

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1510 Session of
1977

INTRODUCED BY COLE, DeVERTER, LIVENGOD, ANDERSON, DORR, THOMAS,
WENGER AND CALTAGIRONE, JULY 20, 1977

REFERRED TO COMMITTEE ON STATE GOVERNMENT, JULY 20, 1977

AN ACT

1 Amending the act of December 22, 1959 (P.L.1978, No.728),
2 entitled, as amended, "An act providing for and regulating
3 harness racing with pari-mutuel wagering on the results
4 thereof; creating the State Harness Racing Commission as a
5 departmental administrative commission within the Department
6 of Agriculture and defining its powers and duties; providing
7 for the establishment and operation of harness racing plants
8 subject to local option; imposing taxes on revenues of such
9 plants; disposing of all moneys received by the commission
10 and all moneys collected from the taxes; authorizing
11 penalties; and making appropriations," further providing for
12 the disposition of pari-mutuel pools.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Section 15, act of December 22, 1959 (P.L.1978,
16 No.728), referred to as the Pennsylvania Harness Racing Law,
17 amended December 30, 1974 (P.L.1139, No.364), is amended to
18 read:

19 Section 15. Disposition of Pari-mutuel Pools.--Every
20 corporation authorized under this act to conduct pari-mutuel
21 betting at a harness horse race meeting on races run thereat
22 shall distribute all sums deposited in any pari-mutuel pool to
23 the holders of winning tickets therein, provided such tickets be

1 presented for payment before April first of the year following
2 the year of their purchase, less seventeen per centum of the
3 total deposits plus the breaks from all wagers except that in
4 school districts of the first class and counties of the third
5 class, the amount distributed shall be less nineteen per centum
6 of the total deposits plus the breaks from the exacta, daily
7 double, quinella and other wagering involving two horses each
8 racing day, and less twenty-five per centum of the total deposit
9 plus the breaks from the trifecta and other wagering involving
10 more than two horses in one or more races each racing day and
11 less nineteen per centum from regular wagers for any permit
12 holder whose total deposits in its pari-mutuel pool averaged
13 less than three hundred thousand dollars (\$300,000) a day for
14 the previous meeting of the permit holder: and except that in
15 counties of the fourth class the amount distributed shall be
16 less nineteen per centum of the total deposits plus the breaks
17 from the exacta, daily double, quinella and other wagering
18 involving two horses each racing day and from the trifecta and
19 other wagering involving more than two horses in one or more
20 races each racing day:

21 (1) At the close of each of the racing days on which any
22 permit holder shall be licensed to conduct harness racing in any
23 calendar year within any school districts of the first class,
24 the permit holder out of the amount retained on said day by said
25 permit holder, shall pay, through the Department of Revenue into
26 the State Treasury for credit to the State Harness Racing Fund,
27 a tax of one and one-half per centum of the amount wagered each
28 day, which tax is hereby imposed, and the permit holder shall
29 pay a first class school district in which the harness horse
30 race meeting is held a tax for general school purposes of one-

1 half of the difference between seventeen per centum of the total
2 deposits plus breaks and the amount paid to the holders of
3 winning tickets which tax is hereby imposed and in addition
4 thereto the permit holder shall pay the school district in which
5 the harness horse race meeting is held a tax of four per centum
6 of the amount wagered each day, which tax is hereby imposed for
7 general school purposes and as to other permit holders, the
8 permit holder during any year, out of the amount retained on
9 said day by said permit holder shall pay, through the Department
10 of Revenue into the State Treasury for credit to the State
11 Harness Racing Fund a tax of five and one-half per centum of the
12 amount wagered each day which tax is hereby imposed, and one-
13 half of the difference between seventeen per centum of the total
14 deposits plus breaks and the amount paid to the holders of
15 winning tickets shall be paid into the State Treasury for credit
16 to the Pennsylvania Fair Fund.

17 (2) In addition, each permit holder shall be allowed to
18 retain the odd cents of all redistribution to be made on all
19 mutuel contributions exceeding a sum equal to the next lowest
20 multiple of ten, subject to a tax of fifty per centum of the
21 total sum of such odd cents, and in school districts of the
22 first class and counties of the third class subject to a tax of
23 one per centum of the total deposits plus the breaks from the
24 exacta, daily double, quinella and other wagering involving two
25 horses each racing day and a tax of four per centum of the total
26 deposits plus the breaks from the trifecta and other wagering
27 involving more than two horses in one or more races each racing
28 day and a tax of one per centum from regular wagers for any
29 permit holder whose total deposits in its pari-mutuel pool
30 averaged less than three hundred thousand dollars (\$300,000) a

1 day for the previous meeting of the permit holder, and in
2 counties of the fourth class, subject to a tax of the one per
3 centum on the total deposits plus the breaks from the exacta,
4 daily double, quinella and other wagering involving two horses
5 each racing day and from the trifecta and other wagering
6 involving more than two horses in one or more races each racing
7 day which [tax is] taxes are hereby imposed and shall be paid by
8 the permit holder to the Department of Revenue for credit to the
9 Pennsylvania Sire Stakes Fund, which fund is hereby appropriated
10 to the Pennsylvania Harness Racing Commission for distribution
11 in accordance with the terms of this act.

