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

- Directing the Joint State Government Commission, with assistance from the Independent Fiscal Office, to conduct a study on the
- 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
- other jurisdictions, such as New York, Ohio and Maryland and
- other states or provinces and comparing Pennsylvania's
- 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
- 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
- comparing the laboratory's functions to other jurisdictions.
- 24 (6) Consideration of the imposition of increased fines
- and the assessment of Pennsylvania Equine Toxicology Research
- Laboratory costs against those found to have engaged in the
- impermissible doping of race horses and examination of how to
- strengthen property owner rights in the ejectment 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

racetrack and other gaming; providing for regulation of

gaming licensees; establishing and providing for the powers

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

Liquor Control Board; establishing the State Gaming Fund, the

Pennsylvania Race Horse Development Fund, the Pennsylvania

Gaming Economic Development and Tourism Fund, the Compulsive

and Problem Gambling Treatment Fund and the Property Tax

Relief Fund; providing for enforcement; imposing penalties;

making appropriations; and making related repeals."

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

(9) A determination of how Pennsylvania's race horse industry and regulatory entities can best be positioned for future success or at a minimum financial stability in an environment of declining race track patrons and handle, competition from live racing from neighboring states and the increasing availability of alternative gaming platforms, such as Internet and mobile gaming and fantasy sports.

Specifically, the study shall consider options for reforming and promoting horse racing meetings that will increase

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1	handle,	reduce	e racing	g costs,	promo	te the	health	n of	the	horse
2	and adv	ance th	ne best	interest	s of	racing	fans a	and k	petto	ors.

- (10) AN EVALUATION OF THE BENEFITS AND HARMS TO <-PENNSYLVANIA'S RACE HORSE INDUSTRY AND REGULATED ENTITIES OF
 THE EXPANSION OF PARI-MUTUEL WAGERING, ADVANCED DEPOSIT
 ACCOUNT WAGERING AND ELECTRONIC WAGERING TO SECONDARY PARIMUTUEL ORGANIZATIONS. THE EVALUATION SHALL INCLUDE:
- (I) ASSESSING THE CURRENT PREVALENCE OF UNLAWFUL

 ADVANCED DEPOSIT ACCOUNT WAGERING AND ELECTRONIC WAGERING

 AND WAYS TO PREVENT OR ENFORCE THE LAW AGAINST UNLAWFUL

 WAGERING.
 - (II) ASSESSING THE IMPACT OF THE EXPANSION ON LIVE RACING AND CAPITAL INVESTMENT BY AND EMPLOYMENT AT LICENSED RACING ENTITIES.
 - (III) THE APPROPRIATE TERMS, CONDITIONS AND REQUIREMENTS THAT SHOULD BE IMPOSED TO PROTECT PENNSYLVANIA'S RACE HORSE INDUSTRY AND TO ENSURE THE INTEGRITY OF WAGERING IN THIS COMMONWEALTH IF THE 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.