11 BY EVERY REGISTERED THOROUGHBRED RACING HORSE Sired IN THIS
12 COMMONWEALTH Sired BY A NONREGISTERED SIRE, WHICH FINISHES
13 FIRST, SECOND OR THIRD IN ANY RACE CONDUCTED BY A LICENSED
14 RACING ENTITY UNDER THIS ARTICLE SHALL BE PAID TO THE BREEDER
15 OF SAID REGISTERED THOROUGHBRED RACING HORSE Sired IN THIS
16 COMMONWEALTH. A SINGLE AWARD UNDER THIS PARAGRAPH MAY NOT
17 EXCEED 1% OF THE TOTAL ANNUAL FUND MONEY.

18 (2) AN AWARD OF 10% OF THE PURSE EARNED BY ANY
19 REGISTERED THOROUGHBRED RACING HORSE Sired IN THIS
20 COMMONWEALTH WHICH FINISHES FIRST, SECOND OR THIRD IN ANY
21 RACE CONDUCTED BY A LICENSED RACING ENTITY UNDER THIS ARTICLE
22 SHALL BE PAID TO THE OWNER OF THE REGISTERED PENNSYLVANIA
23 SIRE WHICH REGULARLY STOOD IN PENNSYLVANIA AT THE TIME OF
24 CONCEPTION OF THE THOROUGHBRED RACING HORSE Sired IN THIS
25 COMMONWEALTH. A SINGLE AWARD UNDER THIS PARAGRAPH MAY NOT
26 EXCEED 0.5% OF THE TOTAL ANNUAL FUND MONEY.

27 (3) AN AWARD OF 10% OF THE PURSE EARNED BY ANY
28 REGISTERED THOROUGHBRED RACING HORSE Sired IN THIS
29 COMMONWEALTH WHICH FINISHES FIRST IN ANY RACE CONDUCTED BY A
30 LICENSED RACING ENTITY UNDER THIS ARTICLE NOT RESTRICTING

1 ENTRY TO REGISTERED THOROUGHBREDS RACING HORSE SIRE
2 COMMONWEALTH SHALL BE PAID TO THE LICENSED OWNER OF SAID
3 REGISTERED THOROUGHBRED HORSE SIRE IN THIS COMMONWEALTH AT
4 THE TIME OF WINNING. A SINGLE AWARD UNDER THIS PARAGRAPH MAY
5 NOT EXCEED 0.5% OF THE TOTAL ANNUAL FUND MONEY.

6 (C) PURSES FROM PENNSYLVANIA BREEDING FUND.--UP TO ONE-FIFTH
7 OF THE TOTAL OF THE ESTIMATED PENNSYLVANIA BREEDING FUND MONEY
8 REMAINING EACH YEAR AFTER THE DEDUCTION OF EXPENSES RELATED TO
9 THE ADMINISTRATION AND DEVELOPMENT OF THE PENNSYLVANIA BREEDING
10 FUND PROGRAM AND THE PAYMENT OF BREEDER, STALLION AND OWNER
11 AWARDS, SHALL BE DIVIDED AMONG THE LICENSED RACING ENTITIES THAT
12 CONDUCT THOROUGHBRED HORSE RACE MEETINGS IN DIRECT PROPORTION TO
13 THE RATE BY WHICH EACH LICENSED RACING ENTITY GENERATED THE FUND
14 MONEY DURING THE PREVIOUS YEAR TO BE USED SOLELY FOR PURSES FOR
15 PENNSYLVANIA BREEDING FUND STAKES RACES WHICH RESTRICT ENTRY TO
16 REGISTERED THOROUGHBRED RACING HORSE SIRE IN THIS COMMONWEALTH.

17 (D) REMAINING FUNDS.--THE PENNSYLVANIA BREEDING FUND MONEY
18 REMAINING FOLLOWING DISBURSEMENTS AS DIRECTED IN SUBSECTION (B)
19 (1), (2) AND (3) AND SUBSECTION (C) SHALL BE DIVIDED AMONG THE
20 LICENSED RACING ENTITIES THAT CONDUCT THOROUGHBRED HORSE RACE
21 MEETINGS IN DIRECT PROPORTION TO THE RATE BY WHICH EACH LICENSED
22 RACING ENTITY GENERATED THE FUND MONEY DURING THE PREVIOUS YEAR
23 TO BE USED FOR PURSES AS FOLLOWS:

24 (1) CLAIMING AND NONCLAIMING PENNSYLVANIA BREEDING FUND
25 RACES WHICH RESTRICT ENTRY TO REGISTERED THOROUGHBRED RACING
26 HORSES SIRE IN THIS COMMONWEALTH.

27 (2) CLAIMING AND NONCLAIMING PENNSYLVANIA BREEDING FUND
28 RACES WHICH PREFER REGISTERED THOROUGHBRED RACING HORSES
29 SIRE IN THIS COMMONWEALTH AS STARTERS. IN THESE RACES,
30 SHOULD EIGHT OR MORE REGISTERED THOROUGHBRED RACING HORSES

1 SIRE IN THIS COMMONWEALTH PASS THE ENTRY BOX, THE RACE SHALL
2 BE CONSIDERED CLOSED TO HORSES OTHER THAN REGISTERED
3 THOROUGHBRED RACING HORSES SIRE IN THIS COMMONWEALTH.

4 (E) FUNDS NOT EXPENDED.--PENNSYLVANIA BREEDING FUND MONEY
5 DUE TO LICENSED RACING ENTITIES, AS OUTLINED IN SUBSECTIONS (C)
6 AND (D), BUT NOT EXPENDED DURING THE CALENDAR YEAR MAY BE
7 CARRIED FORTH IN THE FUND ON THE ACCOUNTS OF THE LICENSED RACING
8 ENTITIES TO BE EXPENDED DURING THE SUCCEEDING YEAR IN ADDITION
9 TO THE RACING ENTITIES' FUND MONEY ANNUALLY DUE TO THEM FOR
10 PURSES.

11 (E.1) COMMITTEE.--THERE IS HEREBY ESTABLISHED THE
12 PENNSYLVANIA BREEDING FUND ADVISORY COMMITTEE WITHIN THE
13 COMMISSION. THE COMMITTEE SHALL CONSIST OF FIVE INDIVIDUALS, WHO
14 ARE RESIDENTS OF THIS COMMONWEALTH, TO BE APPOINTED BY THE
15 COMMISSION BY JUNE 1 OF EACH YEAR BASED ON THE RECOMMENDATION OF
16 THE GROUPS IDENTIFIED IN THIS SUBSECTION. IF A MEMBER OTHER THAN
17 A COMMISSIONER HAS NOT BEEN RECOMMENDED BY JUNE 1 OF EACH YEAR,
18 THE COMMISSION SHALL MAKE AN APPOINTMENT FOR THE ORGANIZATION
19 FAILING TO SO RECOMMEND A MEMBER OF THE COMMITTEE. THE COMMITTEE
20 SHALL ASSIST AND ADVISE THE COMMISSION ON THE REGULATION OF
21 HORSE RACING BREEDING ISSUES UNDER THIS ARTICLE BUT SHALL HAVE
22 NO POWER IN ADMINISTERING THE FUND. MEMBERS OF THE ADVISORY
23 COMMITTEE SHALL NOT RECEIVE COMPENSATION OR REIMBURSEMENTS FOR
24 PARTICIPATION ON THE COMMITTEE. THE COMMITTEE SHALL CONSIST OF
25 THE FOLLOWING MEMBERS:

26 (1) TWO MEMBERS REPRESENTING THE PENNSYLVANIA HORSE
27 BREEDERS' ASSOCIATION.

28 (2) ONE MEMBER REPRESENTING LICENSED RACING ENTITIES.

29 (3) ONE MEMBER REPRESENTING THE ASSOCIATION REPRESENTING
30 HORSEMEN RACING IN PENNSYLVANIA.

1 (4) ONE MEMBER OF THE COMMISSION.

2 (F) PENNSYLVANIA HORSE BREEDERS' ASSOCIATION.--THE
3 COMMISSION SHALL CONTRACT WITH THE PENNSYLVANIA HORSE BREEDERS'
4 ASSOCIATION AS THE ORGANIZATION RESPONSIBLE FOR THE REGISTRATION
5 AND RECORDS OF THOROUGHBRED RACING HORSES SIRE IN THIS
6 COMMONWEALTH. THE PENNSYLVANIA HORSE BREEDERS' ASSOCIATION SHALL
7 ADVISE THE COMMISSION WHEN CALLED UPON AND SHALL DETERMINE THE
8 QUALIFICATIONS FOR THOROUGHBRED RACING HORSES SIRE IN THIS
9 COMMONWEALTH AND PENNSYLVANIA SIRE. REGISTRATION AND RECORDS OF
10 THE ASSOCIATION SHALL BE OFFICIAL RECORDS OF THE COMMONWEALTH
11 AND SHALL BE SUBJECT TO THE ACT OF FEBRUARY 14, 2008 (P.L.6,
12 NO.3), KNOWN AS THE RIGHT-TO-KNOW LAW. AT THE CLOSE OF EACH
13 CALENDAR YEAR, THE PENNSYLVANIA HORSE BREEDERS' ASSOCIATION
14 SHALL SUBMIT TO THE COMMISSION FOR ITS APPROVAL AN ITEMIZED
15 BUDGET OF PROJECTED EXPENSES FOR THE ENSUING YEAR RELATING TO
16 THE ADMINISTRATION AND DEVELOPMENT OF THE PENNSYLVANIA BREEDING
17 FUND PROGRAM. THE COMMISSION SHALL REIMBURSE THE PENNSYLVANIA
18 HORSE BREEDERS' ASSOCIATION FOR THOSE EXPENSES ACTUALLY INCURRED
19 IN THE ADMINISTRATION AND DEVELOPMENT OF THE PENNSYLVANIA
20 BREEDING FUND PROGRAM FROM THE PENNSYLVANIA BREEDING FUND, NO
21 MORE THAN ON A QUARTERLY BASIS.

22 SECTION 2837-D. PENNSYLVANIA SIRE STAKES FUND.

23 (A) ESTABLISHMENT.--THERE IS CREATED A RESTRICTED ACCOUNT IN
24 THE STATE RACING FUND TO BE KNOWN AS THE PENNSYLVANIA SIRE
25 STAKES FUND WHICH SHALL CONSIST OF THE MONEY DEPOSITED UNDER
26 SECTION 2834-D AND ANY PROVISION OF 4 PA.C.S. PT. II (RELATING
27 TO GAMING) AND WHICH SHALL BE ADMINISTERED BY THE COMMISSION.