12 Section 2. Clause (d) of section 16 of the act, amended
13 December 30, 1974 (P.L.1139, No.364), is amended to read:

14 Section 16. Disposition and Appropriation of Funds Accruing
15 under the Provisions of this Act.--* * *

16 (d) The balance of said moneys shall be paid into a fund
17 known as the Pennsylvania Fair Fund. Moneys in the Pennsylvania
18 Fair Fund are hereby appropriated to the Department of
19 Agriculture and shall be distributed by the Secretary of
20 Agriculture, annually, on or before the first day of March
21 beginning with the year 1968, as follows:

22 (1) For reimbursement to county agricultural societies,
23 independent agricultural societies and other organizations
24 conducting an annual agricultural fair, as defined hereinafter
25 as follows:

26 (i) a basic payment for operating expenses, the sum of which
27 may not exceed [twelve thousand dollars (\$12,000)] fourteen
28 thousand dollars (\$14,000) for Class A fairs, [ten thousand
29 dollars (\$10,000)] twelve thousand dollars (\$12,000) for Class B
30 fairs, [eight thousand dollars (\$8,000)] ten thousand dollars

1 (\$10,000) for Class C fairs, [six thousand dollars (\$6,000)]
2 eight thousand dollars (\$8,000) for Class D fairs, and [two
3 thousand dollars (\$2,000)] four thousand dollars (\$4,000) for
4 Class E fairs. Class A fairs are those which operate on forty
5 acres or more of land and pay ten thousand dollars (\$10,000) or
6 more in premiums to winners of agricultural or agribusiness
7 contests or exhibits; Class B fairs are those operating on
8 thirty acres or more of land and pay seven thousand five hundred
9 dollars (\$7,500) to nine thousand nine hundred ninety-nine
10 (\$9,999) in premiums to winners of agricultural or agribusiness
11 contests or exhibits; Class C fairs are those operating on
12 twenty acres or more and pay five thousand dollars (\$5,000) to
13 seven thousand four hundred ninety-nine dollars (\$7,499) in
14 premiums to winners of agricultural or agribusiness contests or
15 exhibits; Class D fairs are those operating on ten or more acres
16 and pay two thousand five hundred dollars (\$2,500) to four
17 thousand nine hundred ninety-nine dollars (\$4,999) in premiums
18 to winners of agricultural or agribusiness contests or exhibits;
19 and Class E fairs are those operating on less than ten acres and
20 pay less than two thousand five hundred dollars (\$2,500) in
21 premiums to winners of agricultural or agribusiness contests or
22 exhibits. This basic payment may also be used for the premium
23 awards if expenses of the fair do not total as much as the
24 maximum amount which can be granted in the basic payment, plus
25 (ii) fifty percent of money paid for all other agricultural
26 premiums not included in subclause (i) with a maximum payment
27 for premiums not to exceed fifteen thousand dollars (\$15,000).

28 To be eligible for payment from the Pennsylvania Fair Fund,
29 applications must be filed and approved during the calendar year
30 in which an activity is held.

1 An annual agricultural fair in the intent of this act shall
2 be deemed to be an event or events totaling no less than three
3 days of activities for Class D and E fairs, no less than five
4 days of activities for Class A, B and C fairs, with each day of
5 activities for all classes consisting of a program or programs
6 of six hours or more in length and all activities so designed as
7 to contribute to the development of several or many phases of
8 agriculture and/or agribusiness and with each fair required to
9 employ the following devices or meet the following requirements:
10 (a) exhibit agricultural or agribusiness products, materials and
11 equipment; (b) conduct agricultural or agribusiness educational
12 activities and demonstrations; (c) award premiums to
13 agricultural or agribusiness contest and exhibit winners with a
14 top award for first place and proportionate awards to runners-up
15 adjudged by position following the winner but not to exceed ten
16 in number; (d) provides proper first aid through medical
17 personnel and adequate sanitary facilities which meet State and
18 local requirements; (e) provide supervision and control over all
19 activities by an officially appointed committee or a board of
20 directors of not less than five persons; (f) file all reports,
21 forms and applications for Pennsylvania Fair Funds and maintains
22 records as required by the rules and regulations drafted and
23 approved by the Secretary of Agriculture; and (g) provides that
24 at least twenty-five percent of the events for which
25 agricultural or agribusiness premiums are paid must be "open
26 class" events.

