

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 2303

PRINTER NO. 3962

AMOUNT

No Fiscal Impact

FUND

Pennsylvania Breeding Fund

DATE INTRODUCED

September 20, 2016

PRIME SPONSOR

Representative Causer

DESCRIPTION

House Bill 2303 repeals Article XXVIII-D (Race Horse Industry Reform) of the Administrative Code and reestablishes the provisions in Title 3 (Agriculture), Chapter 93. The language contained in House Bill 2330 remains the same as current law, except for changes to Section 9336 (Pennsylvania Breeding Fund), relating to the distribution of awards for winning horses.

The legislation becomes effective immediately and provides that retroactive to February 23, 2016 and for the remainder of the current year, awards shall be distributed in the same manner as they were prior to February 23, 2016.

Beginning in 2017, awards will be distributed as follows:

- Awards to breeders of winning Pennsylvania-bred horses sired by Pennsylvania sires, which finish 1st, 2nd or 3rd are increased from 30% to 40% of the purse;
- Awards to breeders of winning Pennsylvania-bred horses not sired by a Pennsylvania sire, which finish 1st, 2nd or 3rd remain at 20% of the purse;
- Awards to owners of Pennsylvania sires of winning Pennsylvania-bred horses, which finish 1st, 2nd or 3rd remain at 10% of the purse.
- Awards to owners of Pennsylvania-bred horses winning 1st in a non-restricted race are eliminated.

Beginning in 2017, in any year when there is at least \$10 million more in the Pennsylvania Breeding Fund than was deposited in 2016, any funds remaining after the deduction of awards and administrative costs are to be distributed to the licensed racing entities in proportion to the rate by which the licensed racing entity generated the funds in the previous year and be used for purses for owners as follows:

- 50% to owner bonus or to pay purses for races restricted to Pennsylvania-bred horses sired by Pennsylvania sires.
- 50% to owner bonus or to pay purses for races restricted to Pennsylvania-bred horses.
- In all claiming and nonclaiming races which prefer Pennsylvania-bred horses, if eight or more Pennsylvania-bred horses enter the race, then the race becomes closed to non-Pennsylvania-bred horses.

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Provides that Pennsylvania Breeding Fund monies due to a licensed racing entity that are not expended in a calendar year may be carried forward on the account of the licensed racing entity and expended in the succeeding year in addition to monies annually due to them for purses.

FISCAL IMPACT:

House Bill 2303 will have no adverse fiscal impact on the Pennsylvania Breeding Fund. The legislation changes the distribution percentages related to awards for winning horses made from the Pennsylvania Breeding Fund. The legislation does not increase funding directed to the Pennsylvania Breeding Fund. The Pennsylvania Breeding Fund is supported by revenue from the Racing Fund.