28 (B) DISTRIBUTION AND USE OF FUNDS.--FUNDS SHALL BE
29 DISTRIBUTED AS FOLLOWS:

30 (1) SIXTY PERCENT OF THE MONEY REMAINING IN THE EXCESS

1 FUND ACCOUNT OF THE PENNSYLVANIA SIRE STAKES FUND AT THE END
2 OF THE CALENDAR YEAR IN WHICH THIS SUBSECTION IS ENACTED
3 SHALL BE DISTRIBUTED TO LICENSED RACING ENTITIES THAT CONDUCT
4 STANDARD BREED HORSE RACE MEETINGS TO BE USED IN THE NEXT
5 SUCCEEDING CALENDAR YEAR AS PURSE MONEY FOR PENNSYLVANIA-
6 SIRE HORSES. THE REMAINING 40% OF THE MONEY IN THE EXCESS
7 FUND ACCOUNT AT THE END OF THE CALENDAR YEAR OF THE ENACTMENT
8 OF THIS SUBSECTION, TOGETHER WITH THE INTEREST EARNED ON THAT
9 MONEY, SHALL BE DISTRIBUTED TO LICENSED RACING ENTITIES THAT
10 CONDUCT STANDARD BREED HORSE RACE MEETINGS TO BE USED IN THE
11 NEXT SUCCEEDING CALENDAR YEAR AS PURSE MONEY FOR
12 PENNSYLVANIA-SIRE HORSES.

13 (2) AFTER DEDUCTION OF SUFFICIENT FUNDS TO COVER THE
14 COMMISSION'S COST OF ADMINISTRATION, 80% OF ALL REMAINING
15 MONEY IN THE PENNSYLVANIA SIRE STAKES FUND AT THE END OF THE
16 CALENDAR YEAR SHALL BE DISTRIBUTED TO LICENSED RACING
17 ENTITIES THAT CONDUCT STANDARD BREED HORSE RACE MEETINGS TO BE
18 USED AS PURSE MONEY FOR PENNSYLVANIA-SIRE HORSES. THE
19 COMMISSION MAY ALLOCATE UP TO A TOTAL OF 40% OF THE AMOUNT TO
20 BE DISTRIBUTED TO LICENSED RACING ENTITIES IN A CALENDAR YEAR
21 FOR USE FOR A SERIES OF CHAMPIONSHIP FINAL RACES AT THE
22 RACETRACKS OF LICENSED BUSINESS ENTITIES THAT CONDUCT
23 STANDARD BREED HORSE RACE MEETINGS. THE COMMISSION SHALL
24 DISTRIBUTE THE MONEY TO THESE CHAMPIONSHIP FINAL RACES IN AN
25 EQUAL AMOUNT FOR EACH SEX, AGE AND GAIT FOR TWO-YEAR-OLD
26 TROTTERS AND PACERS AND THREE-YEAR-OLD TROTTERS AND PACERS
27 BASED ON CONDITIONS ESTABLISHING ELIGIBILITY TO THESE FINAL
28 EVENTS. NO PARI-MUTUEL STANDARD BREED RACETRACK SHALL BE
29 AWARDED MORE THAN 50% OF THE CHAMPIONSHIP FINAL RACES IN ANY
30 CALENDAR YEAR. THE COMMISSION SHALL SCHEDULE THESE FINAL

1 EVENTS SO AS TO EVENLY ALTERNATE CLASSES AT EACH RACETRACK
2 EACH YEAR. AFTER THE ALLOCATION FOR THE CHAMPIONSHIP FINAL
3 RACES HAS BEEN DETERMINED, THE REMAINING FUNDS TO BE
4 DISTRIBUTED TO LICENSED RACING ENTITIES THAT CONDUCT
5 STANDARD BRED HORSE RACE MEETINGS SHALL BE DIVIDED EQUALLY
6 AMONG THE LICENSED RACING ENTITIES. EACH LICENSED RACING
7 ENTITY SHALL DIVIDE THE FUNDS RECEIVED EQUALLY FOR EACH OF:

8 (I) FOUR TWO-YEAR-OLD RACES; ONE PACE FOR COLTS, ONE
9 PACE FOR FILLIES, ONE TROT FOR COLTS AND ONE TROT FOR
10 FILLIES; AND

11 (II) FOUR THREE-YEAR-OLD RACES; ONE PACE FOR COLTS,
12 ONE PACE FOR FILLIES, ONE TROT FOR COLTS AND ONE TROT FOR
13 FILLIES.

14 (C) PURSE MONEY.--EACH ALLOTMENT SHALL PROVIDE PURSE MONEY
15 FOR THE RESPECTIVE RACES. THE PURSE MONEY SHALL BE IN ADDITION
16 TO ANY ENTRY FEES OR OTHER FUNDS AVAILABLE.

17 (D) ENTRY RESTRICTION.--ENTRY FOR THESE RACES SHALL BE
18 LIMITED TO STANDARD BRED HORSES WHICH WERE Sired BY A
19 STANDARD BRED STALLION REGULARLY STANDING IN PENNSYLVANIA AND
20 EACH RACE SHALL BE DESIGNATED A PENNSYLVANIA SIRE STAKES RACE.
21 THE COMMISSION SHALL ADOPT REGULATIONS AS NECESSARY TO
22 ADMINISTER THE ENTRY RESTRICTION.

23 (E) AGRICULTURAL FAIRS AND EVENTS.--

24 (1) THE FOLLOWING SHALL APPLY:

25 (I) THE REMAINING MONEY IN THE PENNSYLVANIA SIRE
26 STAKES FUND, UP TO A TOTAL OF \$75,000 FOR EACH
27 AGRICULTURAL FAIR AND ONE-DAY OR TWO-DAY EVENTS AS
28 DEFINED IN THE COMMISSION'S REGULATIONS, SHALL BE DIVIDED
29 EQUALLY AMONG THE AGRICULTURAL FAIRS AND ONE-DAY OR TWO-
30 DAY EVENTS.

1 (II) NO MORE THAN FIVE ONE-DAY OR TWO-DAY EVENTS MAY
2 BE AUTHORIZED BY THE COMMISSION PER YEAR.

3 (III) NO MORE THAN TWO ONE-DAY OR TWO-DAY EVENTS PER
4 COUNTY MAY BE AUTHORIZED BY THE COMMISSION EXCEPT IF,
5 AFTER A DATE ESTABLISHED BY THE COMMISSION, THE FIVE
6 EVENTS REFERENCED UNDER SUBPARAGRAPH (II) CONDUCTING
7 HARNESS HORSE RACES FOR TWO-YEAR-OLD AND THREE-YEAR-OLD
8 HARNESS HORSES HAVE NOT BEEN ALLOCATED.

9 (IV) NOT LESS THAN \$225,000 SHALL BE ALLOCATED FROM
10 THE PENNSYLVANIA SIRE STAKES FUND AND BE DIVIDED EQUALLY
11 AMONG AGRICULTURAL FAIRS AND ONE-DAY OR TWO-DAY EVENTS
12 CONDUCTING HARNESS HORSE RACES FOR TWO-YEAR-OLD AND
13 THREE-YEAR-OLD HARNESS HORSES.

14 (2) EACH FAIR OR ONE-DAY OR TWO-DAY EVENT RECEIVING
15 FUNDS UNDER THIS SUBSECTION SHALL DIVIDE THE TOTAL AMOUNT
16 EQUALLY AMONG ALL ELIGIBLE RACES FOR TWO-YEAR-OLD AND THREE-
17 YEAR-OLD HARNESS HORSES AND SHALL APPLY THE FUNDS SOLELY AS
18 ADDITIONAL PURSE FUNDS. ONLY RACES TO WHICH ENTRY IS
19 RESTRICTED TO PENNSYLVANIA-SIRED HORSES SHALL BE ELIGIBLE.
20 THE COMMISSION SHALL PROVIDE FOR AND PROMULGATE REGULATIONS
21 NECESSARY FOR THE PROPER ADMINISTRATION OF RACING PROVIDED
22 FOR UNDER THIS SUBSECTION, INCLUDING, BUT NOT LIMITED TO,
23 PORTABLE STALL RENTALS AT ONE-DAY OR TWO-DAY EVENTS.

24 SECTION 2838-D. FAIR FUND PROCEEDS.

25 (A) DISTRIBUTION.--THE DEPARTMENT OF AGRICULTURE SHALL
26 DISTRIBUTE MONEY IN THE FAIR FUND ANNUALLY, ON OR BEFORE MARCH
27 1, FOR REIMBURSEMENT FOR EACH COUNTY AGRICULTURAL SOCIETY AND
28 EACH INDEPENDENT AGRICULTURAL SOCIETY CONDUCTING STANDARDBRED
29 HORSE RACING DURING ITS ANNUAL FAIR, OTHER THAN RACES FOR TWO-
30 YEAR-OLD COLTS AND FILLIES AND THREE-YEAR-OLD COLTS AND FILLIES,

1 AN AMOUNT OF MONEY EQUAL TO THAT USED DURING THEIR ANNUAL FAIR
2 AS PURSE MONEY FOR STANDARD BRED HORSE RACING, TRACK AND STABLE
3 MAINTENANCE, STARTING GATE RENTAL AND THE COST OF ALL
4 STANDARD BRED HORSE RACING OFFICIALS REQUIRED DURING THEIR ANNUAL
5 FAIR. THE REIMBURSEMENT AMOUNT MAY NOT BE MORE THAN \$13,000, A
6 MINIMUM OF \$4,000 OF WHICH MUST BE USED FOR PURSE MONEY AND THE
7 BALANCE OF THE ALLOTMENT PER FAIR, NOT USED FOR PURSE MONEY OVER
8 THE MINIMUM \$4,000 ALLOTMENT, SHALL BE USED FOR THE SPECIFIC
9 PURPOSES REFERENCED ABOVE OR OTHERWISE THE ALLOTMENT SHALL BE
10 RETAINED IN THE FUND.

11 (B) INSPECTION.--THE COMMISSION SHALL ANNUALLY INSPECT EACH
12 TRACK FACILITY AT A COUNTY FAIR AND ADVISE EACH OPERATING FAIR
13 ABOUT TRACK MAINTENANCE WHICH IS NECESSARY TO ENSURE ADEQUATE
14 RACING SURFACE DURING THE COURSE OF SCHEDULED FAIRS AND RACING
15 EVENTS. IF IT IS THE OPINION OF THE COMMISSION THAT THE FAIR
16 SOCIETY OR EVENT SPONSOR IS NOT ADEQUATELY FINANCING TRACK
17 MAINTENANCE, THE DEPARTMENT OF REVENUE SHALL SURCHARGE THE FAIR
18 FUND ACCOUNT OF THE FAIR SOCIETY OR EVENT SPONSOR TO EFFECTUATE
19 THE REMEDIATION. THE COMMISSION MAY CONTRACT WITH, HIRE OR
20 OTHERWISE CONSULT WITH RACE TRACK SURFACE EXPERTS TO CARRY OUT
21 THE PROVISIONS OF THIS SECTION.

22 SECTION 2839-D. HEARING.

23 AN APPLICANT, LICENSEE OR OTHER PERSON WHOSE APPLICATION HAS
24 BEEN DENIED OR WHOSE LICENSE HAS BEEN SUSPENDED, REVOKED OR NOT
25 RENEWED MAY REQUEST A HEARING BEFORE THE COMMISSION. THE
26 PROVISIONS OF 2 PA.C.S. CHS. 5 SUBCH. A (RELATING TO PRACTICE
27 AND PROCEDURE OF COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING
28 TO JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION) SHALL APPLY,
29 UNLESS SUPERSEDED BY THE COMMISSION'S ADMINISTRATIVE
30 REGULATIONS.

