

## Veto No. 1980-12

SB 414

December 19, 1980

To the Honorable, the Senate  
of the Commonwealth of Pennsylvania:

I hereby publicly proclaim, and file with the Secretary of the Commonwealth, my disapproval of Senate Bill 414, Printer's No. 2191, entitled "An act providing for the regulation of pari-mutuel thoroughbred horse racing and harness racing activities; imposing a State admissions tax and providing for the disposition of funds from pari-mutuel tickets."

This bill substantially rewrites and codifies those laws which govern the horse and harness racing industry within the Commonwealth and contains substantial tax reductions for the horse racing industry which, overall, represent a cost to the State's General Fund of about \$10 million annually.

This administration has over the last two years shown its commitment to improvement of the race horse industry in this Commonwealth. Many of the institutional, financial aid, and promotional aid reforms that this administration has advocated are contained in this legislation and I commend the General Assembly for supporting these reforms.

This administration remains committed to improving this vital industry for the economic well-being of the Commonwealth. The race horse industry creates job opportunities for thousands of Pennsylvanians as well as provides a market to our agricultural community for hay, straw and feed grains. This industry contributes millions of dollars each year to the General Fund to be used to provide essential State services.

However, I cannot approve this legislation at this time. On this day, because of the inability of the General Fund to absorb their fiscal impact, I have disapproved legislation providing funds for child welfare services, funds for services to the elderly, funds to establish emergency telephone services in various counties, and tax exemptions for energy conservation.

This legislation would provide financial aid to the industry which would directly reduce revenue to the General Fund. I am appreciative of the inflationary operational costs incurred in this industry. However, the amount of financial aid encompassed in this legislation is not consistent with the State's current fiscal situation and my commitment to preserve the State's fiscal integrity for the taxpayer.

In addition, the bill also completely omits a no-medication rule for race horses entered to race, provisions for penalties for violations of a

no-medication rule, and Equine Drug Control Oversight Committee, and provisions for a race horse testing laboratory that all race tracks in the Commonwealth will use. Essential to the improvement of this industry, is the public's perception of the integrity of each horse race. I find it unacceptable that this proposed reform act does not contain a uniform rule against drugging of race horses and the tools necessary to test for illegal drugs found in race horses.

Finally, the bill contains a technical error in the text of Sections 207 and 307 which provide licenses for State Horse Racing Associations and State Harness Racing Associations. As currently drafted, the bill fails to continue the present licenses of the racing associations. Therefore, if I sign this bill into law, no racing associations will be licensed to conduct pari-mutuel racing unless and until it goes through a further process of license application. This textual error could cost the racing associations, horsemen, and the Commonwealth, thousands of dollars in revenue.

In disapproving this legislation, I do renew a commitment to seeking new legislation which will retain the sound components of this legislation as well as including the additional reforms needed but not contained in this legislation, and financial relief in kind and amount which is consistent with the State's fiscal situation and sound tax policy.

DICK THORNBURGH