

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION**No. 616** Session of
2015

INTRODUCED BY CAUSER AND CARROLL, DECEMBER 9, 2015

AS REPORTED FROM COMMITTEE ON AGRICULTURE AND RURAL AFFAIRS,
HOUSE OF REPRESENTATIVES, AS AMENDED, FEBRUARY 10, 2016

A RESOLUTION

1 Directing the Joint State Government Commission, with assistance
2 from the Independent Fiscal Office, to conduct a study on the
3 impact of regulations and policies concerning Pennsylvania's
4 horse racing industry.

5 WHEREAS, It is in the best interests of this Commonwealth to
6 to consider reforming the regulations and policies of
7 Pennsylvania's horse racing industry; therefore be it

8 RESOLVED, That the House of Representatives direct the Joint
9 State Government Commission, with assistance from the
10 Independent Fiscal Office, to conduct a study and provide a
11 report to the chairperson and minority chairperson of the
12 Agriculture and Rural Affairs Committee of the Senate and the
13 chairperson and minority chairperson of the Agriculture and
14 Rural Affairs Committee of the House of Representatives no later
15 than February 1, 2017. The report shall include an assessment of
16 the financial, regulatory and market factors listed under
17 paragraphs (1), (2), (3), (4), (5), (6), (7), (8) ~~and (9)~~, (9), <--
18 (10) AND 11 and shall offer recommendations on best practices in <--
19 each area for the Commonwealth to consider. The study shall

1 provide an assessment of and recommendation on the following:

2 (1) Potential cost savings and regulatory streamlining
3 in the oversight of racing, including those associated with
4 combining Pennsylvania's gaming oversight functions, such as
5 horse racing, casino gaming and lottery, into a single,
6 coordinated entity.

7 (2) The necessity, efficiency and benefits of having
8 separate racing commissions or divisions within a single
9 commission for thoroughbred and harness tracks.

10 (3) A determination of best regulatory practices in
11 other jurisdictions, such as New York, Ohio and Maryland and
12 other states or provinces and comparing Pennsylvania's
13 approach against the best regulatory practices in other
14 jurisdictions.

15 (4) In addition to the Auditor General's June 17, 2014,
16 Special Performance Audit of the State Racing Fund, a
17 determination of what safeguards and policies can be
18 implemented to avoid future inappropriate cost allocations by
19 the Department of Agriculture of the Commonwealth to the
20 racing commissions.

21 (5) An evaluation of the cost effectiveness of the
22 Pennsylvania Equine Toxicology Research Laboratory and
23 comparing the laboratory's functions to other jurisdictions.

24 (6) Consideration of the imposition of increased fines
25 and the assessment of Pennsylvania Equine Toxicology Research
26 Laboratory costs against those found to have engaged in the
27 impermissible doping of race horses and examination of how to
28 strengthen property owner rights in the ejection of bad
29 actors in racing.

30 (7) A determination of the economic return to the

1 Commonwealth on the investment of gaming tax revenues
2 collected under the act of July 5, 2004 (P.L.572, No.71),
3 entitled, "An act amending Title 4 (Amusements) of the
4 Pennsylvania Consolidated Statutes, authorizing certain
5 racetrack and other gaming; providing for regulation of
6 gaming licensees; establishing and providing for the powers
7 and duties of the Pennsylvania Gaming Control Board;
8 conferring powers and imposing duties on the Department of
9 Revenue, the Department of Health, the Office of Attorney
10 General, the Pennsylvania State Police and the Pennsylvania
11 Liquor Control Board; establishing the State Gaming Fund, the
12 Pennsylvania Race Horse Development Fund, the Pennsylvania
13 Gaming Economic Development and Tourism Fund, the Compulsive
14 and Problem Gambling Treatment Fund and the Property Tax
15 Relief Fund; providing for enforcement; imposing penalties;
16 making appropriations; and making related repeals."

17 (8) A determination of the nature of thoroughbred and
18 standardbred breeding in this Commonwealth since the
19 enactment of the act of July 5, 2004 (P.L.572, No.71), and
20 comparing it to the nature of breeding before enactment of
21 the act of July 5, 2004 (P.L.572, No.71).

22 (9) A determination of how Pennsylvania's race horse
23 industry and regulatory entities can best be positioned for
24 future success or at a minimum financial stability in an
25 environment of declining race track patrons and handle,
26 competition from live racing from neighboring states and the
27 increasing availability of alternative gaming platforms, such
28 as Internet and mobile gaming and fantasy sports.
29 Specifically, the study shall consider options for reforming
30 and promoting horse racing meetings that will increase

1 handle, reduce racing costs, promote the health of the horse
2 and advance the best interests of racing fans and bettors.

3 (10) AN EVALUATION OF THE BENEFITS AND HARMS TO <--
4 PENNSYLVANIA'S RACE HORSE INDUSTRY AND REGULATED ENTITIES OF
5 THE EXPANSION OF PARI-MUTUEL WAGERING, ADVANCED DEPOSIT
6 ACCOUNT WAGERING AND ELECTRONIC WAGERING TO SECONDARY PARI-
7 MUTUEL ORGANIZATIONS. THE EVALUATION SHALL INCLUDE:

8 (I) ASSESSING THE CURRENT PREVALENCE OF UNLAWFUL
9 ADVANCED DEPOSIT ACCOUNT WAGERING AND ELECTRONIC WAGERING
10 AND WAYS TO PREVENT OR ENFORCE THE LAW AGAINST UNLAWFUL
11 WAGERING.

12 (II) ASSESSING THE IMPACT OF THE EXPANSION ON LIVE
13 RACING AND CAPITAL INVESTMENT BY AND EMPLOYMENT AT
14 LICENSED RACING ENTITIES.

15 (III) THE APPROPRIATE TERMS, CONDITIONS AND
16 REQUIREMENTS THAT SHOULD BE IMPOSED TO PROTECT
17 PENNSYLVANIA'S RACE HORSE INDUSTRY AND TO ENSURE THE
18 INTEGRITY OF WAGERING IN THIS COMMONWEALTH IF THE
19 EXPANSION PROCEEDS.

20 (11) AN ASSESSMENT OF LIVE RACING MARKETING PROGRAMS AT <--
21 EACH TRACK AND THE IMPACT ON PARI-MUTUEL WAGERING AND PUBLIC
22 ATTENDANCE ON RACE DAYS. THIS ASSESSMENT SHALL INCLUDE
23 MARKETING OR ADVERTISING EXPENDITURES AND THE RETURN ON
24 INVESTMENT OF THOSE EXPENDITURES SPECIFIC TO RACING.