1 SECTION 2840-D. PROHIBITION OF WAGERING.

2 NO COMMISSIONER OR EMPLOYEE OF THE COMMISSION SHALL WAGER
3 UPON THE OUTCOME OF ANY HORSE RACE CONDUCTED AT OR SIMULCAST TO
4 A TRACK AT WHICH PARI-MUTUEL WAGERING IS CONDUCTED BY ANY
5 LICENSED RACING ENTITY REGULATED BY THE COMMISSION. NO LICENSED
6 RACING ENTITY SHALL PERMIT ANY PERSON WHO IS UNDER 18 YEARS OF
7 AGE TO WAGER AT A HORSE RACE MEETING CONDUCTED BY THE LICENSED
8 RACING ENTITY. NO LICENSED RACING ENTITY SHALL PERMIT ANY PERSON
9 WHO IS UNDER 18 YEARS OF AGE TO ATTEND A HORSE RACE MEETING
10 CONDUCTED BY THE LICENSED RACING ENTITY UNLESS THE PERSON IS
11 ACCOMPANIED BY A PARENT OR GUARDIAN. THIS SECTION SHALL NOT BE
12 CONSTRUED TO PROHIBIT PERSONS UNDER 18 YEARS OF AGE, WHO ARE
13 LEGALLY EMPLOYED, FROM BEING UPON THE RACETRACK PREMISES FOR THE
14 SOLE PURPOSE OF ENGAGING IN THE PERFORMANCE OF THEIR DUTIES AS
15 EMPLOYEES.

16 SECTION 2841-D. VETERINARIANS AND STATE STEWARDS.

17 (A) GENERAL RULE.--THE COMMISSION SHALL HAVE THE AUTHORITY
18 TO EMPLOY OR CONTRACT WITH LICENSED VETERINARIANS, STEWARDS AND
19 OTHER PERSONNEL DEEMED APPROPRIATE BY THE COMMISSION TO SERVE AT
20 EACH MEETING CONDUCTED BY A LICENSED RACING ENTITY. THE
21 COMMISSION MAY EMPLOY OR CONTRACT WITH OTHER INDIVIDUALS AS
22 SHALL BE NECESSARY TO CARRY OUT THE RESPONSIBILITIES OF THIS
23 SECTION.

24 (B) COSTS AND COMPENSATION.--THE COSTS AND COMPENSATION OF
25 THE HORSE RACING VETERINARIANS, STATE STEWARDS AND OTHER
26 PERSONNEL SHALL BE FIXED AND PAID BY THE COMMISSION.

27 (C) AGRICULTURAL SOCIETY HORSE RACING.--THE DEPARTMENT OF
28 AGRICULTURE MAY PROMULGATE REGULATIONS TO OVERSEE HORSE RACING
29 CONDUCTED BY A COUNTY AGRICULTURAL SOCIETY OR AN INDEPENDENT
30 AGRICULTURAL SOCIETY, AS PROVIDED FOR UNDER SECTION 5(1)(III)

1 AND (IV) OF THE ACT OF JULY 8, 1986 (P.L.437, NO.92), KNOWN AS
2 THE PENNSYLVANIA AGRICULTURAL FAIR ACT. PARI-MUTUEL WAGERING MAY
3 NOT BE CONDUCTED AT A HORSE RACE AT A FAIR OF A POLITICAL
4 SUBDIVISION.

5 SECTION 2842-D. PROMOTIONS AND DISCOUNTS.

6 THE COMMISSION MAY APPROVE A LICENSED RACING ENTITY TO ISSUE
7 A FREE PASS, CARD OR BADGE FOR A SPECIAL PROMOTIONAL PROGRAM AND
8 SEASONAL DISCOUNT TICKET PROGRAM.

9 SECTION 2843-D. MONITORING OF WAGERING ON VIDEO SCREENS.

10 A LICENSED RACING ENTITY CONDUCTING PARI-MUTUEL WAGERING
11 SHALL DISPLAY ON VIDEO SCREENS THE APPROXIMATE ODDS OR
12 APPROXIMATE WILL-PAYS ON EACH HORSE FOR EACH RACE AS WELL AS A
13 COMBINATION OF RACES, INCLUDING, BUT NOT LIMITED TO, QUINELLAS,
14 EXACTAS, PERFECTAS AND ANY OTHER COMBINATION OR POOL OF RACES. A
15 DISPLAY OF APPROXIMATE ODDS OR APPROXIMATE WILL-PAYS IS NOT
16 REQUIRED WHERE THE WAGER IS ON HORSES IN FOUR OR MORE RACES,
17 SUCH AS PICK 4, PICK 5 OR PICK 6. IN ADDITION TO DISPLAYING THE
18 AMOUNT OF MONEY WAGERED, THE APPROXIMATE ODDS OR APPROXIMATE
19 WILL-PAYS ON EACH HORSE OR COMBINATION OF HORSES MUST BE SHOWN
20 ON VIDEO SCREENS IN EACH WAGERING DIVISION. FOR TRIFECTAS, IN
21 LIEU OF ODDS OR APPROXIMATE WILL-PAYS, THE AMOUNT OF MONEY BEING
22 WAGERED ON EACH HORSE TO WIN IN THE TRIFECTA POOL MUST BE
23 DISPLAYED ON VIDEO SCREENS SEPARATELY FROM ANY OTHER
24 INFORMATION. INFORMATION MUST BE DISPLAYED FROM THE OPENING OF
25 BETS OR WAGERING AND BE CONTINUALLY DISPLAYED UNTIL THE WAGERING
26 IS CLOSED. AT LEAST ONE VIDEO SCREEN IN EACH WAGERING DIVISION
27 SHALL DISPLAY THE AMOUNT OF MONEY WAGERED ON EACH HORSE INVOLVED
28 IN A TRIFECTA POOL.

29 SECTION 2844-D. INTRASTATE SIMULCASTING.

30 (A) GENERAL RULE.--THE COMMISSION SHALL PERMIT INTRASTATE

1 SIMULCASTING OF LIVE HORSE RACING BETWEEN THE LICENSED RACING
2 ENTITIES THAT CONDUCT LIVE RACING.

3 (B) SIMULCAST SIGNAL.--THE SIMULCAST SIGNAL SHALL BE
4 ENCODED, AND THE RACETRACK RECEIVING THE SIMULCAST SIGNAL MAY
5 NOT SEND THE SIGNAL ANYWHERE OTHER THAN A PUBLIC LOCATION
6 AUTHORIZED UNDER SECTION 2829-D.

7 (C) FORMS OF PARI-MUTUEL WAGERING.--ALL FORMS OF PARI-MUTUEL
8 WAGERING DESCRIBED IN SECTION 2835-D SHALL BE ALLOWED ON A RACE
9 TO BE SIMULCASTED UNDER THIS SECTION.

10 (D) REGULATIONS.--THE COMMISSION MAY PROMULGATE REGULATIONS
11 ON WAGERING AND THE OPERATION OF HORSE RACING.

12 (E) COMPUTATION OF MONEY WAGERED.--THE MONEY WAGERED BY A
13 PATRON ON A RACE MUST BE COMPUTED IN THE AMOUNT OF MONEY WAGERED
14 EACH RACING DAY FOR PURPOSES OF TAXATION UNDER SECTION 2834-D.

15 (F) DEFINITION.--AS USED IN THIS SECTION, THE TERM "RACING
16 DAY" CONSISTS OF A MINIMUM OF EIGHT LIVE RACES, EXCEPT AT
17 THOROUGHBRED TRACKS ON BREEDERS' CUP EVENT DAY.
18 SECTION 2845-D. COMMINGLING.

19 (A) APPLICABILITY.--THIS SECTION IS APPLICABLE ONLY TO
20 LICENSED RACING ENTITIES THAT CONDUCT THOROUGHBRED RACING.

21 (B) RACE SECRETARY.--THE RACE SECRETARY SHALL RECEIVE
22 ENTRIES AND DECLARATIONS AS AN AGENT FOR THE LICENSED RACING
23 ENTITY FOR WHICH THE RACE SECRETARY ACTS. THE RACE SECRETARY OR
24 AN INDIVIDUAL DESIGNATED BY THE LICENSED RACING ENTITY MAY
25 RECEIVE STAKES, FORFEITS, ENTRANCE MONEY, JOCKEY FEES AND OTHER
26 FEES, PURCHASE MONEY IN CLAIMING RACES AND OTHER MONEY THAT CAN
27 PROPERLY COME INTO THE RACE SECRETARY'S POSSESSION AS AN AGENT
28 FOR THE LICENSED RACING ENTITY FOR WHICH THE RACE SECRETARY OR
29 DESIGNEE IS ACTING.

30 (C) HORSEMEN'S ACCOUNT.--A LICENSED RACING ENTITY SHALL

1 MAINTAIN A SEPARATE ACCOUNT, TO BE KNOWN AS A HORSEMEN'S
2 ACCOUNT. MONEY OWED TO OWNERS IN REGARD TO PURSES, STAKES,
3 REWARDS, CLAIMS AND DEPOSITS SHALL BE DEPOSITED INTO THE
4 HORSEMEN'S ACCOUNT. FUNDS IN THE ACCOUNT ARE RECOGNIZED AND
5 DENOMINATED AS BEING THE SOLE PROPERTY OF OWNERS. DEPOSITED
6 FUNDS MAY NOT BE COMMINGLED WITH FUNDS OF THE LICENSED RACING
7 ENTITY UNLESS A LICENSED RACING ENTITY ESTABLISHED AN
8 IRREVOCABLE CLEAN LETTER OF CREDIT WITH AN EVERGREEN CLAUSE IN
9 FAVOR OF THE ORGANIZATION WHICH REPRESENTS A MAJORITY OF THE
10 OWNERS AND TRAINERS RACING WITH THE LICENSED RACING ENTITY. THE
11 MINIMUM AMOUNT OF THE CREDIT MUST BE THE GREATER OF \$1,000,000
12 OR 110% OF THE HIGHEST MONTHLY BALANCE IN THE HORSEMEN'S ACCOUNT
13 IN THE IMMEDIATE PRIOR YEAR. TO CALCULATE THE MONTHLY BALANCE IN
14 THE HORSEMEN'S ACCOUNT, THE SUM OF THE DAILY BALANCES SHALL BE
15 DIVIDED BY THE NUMBER OF DAYS IN THE MONTH. THE EVERGREEN CLAUSE
16 MUST PROVIDE THAT:

17 (1) THIRTY DAYS PRIOR TO THE EXPIRATION OF THE LETTER OF
18 CREDIT, THE FINANCIAL INSTITUTION CAN ELECT NOT TO RENEW THE
19 LETTER OF CREDIT;

20 (2) UPON AN ELECTION UNDER PARAGRAPH (1), THE FINANCIAL
21 INSTITUTION MUST NOTIFY THE DESIGNEE OF THE ORGANIZATION THAT
22 REPRESENTS A MAJORITY OF THE OWNERS AND TRAINERS RACING WITH
23 THE LICENSED RACING ENTITY, BY REGISTERED MAIL, RETURN
24 RECEIPT REQUESTED, OF THE ELECTION NOT TO RENEW; AND

25 (3) THE FINANCIAL INSTITUTION WILL HONOR THE LETTER OF
26 CREDIT FOR SIX MONTHS AFTER EXPIRATION.
27 PURSE MONEY EARNED BY OWNERS SHALL BE DEPOSITED BY THE LICENSED
28 RACING ENTITY IN THE HORSEMEN'S ACCOUNT WITHIN 48 HOURS AFTER
29 THE RESULT OF THE RACE IN WHICH THE MONEY WAS EARNED HAS BEEN
30 DECLARED OFFICIAL AND THE PURSE HAS BEEN RELEASED BY THE

1 COMMISSION.

2 (D) ACCOUNTING.--A LICENSED RACING ENTITY SHALL DESIGNATE
3 INDIVIDUALS AUTHORIZED TO RECEIVE AND DISBURSE FUNDS FROM THE
4 HORSEMEN'S ACCOUNT. INDIVIDUALS DESIGNATED UNDER THIS SUBSECTION
5 SHALL BE BONDED TO PROVIDE INDEMNITY FOR MALFEASANCE,
6 NONFEASANCE AND MISFEASANCE. A CERTIFIED COPY OF THE BOND SHALL
7 BE FILED WITH THE COMMISSION.

8 (E) EXAMINATION, ACCESS AND RECORDS.--THE HORSEMEN'S ACCOUNT
9 AND THE INVESTMENT AND DEPOSIT SCHEDULES RELATING TO THE ACCOUNT
10 ARE SUBJECT TO EXAMINATION, AT REASONABLE TIMES, BY A DESIGNEE
11 OF THE ORGANIZATION WHICH REPRESENTS A MAJORITY OF THE OWNERS
12 AND TRAINERS RACING WITH THE LICENSED RACING ENTITY AND BY THE
13 COMMISSION. THE INDIVIDUAL DESIGNATED UNDER SUBSECTION (D) SHALL
14 PROVIDE EACH OWNER WITH ACCESS, AT REASONABLE TIMES DURING A
15 RACING DAY, TO THE AMOUNT OF FUNDS IN THE HORSEMEN'S ACCOUNT
16 CREDITED TO THAT OWNER. AT THE CLOSE OF A HORSE RACE MEETING,
17 THE DESIGNATED INDIVIDUAL SHALL MAIL TO EACH OWNER A RECORD OF
18 DEPOSITS, WITHDRAWALS AND TRANSFERS AFFECTING THE AMOUNT OF
19 FUNDS IN THE HORSEMEN'S ACCOUNT CREDITED TO THAT OWNER.

20 (F) AUDITING AND MONTHLY STATEMENTS.--THE HORSEMEN'S ACCOUNT
21 SHALL BE AUDITED ANNUALLY AND AT ANY OTHER TIME DETERMINED BY
22 THE COMMISSION. MONTHLY STATEMENTS SHALL BE PROVIDED TO THE
23 DESIGNEE OF THE ORGANIZATION WHICH REPRESENTS A MAJORITY OF THE
24 OWNERS AND TRAINERS RACING WITH THE LICENSED RACING ENTITY AND
25 THE COMMISSION.

26 (G) INTEREST.--FIFTY PERCENT OF THE MONEY EARNED AS INTEREST
27 ON FUNDS IN THE HORSEMEN'S ACCOUNT SHALL BE PAID TO THE
28 ORGANIZATION THAT REPRESENTS A MAJORITY OF THE OWNERS AND
29 TRAINERS RACING WITH THE LICENSED RACING ENTITY ON A WEEKLY
30 BASIS. THE AMOUNT IS FOR THE BENEFIT OF THE HORSEMEN AS

1 DETERMINED BY THE ORGANIZATION THAT REPRESENTS THE MAJORITY OF
2 THE OWNERS AND TRAINERS RACING WITH THE LICENSED RACING ENTITY.
3 THE REMAINING 50% OF THE INTEREST EARNED IS FOR THE BENEFIT OF
4 THE LICENSED RACING ENTITY THAT HAS THE RESPONSIBILITY TO FUND
5 THE COSTS ASSOCIATED WITH THE ADMINISTRATION OF THE FUND.
6 INTEREST EACH MONTH MUST BE EARNED IN AN AMOUNT EQUAL TO THE
7 FEDERAL RESERVE DISCOUNT RATE ON THE FIRST DAY OF THE MONTH.
8 SECTION 2846-D. STANDARDBRED HORSE RACING PURSE MONEY.

9 A LICENSED RACING ENTITY THAT CONDUCTS STANDARDBRED RACING
10 MUST PLACE ON DEPOSIT WITH THE COMMISSION BY MARCH 1 OF EACH
11 YEAR AN IRREVOCABLE LETTER OF CREDIT EQUIVALENT TO ITS AVERAGE
12 WEEKLY PURSE TOTAL FROM THE IMMEDIATE PRIOR YEAR. THE COMMISSION
13 SHALL HOLD THE LETTER OF CREDIT IN TRUST FOR THE STANDARDBRED
14 HORSEMEN RACING AT THAT LICENSED RACING ENTITY'S HORSE RACE
15 MEETING IF THE PURSE CHECKS ARE NOT ISSUED OR INSUFFICIENT FUNDS
16 ARE AVAILABLE TO COVER THE PURSE CHECKS.

17 (C) ADDITIONAL LICENSING REQUIREMENTS FOR LICENSED RACING
18 ENTITY, SECONDARY PARI-MUTUEL ORGANIZATION, TOTALISATOR
19 AND OTHER RACING VENDORS

20 SECTION 2851-D. GENERAL LICENSE REQUIREMENTS.

21 (A) NEW APPLICATION.--A LICENSED RACING ENTITY OR SECONDARY
22 PARI-MUTUEL ORGANIZATION SEEKING TO OFFER ELECTRONIC WAGERING TO
23 INDIVIDUALS WITHIN THIS COMMONWEALTH MUST APPLY TO THE
24 COMMISSION FOR A LICENSE BY SUBMITTING A COMPLETED LICENSE
25 APPLICATION. EXCEPT FOR A LICENSED RACING ENTITY THE LICENSE
26 SHALL TAKE EFFECT AND THE SECONDARY PARI-MUTUEL ORGANIZATION MAY
27 BEGIN OPERATIONS AFTER APPROVAL BY THE COMMISSION.

28 (A.1) APPLICATION.--A TOTALISATOR SERVICE PROVIDER OR OTHER
29 RACING VENDOR, AS DETERMINED BY THE COMMISSION, SEEKING TO
30 PROVIDE THOSE SERVICES WITHIN THIS COMMONWEALTH MUST APPLY TO

1 THE COMMISSION FOR A LICENSE BY SUBMITTING A COMPLETED
2 APPLICATION.

3 (B) RENEWAL APPLICATIONS.--

4 (1) A TOTALISATOR SERVICE PROVIDER OR OTHER RACING
5 VENDOR LICENSE MUST BE RENEWED ANNUALLY IN ACCORDANCE WITH
6 THIS ARTICLE.

7 (2) AN ELECTRONIC WAGERING LICENSE ISSUED TO A LICENSED
8 RACING ENTITY OR A SECONDARY PARI-MUTUEL ORGANIZATION SHALL
9 BE RENEWED ANNUALLY. AN ELECTRONIC WAGERING RENEWAL
10 APPLICATION SHALL BE SUBMITTED ON OR BEFORE 120 DAYS BEFORE
11 THE EXPIRATION OF THE LICENSE TERM. IF THE APPLICATION IS
12 APPROVED BY THE COMMISSION, THE LICENSE RENEWAL SHALL TAKE
13 EFFECT JANUARY 1.

14 SECTION 2852-D. LICENSING COSTS AND FEES.

15 COSTS AND FEES ARE AS FOLLOWS:

16 (1) THE APPLICANT SHALL PAY ALL COSTS INCURRED BY THE
17 COMMISSION IN REVIEWING AN APPLICATION FOR AN INITIAL
18 LICENSE, INCLUDING LEGAL AND INVESTIGATIVE COSTS AND THE COST
19 OF OTHER NECESSARY OUTSIDE PROFESSIONALS AND CONSULTANTS IN
20 ACCORDANCE WITH THE FOLLOWING:

21 (I) EXCEPT FOR A LICENSED RACING ENTITY, AS AN
22 INITIAL PAYMENT FOR THESE COSTS, THE APPLICANT SHALL
23 SUBMIT, ALONG WITH A LICENSE APPLICATION, A CASHIER'S
24 CHECK OR CERTIFIED CHECK PAYABLE TO THE COMMISSION IN THE
25 AMOUNT OF \$50,000.

26 (II) ANY PORTION OF THE PAYMENT NOT REQUIRED TO
27 COMPLETE THE INVESTIGATION SHALL BE REFUNDED TO THE
28 APPLICANT WITHIN 20 DAYS OF THE GRANTING, WITHDRAWAL OR
29 REJECTION OF THE INITIAL LICENSE APPLICATION.

30 (III) TO THE EXTENT ADDITIONAL COSTS WILL BE

1 NECESSARY, THE APPLICANT SHALL SUBMIT A CASHIER'S CHECK
2 OR CERTIFIED CHECK PAYABLE TO THE COMMISSION IN AN AMOUNT
3 REASONABLY REQUESTED BY THE COMMISSION WITHIN 10 DAYS OF
4 RECEIPT OF THE REQUEST. FAILURE TO SUBMIT AN ADDITIONAL
5 REQUESTED PAYMENT SHALL RESULT IN SUSPENSION OF THE
6 PROCESSING OF THE LICENSE APPLICATION AND MAY RESULT IN
7 DENIAL OF THE LICENSE.

8 (2) AN APPLICANT FOR A RENEWAL LICENSE SHALL PAY ALL
9 REASONABLE COSTS INCURRED BY THE COMMISSION IN REVIEWING A
10 RENEWAL LICENSE, INCLUDING LEGAL AND INVESTIGATIVE COSTS AND
11 THE COST OF OTHER NECESSARY OUTSIDE PROFESSIONALS AND
12 CONSULTANTS IN ACCORDANCE WITH THE FOLLOWING:

13 (I) THE APPLICANT SHALL SUBMIT A CASHIER'S CHECK OR
14 CERTIFIED CHECK PAYABLE TO THE COMMISSION IN AN AMOUNT
15 REASONABLY REQUESTED BY THE COMMISSION WITHIN 10 DAYS OF
16 RECEIPT OF REQUEST.

17 (II) FAILURE TO SUBMIT THE PAYMENT SHALL RESULT IN
18 SUSPENSION OF THE PROCESSING OF RENEWING THE LICENSE AND
19 MAY RESULT IN DENIAL OF THE LICENSE.

20 (3) INITIAL LICENSE FEE:

21 (I) THE FEE FOR AN ELECTRONIC WAGERING LICENSE UNDER
22 SECTION 2851-D(A) SHALL BE \$500,000. IF AN APPLICANT THAT
23 IS ALSO A CATEGORY 1 SLOT MACHINE LICENSEE OR ITS
24 CORPORATE SUCCESSOR OR AFFILIATE PAID THE LICENSE FEE
25 UNDER 4 PA.C.S. § 1209 (RELATING TO SLOT MACHINE LICENSE
26 FEE), THE FEE REQUIRED UNDER THIS PARAGRAPH SHALL BE
27 DEEMED PAID. A FEE PAID UNDER THIS PARAGRAPH SHALL BE
28 DEPOSITED IN THE STATE RACING FUND OR, IN THE CASE OF A
29 DEEMED PAYMENT, TRANSFERRED TO THE STATE RACING FUND UPON
30 CERTIFICATION OF THE SECRETARY OF THE BUDGET.

1 (II) THE FEE FOR AN INITIAL TOTALISATOR SERVICE
2 PROVIDER OR OTHER RACING VENDOR LICENSE UNDER SECTION
3 2851-D(A.1) SHALL BE \$25,000 AND SHALL BE DEPOSITED IN
4 THE STATE RACING FUND.

5 (4) LICENSE RENEWAL FEE:

6 (I) THE FEE FOR AN ELECTRONIC WAGERING LICENSE
7 RENEWAL UNDER SECTION 2851-D(B) SHALL BE \$100,000. IF AN
8 EXISTING LICENSEE UNDER THIS SECTION THAT IS ALSO A
9 CATEGORY 1 SLOT MACHINE LICENSEE OR ITS CORPORATE
10 SUCCESSOR OR AN AFFILIATE PAID THE LICENSE FEE UNDER 4
11 PA.C.S. § 1209, THE FEE REQUIRED UNDER THIS PARAGRAPH
12 SHALL BE DEEMED PAID. A LICENSE RENEWAL MAY NOT BE ISSUED
13 UNTIL RECEIPT OF THE LICENSE RENEWAL FEE. THE LICENSE FEE
14 SHALL BE DEPOSITED INTO THE STATE RACING FUND OR, IN THE
15 CASE OF A DEEMED PAYMENT, IT SHALL BE TRANSFERRED TO THE
16 STATE RACING FUND.

17 (II) THE FEE FOR THE RENEWAL OF A TOTALISATOR
18 SERVICE PROVIDER LICENSEE OR OTHER RACING VENDOR LICENSE
19 UNDER SECTION 2851-D(B) (2) SHALL BE \$25,000 AND SHALL BE
20 DEPOSITED IN THE STATE RACING FUND.

21 (5) THE COMMISSION SHALL BE REIMBURSED FOR ANY
22 ADDITIONAL COSTS REQUIRED TO IMPLEMENT AND ENFORCE THIS
23 CHAPTER.

24 (6) BEGINNING TWO YEARS FOLLOWING THE EFFECTIVE DATE OF
25 THIS PARAGRAPH, THE COMMISSION MAY ANNUALLY INCREASE A FEE,
26 CHARGE OR COST PROVIDED FOR UNDER THIS SECTION BY AN AMOUNT
27 NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED
28 BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX
29 FOR ALL URBAN CONSUMERS (CPI-U) FOR THE PENNSYLVANIA, NEW
30 JERSEY, DELAWARE AND MARYLAND AREA FOR THE MOST RECENT 12-

1 MONTH PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED
2 BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR
3 STATISTICS, IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS
4 DUE TO TAKE EFFECT.

5 SECTION 2853-D. LICENSE APPLICATION PROCEDURES.

6 (A) APPLICATION FOR LICENSE.--AN APPLICATION FOR AN INITIAL
7 OR RENEWAL LICENSE SHALL BE IN THE FORM AND MANNER PRESCRIBED BY
8 THE COMMISSION IN ACCORDANCE WITH THIS CHAPTER. THE COMMISSION
9 MAY DENY A LICENSE TO AN APPLICANT THAT PROVIDES FALSE OR
10 MISLEADING INFORMATION ON OR OMITTS MATERIAL INFORMATION FROM THE
11 APPLICATION. THE APPLICATION SHALL INCLUDE ALL OF THE FOLLOWING:

12 (1) THE APPLICANT'S LEGAL NAME.

13 (2) THE LOCATION OF THE APPLICANT'S PRINCIPAL OFFICE.

14 (3) THE NAME, ADDRESS AND DATE OF BIRTH OF EACH
15 PRINCIPAL WITH A FIVE PERCENT OR GREATER SHARE OF OWNERSHIP
16 OR BENEFICIAL INTEREST IN THE APPLICANT.

17 (4) AUDITED FINANCIAL STATEMENTS FOR THE LAST THREE
18 YEARS OR, IF THE APPLICANT DOES NOT HAVE AUDITED FINANCIAL
19 STATEMENTS, FINANCIAL AND OTHER PERTINENT INFORMATION AS
20 REQUIRED BY THE COMMISSION TO DETERMINE THAT THE APPLICANT IS
21 FINANCIALLY CAPABLE OF OPERATING AS A GOING CONCERN AND
22 PROTECTING ACCOUNTS.

23 (5) A DETAILED PLAN OF HOW THE WAGERING SYSTEM WILL
24 OPERATE. THE COMMISSION MAY REQUIRE CHANGES IN THE PROPOSED
25 PLAN OF OPERATIONS AS A CONDITION OF GRANTING A LICENSE.
26 THERE SHALL NOT BE SUBSEQUENT MATERIAL CHANGES IN THE PLAN OF
27 OPERATIONS UNLESS ORDERED BY THE COMMISSION OR UNTIL APPROVED
28 BY THE COMMISSION AFTER RECEIVING A WRITTEN REQUEST.

29 (6) A LIST OF ALL PERSONNEL PROCESSING WAGERS ON RACES
30 MADE BY RESIDENTS OF THIS COMMONWEALTH. THIS LIST SHALL BE

1 KEPT CURRENT AND BE PROVIDED TO THE COMMISSION UPON REQUEST.

2 (7) COPIES OF ALL DOCUMENTS REQUIRED UNDER THIS
3 SUBSECTION BY THE COMMISSION.

4 (B) REVIEW.--IN REVIEWING AN APPLICATION, THE COMMISSION MAY
5 CONSIDER ANY INFORMATION, DATA, REPORT, FINDING OR OTHER FACTOR
6 AVAILABLE THAT IT CONSIDERS IMPORTANT OR RELEVANT TO THE
7 DETERMINATION OF WHETHER THE APPLICANT IS QUALIFIED TO HOLD A
8 LICENSE, INCLUDING ALL OF THE FOLLOWING:

9 (1) THE INTEGRITY OF THE APPLICANT AND ITS PRINCIPALS,
10 INCLUDING:

11 (I) WHETHER THE APPLICANT OR ITS PRINCIPALS ARE
12 UNSUITABLE.

13 (II) WHETHER THE APPLICANT OR ITS PRINCIPALS HAVE
14 BEEN A PARTY TO LITIGATION OVER BUSINESS PRACTICES,
15 DISCIPLINARY ACTIONS OVER A BUSINESS LICENSE OR REFUSAL
16 TO RENEW A LICENSE.

17 (III) WHETHER THE APPLICANT OR ITS PRINCIPALS HAVE
18 BEEN A PARTY TO PROCEEDINGS IN WHICH UNFAIR LABOR
19 PRACTICES, DISCRIMINATION OR VIOLATION OF GOVERNMENT
20 REGULATIONS PERTAINING TO RACING OR GAMING LAWS WAS AN
21 ISSUE OR BANKRUPTCY PROCEEDINGS.

22 (IV) WHETHER THE APPLICANT OR ITS PRINCIPALS HAVE
23 FAILED TO SATISFY JUDGMENTS, ORDERS OR DECREES.

24 (V) WHETHER THE APPLICANT OR ITS PRINCIPALS HAVE
25 BEEN DELINQUENT IN FILING TAX REPORTS OR REMITTING TAXES.

26 (2) THE QUALITY OF PHYSICAL FACILITIES AND EQUIPMENT.

27 (3) THE FINANCIAL ABILITY OF THE APPLICANT TO CONDUCT
28 WAGERING.

29 (4) THE PROTECTIONS PROVIDED TO SAFEGUARD ACCOUNTS,
30 INCLUDING A CERTIFICATION FROM THE LICENSEE'S CHIEF FINANCIAL

1 OFFICER THAT ACCOUNT FUNDS WILL NOT BE COMMINGLED WITH OTHER
2 FUNDS AS REQUIRED UNDER THIS CHAPTER.

3 (5) THE MANAGEMENT ABILITY OF THE APPLICANT AND ITS
4 PRINCIPALS.

5 (6) COMPLIANCE OF THE APPLICANT WITH APPLICABLE
6 STATUTES, CHARTERS, ORDINANCES AND ADMINISTRATIVE
7 REGULATIONS.

8 (7) THE EFFORTS OF THE APPLICANT TO PROMOTE, DEVELOP AND
9 IMPROVE THE HORSE RACING INDUSTRY IN THIS COMMONWEALTH.

10 (8) THE EFFORTS OF THE APPLICANT TO SAFEGUARD AND
11 PROMOTE THE INTEGRITY OF PARI-MUTUEL WAGERING IN THIS
12 COMMONWEALTH.

13 (9) THE ECONOMIC IMPACT OF THE APPLICANT UPON THE
14 COMMONWEALTH.

15 SECTION 2854-D. ORAL PRESENTATION BY APPLICANT.

16 (A) APPLICATION.--THE APPLICATION PRESENTATION SHALL BE IN
17 ACCORDANCE WITH ALL OF THE FOLLOWING:

18 (1) THE COMMISSION MAY REQUIRE AN APPLICANT TO MAKE AN
19 ORAL PRESENTATION PRIOR TO THE RULING IN ORDER TO CLARIFY OR
20 OTHERWISE RESPOND TO QUESTIONS CONCERNING THE APPLICATION AS
21 A CONDITION TO THE ISSUANCE OR RENEWAL OF A LICENSE.

22 (2) THE PRESENTATION SHALL BE LIMITED TO THE INFORMATION
23 CONTAINED IN THE APPLICANT'S APPLICATION AND ANY SUPPLEMENTAL
24 INFORMATION RELEVANT TO THE COMMISSION'S DETERMINATION OF THE
25 APPLICANT'S SUITABILITY.

26 (3) THE ADMISSION AS EVIDENCE OF THE SUPPLEMENTAL
27 INFORMATION SHALL BE SUBJECT TO THE DISCRETION OF THE
28 COMMISSION.

29 (B) INCOMPLETE APPLICATION.--IF THE COMMISSION DEEMS AN
30 APPLICANT'S APPLICATION INCOMPLETE AND DOES NOT ACCEPT IT FOR

1 FILING, THE APPLICANT SHALL NOT BE ENTITLED TO MAKE AN ORAL
2 PRESENTATION.

3 SECTION 2855-D. ADDITIONAL INFORMATION.

4 THE COMMISSION MAY REQUEST ADDITIONAL INFORMATION FROM AN
5 APPLICANT IF THE ADDITIONAL INFORMATION WOULD ASSIST THE
6 COMMISSION IN DECIDING WHETHER TO ISSUE OR RENEW A LICENSE,
7 INCLUDING ALL OF THE FOLLOWING:

8 (1) COPIES OF ANY DOCUMENTS USED BY THE APPLICANT IN
9 PREPARING THE APPLICATION.

10 (2) A LIST OF EACH CONTRACT BETWEEN THE APPLICANT AND A
11 THIRD PARTY RELATED TO OPERATIONS. THE COMMISSION MAY REVIEW
12 THE CONTRACTS AT ANY TIME UPON REQUEST.

13 SECTION 2856-D. OPERATIONS.

14 (A) PRIOR TO OPERATING REQUIREMENTS.--BEFORE DOING BUSINESS
15 IN THIS COMMONWEALTH ALL OF THE FOLLOWING ARE REQUIRED OF A
16 LICENSEE:

17 (1) BE QUALIFIED TO DO BUSINESS IN THIS COMMONWEALTH.

18 (2) SUBMIT A COPY OF EACH DOCUMENT REQUIRED TO BE FILED
19 WITH THE DEPARTMENT OF REVENUE AND EACH DOCUMENT RELATED TO
20 AN AUDIT OR INVESTIGATION BY ANY FEDERAL, STATE OR LOCAL
21 REGULATORY AGENCY TO THE COMMISSION.

22 (3) REMIT TO THE COMMISSION A COPY OF EACH DOCUMENT
23 REQUIRED TO BE FILED WITH ANY FEDERAL, STATE OR LOCAL
24 REGULATORY AGENCY.

25 (B) REQUIREMENTS.--

26 (1) A LICENSEE SHALL SUBMIT QUARTERLY REPORTS TO THE
27 COMMISSION PROVIDING AMOUNTS WAGERED BY RESIDENTS IN THIS
28 COMMONWEALTH AND AMOUNTS WAGERED ON RACES IN THIS
29 COMMONWEALTH.

30 (2) A LICENSEE SHALL ENTER INTO AN AGREEMENT WITH EACH

1 LICENSED RACING ENTITY IN THIS COMMONWEALTH ON WHOSE RACES
2 THE LICENSEE OFFERS WAGERING REGARDING PAYMENT OF HOST FEES
3 AND ANY OTHER APPLICABLE FEES, COSTS OR PAYMENTS OF ANY KIND
4 TO BE PAID TO THE LICENSED RACING ENTITY. THE LICENSED RACING
5 ENTITY AND THE APPLICABLE HORSEMEN'S ORGANIZATION SHALL
6 NEGOTIATE A SEPARATE AGREEMENT FOR CONTRIBUTIONS TO THE PURSE
7 ACCOUNT.

8 (3) A LICENSEE SHALL NOT COMMINGLE ACCOUNT FUNDS WITH
9 OTHER FUNDS.

10 (4) A LICENSEE SHALL PROVIDE QUARTERLY FINANCIAL
11 STATEMENTS TO THE COMMISSION FOR THE FIRST CALENDAR YEAR OF
12 OPERATION IF THE LICENSEE DOES NOT HAVE AUDITED FINANCIAL
13 STATEMENTS FOR THE LAST THREE YEARS AS REFERENCED IN SECTION
14 2853-D(A) (4).

15 (5) A LICENSEE SHALL USE AND COMMUNICATE PARI-MUTUEL
16 WAGERS TO A TOTALISATOR LICENSED BY THE COMMISSION.

17 (6) A LICENSEE SHALL OPERATE AND COMMUNICATE WITH THE
18 TOTALISATOR IN SUCH A WAY AS NOT TO PROVIDE OR FACILITATE A
19 WAGERING ADVANTAGE BASED ON ACCESS TO INFORMATION AND
20 PROCESSING OF WAGERS BY ACCOUNT HOLDERS RELATIVE TO
21 INDIVIDUALS WHO WAGER AT LICENSED RACING ENTITIES OR
22 SIMULCAST FACILITIES.

23 (7) ALL PERSONNEL PROCESSING WAGERS MADE BY RESIDENTS OF
24 THIS COMMONWEALTH SHALL BE LICENSED BY THE COMMISSION.

25 (8) ACCOUNTS SHALL ONLY BE ACCEPTED IN THE NAME OF AN
26 INDIVIDUAL AND SHALL NOT BE TRANSFERABLE. ONLY INDIVIDUALS
27 WHO HAVE ESTABLISHED ACCOUNTS WITH A LICENSEE MAY WAGER
28 THROUGH A LICENSEE.

29 (9) EACH ACCOUNT HOLDER SHALL PROVIDE PERSONAL
30 INFORMATION AS THE LICENSEE AND THE COMMISSION REQUIRE,

1 INCLUDING ALL OF THE FOLLOWING:

2 (I) NAME.

3 (II) PRINCIPAL RESIDENCE ADDRESS.

4 (III) TELEPHONE NUMBER.

5 (IV) SOCIAL SECURITY NUMBER.

6 (V) DATE OF BIRTH.

7 (VI) OTHER INFORMATION NECESSARY FOR ACCOUNT
8 ADMINISTRATION.

9 (10) THE INFORMATION SUPPLIED BY THE ACCOUNT HOLDER
10 SHALL BE VERIFIED BY THE LICENSEE USING MEANS ACCEPTABLE TO
11 THE COMMISSION. A SECONDARY PARI-MUTUEL ORGANIZATION MUST
12 VERIFY THAT THE ACCOUNT HOLDER DOES NOT RESIDE WITHIN THE
13 PRIMARY MARKET AREA OF A LICENSED RACING ENTITY.

14 (11) THE LICENSEE SHALL PROVIDE EACH ACCOUNT HOLDER A
15 SECURE PERSONAL IDENTIFICATION CODE AND PASSWORD TO BE USED
16 BY THE ACCOUNT HOLDER TO CONFIRM THE VALIDITY OF EVERY
17 ACCOUNT TRANSACTION.

18 (12) AN EMPLOYEE OR AGENT OF THE LICENSEE SHALL NOT
19 DISCLOSE ANY CONFIDENTIAL INFORMATION EXCEPT THE FOLLOWING:

20 (I) TO THE COMMISSION.

21 (II) TO THE ACCOUNT HOLDER AS REQUIRED BY THIS
22 CHAPTER.

23 (III) TO THE LICENSEE AND ITS AFFILIATES.

24 (IV) TO THE LICENSED RACING ENTITY AS REQUIRED BY
25 THE AGREEMENT BETWEEN THE LICENSEE AND THE LICENSED
26 RACING ENTITY.

27 (V) AS OTHERWISE REQUIRED BY LAW.

28 (13) THE LICENSEE SHALL PROVIDE EACH ACCOUNT HOLDER A
29 COPY OF ACCOUNT HOLDER RULES AND THE TERMS OF AGREEMENT AND
30 OTHER INFORMATION AND MATERIALS THAT ARE PERTINENT TO THE

1 OPERATION OF THE ACCOUNT.

2 (14) THE LICENSEE MAY REFUSE TO ESTABLISH AN ACCOUNT IF
3 IT IS FOUND THAT ANY OF THE INFORMATION SUPPLIED IS FALSE OR
4 INCOMPLETE OR FOR ANY OTHER REASON THE LICENSEE DEEMS
5 SUFFICIENT.

6 (15) EACH ACCOUNT SHALL BE ADMINISTERED IN ACCORDANCE
7 WITH THE ACCOUNT HOLDER RULES AND THE TERMS OF AGREEMENT
8 PROVIDED TO ACCOUNT HOLDERS, INCLUDING:

9 (I) PLACING OF WAGERS.

10 (II) DEPOSITS TO ACCOUNTS.

11 (III) CREDITS TO ACCOUNTS.

12 (IV) DEBITS TO ACCOUNTS.

13 (V) REFUNDS TO ACCOUNTS.

14 (VI) WITHDRAWALS FROM ACCOUNTS.

15 (VII) MINIMUM DEPOSIT REQUIREMENTS.

16 (VIII) FEES PER WAGER.

17 (IX) REBATES.

18 (16) EACH LICENSEE SHALL HAVE PROTOCOLS IN PLACE AND
19 SHALL PUBLICIZE TO ITS ACCOUNT HOLDERS WHEN THE WAGERS ARE
20 EXCLUDED FROM A HOST RACETRACK'S WAGERING POOL. THESE
21 PROTOCOLS SHALL INCLUDE AN IMMEDIATE ELECTRONIC MAIL MESSAGE
22 TO AFFECTED ACCOUNT HOLDERS AND IMMEDIATE POSTING ON THE
23 LICENSEE'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.

24 (17) A LICENSEE SHALL MAINTAIN COMPLETE RECORDS OF THE
25 APPLICATION AND THE OPENING OF AN ACCOUNT FOR THE LIFE OF THE
26 ACCOUNT PLUS TWO ADDITIONAL YEARS. A LICENSEE SHALL ALSO
27 MAINTAIN COMPLETE RECORDS OF THE CLOSING OF AN ACCOUNT FOR
28 TWO YEARS AFTER CLOSING. THESE RECORDS SHALL BE PROVIDED TO
29 THE COMMISSION UPON REQUEST.

30 (18) A LICENSEE SHALL MAINTAIN COMPLETE RECORDS OF ALL

1 TRANSACTIONS, INCLUDING DEPOSITS, CREDITS, DEBITS, REFUNDS,
2 WITHDRAWALS, FEES, WAGERS, REBATES AND EARNINGS FOR TWO
3 YEARS. THESE RECORDS SHALL BE PROVIDED TO THE COMMISSION UPON
4 REQUEST.

5 (19) ALL WAGERING CONVERSATIONS, TRANSACTIONS OR OTHER
6 WAGERING COMMUNICATIONS, VERBAL OR ELECTRONIC, SHALL BE
7 RECORDED BY MEANS OF THE APPROPRIATE ELECTRONIC MEDIA AND THE
8 TAPES OR OTHER RECORDS OF THE COMMUNICATIONS SHALL BE KEPT BY
9 THE LICENSEE FOR A PERIOD OF TWO YEARS. THESE TAPES AND OTHER
10 RECORDS SHALL BE MADE AVAILABLE TO THE COMMISSION UPON
11 REQUEST.

12 (20) THE RECORDING OF THE CONFIRMATION OF THE
13 TRANSACTION, AS REFLECTED IN THE VOICE OR OTHER DATA
14 RECORDING, SHALL BE DEEMED TO BE THE ACTUAL WAGER REGARDLESS
15 OF WHAT WAS RECORDED BY THE TOTALISATOR.

16 (21) A LICENSEE SHALL NOT ACCEPT WAGERS IF ITS RECORDING
17 SYSTEM IS NOT OPERABLE.

18 (22) THE COMMISSION MAY MONITOR THE EQUIPMENT AND STAFF
19 AND REVIEW THE RECORDS OF A LICENSEE AND ANY OF THE
20 TRANSACTIONS CONDUCTED BY THE LICENSEE WITH REGARDS TO WAGERS
21 MADE BY RESIDENTS OF THIS COMMONWEALTH.

22 (23) A LICENSEE MAY SUSPEND OR CLOSE ANY ACCOUNT FOR
23 VIOLATION OF THE ACCOUNT HOLDER RULES AND THE TERMS OF
24 AGREEMENT OR ANY OTHER REASON IT DEEMS SUFFICIENT, IF THE
25 LICENSEE RETURNS TO THE ACCOUNT HOLDER ALL MONEY THEN ON
26 DEPOSIT WITHIN SEVEN CALENDAR DAYS.

27 SECTION 2857-D. TRANSFERS OF LICENSES.

28 A TRANSFER OF LICENSES SHALL BE DONE IN ACCORDANCE WITH THE
29 FOLLOWING:

30 (1) A LICENSE ISSUED UNDER THIS CHAPTER SHALL NOT BE

1 TRANSFERABLE OR ASSIGNABLE.

2 (2) A SUBSTANTIAL CHANGE IN OWNERSHIP IN A LICENSEE
3 SHALL RESULT IN TERMINATION OF THE LICENSE UNLESS PRIOR
4 WRITTEN APPROVAL HAS BEEN OBTAINED FROM THE COMMISSION. A
5 REQUEST FOR APPROVAL OF A SUBSTANTIAL CHANGE IN OWNERSHIP
6 SHALL BE MADE ON A FORM DESIGNATED BY THE COMMISSION. UPON
7 RECEIPT OF ALL REQUIRED INFORMATION, THE COMMISSION SHALL, AS
8 SOON AS PRACTICABLE, MAKE A DETERMINATION WHETHER TO
9 AUTHORIZE AND APPROVE THE SUBSTANTIAL CHANGE IN OWNERSHIP.

10 (3) NOTICE OF A NOMINAL CHANGE IN OWNERSHIP SHALL BE
11 FILED WITH THE COMMISSION WITHIN 15 DAYS OF THE EXECUTION OF
12 THE DOCUMENTS UPON WHICH THE PROPOSED NOMINAL CHANGE IN
13 OWNERSHIP WILL BE BASED.

14 (4) FOR PURPOSES OF PARAGRAPH (3), NOTICE IS NOT
15 REQUIRED FOR ANY OF THE FOLLOWING:

16 (I) A NOMINAL CHANGE IN OWNERSHIP IF THE LICENSEE IS
17 A PUBLICLY TRADED CORPORATION.

18 (II) THE TRANSFER OF AN OWNERSHIP INTEREST IN A
19 LICENSED RACING ENTITY, WHETHER SUBSTANTIAL OR NOMINAL,
20 DIRECT OR INDIRECT, IF BY A PUBLICLY TRADED CORPORATION,
21 AND IF THE BENEFICIAL OWNERSHIP TRANSFERRED IS ACQUIRED
22 BY AN INDIVIDUAL WHO HOLDS THE VOTING SECURITIES OF THE
23 PUBLICLY TRADED CORPORATION FOR INVESTMENT PURPOSES ONLY.

24 (5) ANY ATTEMPT TO EFFECT A SUBSTANTIAL CHANGE IN
25 OWNERSHIP UNDER THIS SECTION IF NOT DONE SO IN WRITING SHALL
26 BE CONSIDERED VOID BY THE COMMISSION.

27 SECTION 2858-D. DURATION OF LICENSE.

28 A LICENSE ISSUED UNDER THIS CHAPTER SHALL BE VALID FOR ONE
29 CALENDAR YEAR FOR WHICH THE LICENSE IS ISSUED.

30 SECTION 2859-D. PENALTIES AND ENFORCEMENT.

1 ALL OF THE FOLLOWING APPLY:

2 (1) THE COMMISSION SHALL HAVE ALL OF THE RIGHTS, POWERS
3 AND REMEDIES NECESSARY TO CARRYOUT THIS CHAPTER AND TO ENSURE
4 COMPLIANCE WITH THIS CHAPTER, INCLUDING REVOCATION,
5 SUSPENSION OR MODIFICATION OF A LICENSE AND THE IMPOSITION OF
6 FINES UNDER SECTION 2825-D.

7 (2) WITH RESPECT TO AN INDIVIDUAL OR ENTITY THAT OFFERS
8 PARI-MUTUEL WAGERING TO RESIDENTS OF THIS COMMONWEALTH
9 WITHOUT A LICENSE ISSUED BY THE COMMISSION, THE COMMISSION
10 MAY TAKE THE MEASURES DEEMED NECESSARY, INCLUDING REFERRAL TO
11 THE APPROPRIATE REGULATORY AND LAW ENFORCEMENT AUTHORITIES
12 FOR CIVIL ACTION OR CRIMINAL PENALTIES.

13 (3) UPON THE FINDING OF A VIOLATION BY A SECONDARY PARI-
14 MUTUEL ORGANIZATION OR TOTALISATOR OF THIS CHAPTER OR OF A
15 COMMISSION REGULATION OR ORDER OR UPON THE FINDING OF
16 UNLICENSED ELECTRONIC OR ADVANCED DEPOSIT ACCOUNT WAGERING BY
17 AN INDIVIDUAL OR ENTITY, THE COMMISSION MAY IMPOSE A FINE AS
18 AUTHORIZED UNDER SECTION 2825-D.

19 (D) COMPLIANCE
20 SECTION 2861-D. TAX COMPLIANCE REQUIREMENT.

21 (A) APPLICANT.--AN APPLICANT MUST BE TAX COMPLIANT TO BE
22 ELIGIBLE FOR A LICENSE OR PERMIT ISSUED UNDER THIS ARTICLE. UPON
23 RECEIPT OF AN APPLICATION FOR A LICENSE OR PERMIT, THE
24 COMMISSION SHALL REQUEST THE DEPARTMENT OF REVENUE TO CONDUCT A
25 TAX COMPLIANCE REVIEW OF THE APPLICANT.

26 (B) LICENSEES.--A LICENSEE MUST BE TAX COMPLIANT TO BE
27 ELIGIBLE FOR RENEWAL OF A LICENSE OR PERMIT ISSUED UNDER THIS
28 ARTICLE. PRIOR TO RENEWING A LICENSE OR PERMIT, THE COMMISSION
29 SHALL REQUEST THE DEPARTMENT OF REVENUE TO CONDUCT A TAX
30 COMPLIANCE REVIEW OF THE LICENSEE.

1 (C) COMMISSIONERS AND COMMISSION EMPLOYEES.--AN INDIVIDUAL
2 MUST BE TAX COMPLIANT TO BE ELIGIBLE TO SERVE AS A COMMISSIONER
3 OR TO BE EMPLOYED BY THE COMMISSION. COMMISSIONERS AND
4 COMMISSION EMPLOYEES SHALL BE SUBJECT TO AN ANNUAL TAX
5 COMPLIANCE REVIEW TO ENSURE THEY ARE TAX COMPLIANT. THIS
6 SUBSECTION MAY NOT APPLY TO COMMISSION EMPLOYEES SUBJECT TO A
7 COLLECTIVE BARGAINING AGREEMENT.

8 (D) CONTRACTORS.--EACH CONTRACTOR OF THE COMMISSION SHALL BE
9 SUBJECT TO AN ANNUAL TAX COMPLIANCE REVIEW TO ENSURE THAT THE
10 CONTRACTOR IS TAX COMPLIANT.

11 (E) REVIEW.--THE TAX COMPLIANCE REVIEW UNDER SUBSECTION (A)
12 AND (B) AND THE ANNUAL TAX COMPLIANCE REVIEW UNDER SUBSECTIONS
13 (C) AND (D) MUST BE PERFORMED ON THE DATES AS DETERMINED BY THE
14 COMMISSION.

15 (F) DEFINITIONS.--FOR PURPOSES OF THIS SECTION, THE
16 FOLLOWING WORDS AND PHRASES SHALL HAVE THE FOLLOWING MEANINGS:

17 "TAX COMPLIANT." BEING CURRENT WITH ALL APPLICABLE
18 COMMONWEALTH TAX FILING AND REPORTING OBLIGATIONS FOR ANY
19 APPLICABLE TAX YEAR AND CURRENT WITH PAYMENT OF ANY BALANCE OF
20 TAX, INTEREST OR PENALTY DUE THE COMMONWEALTH AS DETERMINED BY
21 THE DEPARTMENT OF REVENUE FOR AN APPLICABLE TAX YEAR.

22 "TAX COMPLIANCE REVIEW." THE PROCESS BY WHICH THE DEPARTMENT
23 OF REVENUE DETERMINES WHETHER AN INDIVIDUAL OR ENTITY IS TAX
24 COMPLIANT.

25 (E) MEDICATION RULES AND ENFORCEMENT PROVISIONS
26 SECTION 2871-D. MANDATORY REQUIREMENTS FOR MEDICATION RULES.

27 (A) WHEN A LICENSED RACING ENTITY CONDUCTS A HORSE RACE
28 MEETING WITH PARI-MUTUEL WAGERING THE COMMISSION SHALL HAVE IN
29 EFFECT RULES OR REGULATIONS TO CONTROL THE USE AND
30 ADMINISTRATION OF ANY MEDICATION AND THE USE AND ADMINISTRATION

1 OF ANY DEVICE THAT AFFECTS THE PERFORMANCE OF A RACE HORSE. THE
2 COMMISSIONS MAY ESTABLISH PERMITTED TOLERANCE LEVELS AND
3 THERAPEUTIC DOSE ALLOWANCES FOR ALL MEDICATION TO BE USED OR
4 ADMINISTERED TO A RACE HORSE. COMMISSION SHALL ADOPT A
5 COMPREHENSIVE SCHEDULE OF EQUINE DRUGS, MEDICATIONS, THERAPEUTIC
6 SUBSTANCES OR METABOLIC DERIVATIVES WHICH ARE AUTHORIZED TO BE
7 ADMINISTERED TO RACE HORSES, INCLUDING TOLERANCE LEVELS. IN
8 ORDER TO PROPERLY DETERMINE THE SCHEDULE OF DRUGS AND THE
9 TOLERANCE LEVELS UNDER THIS SUBSECTION, THE COMMISSION MAY
10 CONDUCT RESEARCH OR CONTRACT WITH A VENDOR TO CONDUCT THE
11 RESEARCH. THE COMMISSION MAY CONSULT WITH THE PENNSYLVANIA BOARD
12 OF VETERINARY MEDICINE, ACADEMIC INSTITUTES AND ASSOCIATIONS
13 REPRESENTING THE MAJORITY OF THE HORSE OWNERS AND EXPERTS.

14 (B) THE COMMISSION SHALL ESTABLISH IN THEIR RULES OR
15 REGULATIONS PENALTY PROVISIONS FOR THE VIOLATION OF THESE RULES
16 OR REGULATIONS.

17 SECTION 2872-D. ESTABLISHMENT OF PENNSYLVANIA RACE HORSE
18 TESTING PROGRAM.

19 (A) THERE IS HEREBY ESTABLISHED THE PENNSYLVANIA RACE HORSE
20 TESTING PROGRAM. THE PROGRAM SHALL BE ADMINISTERED BY THE
21 COMMISSION. ALL COSTS OF THE PROGRAM SHALL BE PAID BY THE
22 APPROPRIATIONS ALLOCATED UNDER SECTION 2874-D. THE PROGRAM SHALL
23 BE ADMINISTERED BY THE COMMISSION. ALL COSTS OF THE PROGRAM
24 SHALL BE PAID BY THE APPROPRIATIONS UNDER SECTION 2874-D.

25 (B) THE PURPOSES OF THE PENNSYLVANIA RACE HORSE TESTING
26 PROGRAM ARE TO ANALYZE SAMPLES FOR THE PRESENCE IN RACE HORSES
27 OF ANY MEDICATION, TO DEVELOP TECHNIQUES, EQUIPMENT AND
28 PROCEDURES, TO COLLECT AND TEST FOR THE PRESENCE OF MEDICATION
29 IN RACE HORSES, TO ASCERTAIN PERMITTED TOLERANCE LEVELS OR
30 THERAPEUTIC DOSE ALLOWANCES FOR MEDICATION, TO OFFER

1 CONSULTATION AND ADVICE TO THE PUBLIC ON ALL ISSUES REGARDING
2 THE MEDICATION OF RACE HORSES AND TO CONDUCT RESEARCH IN
3 MEDICATION ISSUES INVOLVING RACE HORSES.

4 SECTION 2873-D. EQUIPMENT, SUPPLIES AND FACILITIES.

5 THE COSTS OF ALL EQUIPMENT, SUPPLIES AND FACILITIES, EXCEPT
6 HOLDING BARNs OR STABLES, TO BE LOCATED AT RACE HORSE MEETING
7 FACILITIES, GROUNDS OR ENCLOSURES OR AT OTHER LOCATIONS
8 DESIGNATED BY THE MANAGEMENT COMMITTEE SHALL BE PAID BY THE
9 COMMISSION.

10 SECTION 2874-D. COSTS OF THE ENFORCEMENT OF MEDICATION RULES OR
11 REGULATIONS.

12 (A) AUTHORIZATION.--BEGINNING JULY 1, 2016, AND EACH YEAR
13 THEREAFTER, THE GENERAL ASSEMBLY SHALL AUTHORIZE THE TRANSFER OF
14 FUNDS FROM THE PENNSYLVANIA RACE HORSE DEVELOPMENT FUND TO THE
15 STATE RACING FUND TO PROVIDE FOR EACH COST ASSOCIATED WITH THE
16 COLLECTION AND RESEARCH OF AND TESTING FOR MEDICATION, WHICH
17 SHALL INCLUDE THE COST OF NECESSARY PERSONNEL, EQUIPMENT,
18 SUPPLIES AND FACILITIES, EXCEPT HOLDING BARNs OR STABLES, TO BE
19 LOCATED AT HORSE RACE FACILITIES, GROUNDS OR ENCLOSURES OR AT
20 OTHER LOCATIONS DESIGNATED BY THE COMMISSION. ALL SUCH COSTS
21 SHALL BE REVIEWED AND APPROVED BY THE COMMISSION. THE TRANSFER
22 SHALL BE MADE IN 52 EQUAL WEEKLY INSTALLMENTS DURING THE FISCAL
23 YEAR BEFORE ANY OTHER DISTRIBUTION FROM THE PENNSYLVANIA RACE
24 HORSE DEVELOPMENT FUND.

25 (B) EXPIRATION.--SUBSECTION (A) SHALL EXPIRE AT 11:59 P.M.
26 ON JUNE 30, 2020. AFTER JUNE 30, 2020, ALL COSTS FOR THE
27 PENNSYLVANIA RACE HORSE TESTING PROGRAM AND THE COLLECTION AND
28 TESTING OF SAMPLES FOR ANY MANNER OF MEDICATION SHALL BE PAID BY
29 THE COMMISSION.

30 SECTION 4.1. NO LATER THAN ONE YEAR AFTER THE EFFECTIVE DATE

1 OF THIS SECTION, THE JOINT STATE GOVERNMENT COMMISSION, WITH
2 ASSISTANCE FROM THE INDEPENDENT FISCAL OFFICE, SHALL CONDUCT A
3 STUDY AND PROVIDE A REPORT TO THE CHAIRPERSON AND MINORITY
4 CHAIRPERSON OF THE AGRICULTURE AND RURAL AFFAIRS COMMITTEE OF
5 THE SENATE AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
6 AGRICULTURE AND RURAL AFFAIRS COMMITTEE OF THE HOUSE OF
7 REPRESENTATIVES. THE REPORT SHALL INCLUDE AN ASSESSMENT OF THE
8 FINANCIAL, REGULATORY AND MARKET FACTORS LISTED UNDER PARAGRAPHS
9 (1), (2), (3), (4), (5), (6), (7), (8) AND (9) AND SHALL OFFER
10 RECOMMENDATIONS ON BEST PRACTICES IN EACH AREA FOR THE
11 COMMONWEALTH TO CONSIDER. THE STUDY SHALL PROVIDE AN ASSESSMENT
12 OF AND RECOMMENDATION ON THE FOLLOWING:

13 (1) POTENTIAL COST SAVINGS AND REGULATORY STREAMLINING
14 IN THE OVERSIGHT OF RACING, INCLUDING THOSE ASSOCIATED WITH
15 COMBINING PENNSYLVANIA'S GAMING OVERSIGHT FUNCTIONS, SUCH AS
16 HORSE RACING, CASINO GAMING AND LOTTERY, INTO A SINGLE,
17 COORDINATED ENTITY.

18 (2) THE NECESSITY, EFFICIENCY AND BENEFITS OF HAVING
19 SEPARATE RACING COMMISSIONS OR DIVISIONS WITHIN A SINGLE
20 COMMISSION FOR THOROUGHBRED AND HARNESS TRACKS.

21 (3) A DETERMINATION OF BEST REGULATORY PRACTICES IN
22 OTHER JURISDICTIONS, SUCH AS NEW YORK, OHIO AND MARYLAND AND
23 OTHER STATES OR PROVINCES AND COMPARING PENNSYLVANIA'S
24 APPROACH AGAINST THE BEST REGULATORY PRACTICES IN OTHER
25 JURISDICTIONS.

26 (4) IN ADDITION TO THE AUDITOR GENERAL'S JUNE 17, 2014,
27 SPECIAL PERFORMANCE AUDIT OF THE STATE RACING FUND, A
28 DETERMINATION OF WHAT SAFEGUARDS AND POLICIES CAN BE
29 IMPLEMENTED TO AVOID FUTURE INAPPROPRIATE DEPARTMENT OF
30 AGRICULTURE COST ALLOCATIONS TO THE RACING COMMISSIONS.

1 (5) AN EVALUATION OF THE COST EFFECTIVENESS OF THE
2 PENNSYLVANIA EQUINE TOXICOLOGY RESEARCH LABORATORY AND
3 COMPARING THE LABORATORY'S FUNCTIONS TO OTHER JURISDICTIONS.

4 (6) CONSIDERATION OF THE IMPOSITION OF INCREASED FINES
5 AND THE ASSESSMENT OF PENNSYLVANIA EQUINE TOXICOLOGY RESEARCH
6 LABORATORY COSTS AGAINST THOSE FOUND TO HAVE ENGAGED IN THE
7 IMPERMISSIBLE DOPING OF RACE HORSES AND EXAMINATION OF HOW TO
8 STRENGTHEN PROPERTY OWNER RIGHTS IN THE EJECTION OF BAD
9 ACTORS IN RACING.

10 (7) A DETERMINATION OF THE ECONOMIC RETURN TO THE
11 COMMONWEALTH, RACETRACK OPERATORS, HORSEMEN, BREEDERS AND
12 OTHER STAKEHOLDERS ON THE INVESTMENT OF GAMING ASSESSMENTS
13 COLLECTED UNDER THE ACT OF JULY 5, 2004 (P.L.572, NO.71),
14 ENTITLED, "AN ACT AMENDING TITLE 4 (AMUSEMENTS) OF THE
15 PENNSYLVANIA CONSOLIDATED STATUTES, AUTHORIZING CERTAIN
16 RACETRACK AND OTHER GAMING; PROVIDING FOR REGULATION OF
17 GAMING LICENSEES; ESTABLISHING AND PROVIDING FOR THE POWERS
18 AND DUTIES OF THE PENNSYLVANIA GAMING CONTROL BOARD;
19 CONFERRING POWERS AND IMPOSING DUTIES ON THE DEPARTMENT OF
20 REVENUE, THE DEPARTMENT OF HEALTH, THE OFFICE OF ATTORNEY
21 GENERAL, THE PENNSYLVANIA STATE POLICE AND THE PENNSYLVANIA
22 LIQUOR CONTROL BOARD; ESTABLISHING THE STATE GAMING FUND, THE
23 PENNSYLVANIA RACE HORSE DEVELOPMENT FUND, THE PENNSYLVANIA
24 GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND, THE COMPULSIVE
25 AND PROBLEM GAMBLING TREATMENT FUND AND THE PROPERTY TAX
26 RELIEF FUND; PROVIDING FOR ENFORCEMENT; IMPOSING PENALTIES;
27 MAKING APPROPRIATIONS; AND MAKING RELATED REPEALS."

28 (8) A DETERMINATION OF THE NATURE OF THOROUGHBRED AND
29 STANDARD BRED BREEDING IN THIS COMMONWEALTH SINCE THE
30 ENACTMENT OF THE ACT OF JULY 5, 2004 (P.L.572, NO.71), AND

1 COMPARING IT TO THE NATURE OF BREEDING BEFORE ENACTMENT OF
2 THE ACT OF JULY 5, 2004 (P.L.572, NO.71).

3 (9) A DETERMINATION OF HOW PENNSYLVANIA'S RACE HORSE
4 INDUSTRY AND REGULATORY ENTITIES CAN BEST BE POSITIONED FOR
5 FUTURE SUCCESS OR AT A MINIMUM FINANCIAL STABILITY IN AN
6 ENVIRONMENT OF DECLINING RACE TRACK PATRONS AND HANDLE,
7 COMPETITION FROM LIVE RACING FROM NEIGHBORING STATES AND THE
8 INCREASING AVAILABILITY OF ALTERNATIVE GAMING PLATFORMS, SUCH
9 AS INTERNET AND MOBILE GAMING AND FANTASY SPORTS.
10 SPECIFICALLY, THE STUDY SHALL CONSIDER OPTIONS FOR REFORMING
11 AND PROMOTING HORSE RACING MEETINGS THAT WILL INCREASE
12 HANDLE, REDUCE RACING COSTS, PROMOTE THE HEALTH OF THE HORSE
13 AND ADVANCE THE BEST INTERESTS OF RACING FANS AND BETTORS.

14 (10) AN ASSESSMENT OF LIVE RACING MARKETING PROGRAMS AT
15 EACH TRACK AND THE IMPACT ON PARI-MUTUEL WAGERING AND PUBLIC
16 ATTENDANCE ON RACE DAYS. THIS ASSESSMENT SHALL INCLUDE
17 MARKETING OR ADVERTISING EXPENDITURES AND THE RETURN ON
18 INVESTMENT OF THOSE EXPENDITURES SPECIFIC TO RACING.

19 SECTION 5. REPEALS ARE AS FOLLOWS:

20 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
21 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF
22 SECTIONS 2801-D, 2822-D, 2829-D, 2830-D AND 2834-D OF THE
23 ACT.

24 (2) ARTICLE XVI-B OF THE ACT OF MARCH 4, 1971 (P.L.6,
25 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS REPEALED.

26 (3) THE REPEAL UNDER PARAGRAPH (4) IS NECESSARY TO
27 EFFECTUATE THE ADDITION OF ARTICLE XVIII-D OF THE ACT.

28 (4) THE ACT OF DECEMBER 17, 1981 (P.L.435, NO.135),
29 KNOWN AS THE RACE HORSE INDUSTRY REFORM ACT, IS REPEALED.

30 SECTION 6. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

1 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT

2 IMMEDIATELY:

3 (I) THE ADDITION OF THE FOLLOWING PROVISIONS OF THE

4 ACT:

5 (A) SECTION 2811-D.

6 (B) SECTION 2834-D.

7 (C) SECTION 2874-D.

8 (II) SECTION 3 OF THIS ACT.

9 (III) SECTION 4 OF THIS ACT.

10 (IV) SECTION 4.1 OF THIS ACT.

11 (V) THIS SECTION.

12 (2) THE AMENDMENT OF SECTION 614-A(13) (III) OF THE ACT

13 SHALL TAKE EFFECT IN 60 DAYS.

14 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 90

15 DAYS.