27 No society hereafter incorporated or recognized by a county
28 government or the Commonwealth shall be entitled to the benefits
29 of this act until such society shall have conducted three
30 consecutive annual exhibitions of the character designated in

1 the above clause of this subsection and such society upon its
2 inception shall file with the Secretary of Agriculture a
3 declaration of its intention to apply for said premium money for
4 its fourth year. Such society must also file its report during
5 its first three years the same as any other eligible society.
6 This clause will not apply to an eligible society heretofore or
7 hereafter incorporated, which shall resume the holding of annual
8 exhibitions of the character designated in the above clause of
9 this subsection, which exhibitions have been for a period of not
10 more than two years temporarily discontinued.

11 (2) For reimbursement for each county agricultural society
12 and each independent agricultural society conducting harness
13 horse racing during its annual fair other than races for two and
14 three-year-old colts and fillies which races are provided for in
15 clause (3) below, an amount of money equal to that used during
16 their annual fair as purse money for harness horse racing, track
17 and stable maintenance, starting gate rental and the cost of all
18 harness horse racing officials required during their annual
19 fair, but not more than ten thousand dollars (\$10,000), a
20 minimum of one-third of which must be used for purse money.

21 (3) For reimbursement for each county agricultural society
22 and independent agricultural society conducting races for two
23 and three-year-old colts and fillies, at their annual fair on
24 which a maximum of seven hundred dollars (\$700) was paid for
25 each such race but not more than fifty-six hundred dollars
26 (\$5,600) annually. Entrance fees collected for each such race
27 shall not be included when computing the amount distributed by
28 the Secretary of Agriculture under this subsection.

29 (3.1) For reimbursement to State-wide agricultural
30 organizations who contribute to the development of many phases

1 of agriculture and/or agribusiness as provided under the rules
2 and regulations drafted and approved by the Secretary of
3 Agriculture: (i) a maximum payment of two thousand dollars
4 (\$2,000) for operating expenses including the payment of
5 agricultural premiums plus; (ii) fifty percent of money paid for
6 all other agricultural premiums not included in subclause (i).
7 In no instance can this total amount exceed twelve thousand
8 dollars (\$12,000). To be eligible for payment from the
9 Pennsylvania Fair Fund, applications must be filed and approved
10 during the calendar year in which an activity is held.

11 (4) To county-wide or State-wide 4-H and FFA or combined FFA
12 and FHA units of boys and girls under twenty-one years of age, a
13 basic payment up to two thousand dollars (\$2,000) annually, to
14 be used for the general operations of such units in agriculture
15 or agribusiness programs, provided that an organization whose
16 members consist entirely of minors must apply through and be
17 represented by an adult advisory group and both the organization
18 and the advisory group must be recognized by their respective
19 county governments or by the Commonwealth of Pennsylvania, and
20 further provided that each county-wide or State-wide 4-H and FFA
21 or combined FFA and FHA unit be required to report on its
22 activities and justify these activities as events which
23 contribute to the advancement of agriculture or agribusiness.
24 Such reports shall also include a record of expenses incurred in
25 the conduct of these qualifying activities. The amount awarded
26 to each such youth group cannot exceed the amount of expenses
27 reported for the conduct of activities. In addition to basic
28 payments each participating 4-H, FFA, or combined FFA and FHA
29 units whose membership exceeds one thousand members will be
30 eligible for additional payments at the rate of two dollars (\$2)

1 per member for each member in excess of one thousand.

2 * * *

3 Section 3. Section 25 of the act, amended December 30, 1974
4 (P.L.1139, No.364), is amended to read:

5 Section 25. Appropriation of Funds of Pennsylvania Sire
6 Stakes Fund.--(a) After deduction of sufficient funds to cover
7 the commission's cost of administration of the provisions of
8 this section [seventy-five per centum of all] the sum of three
9 hundred twenty-five thousand dollars (\$325,000) in the
10 Pennsylvania Sire Stakes Fund shall be divided equally among
11 those agricultural fairs conducting harness horse races for two
12 year old and three year old harness horses. Each fair receiving
13 such funds shall divide the total amount equally among all
14 eligible races for two year old and three year old harness
15 horses and shall apply the funds solely as additional purse
16 funds. Only races to which entry is restricted to Pennsylvania
17 bred or foaled horses shall be eligible and the commission shall
18 make such provisions and regulations as it shall deem necessary
19 for the proper administration of the eligibility restriction.
20 All remaining moneys in the Pennsylvania Sire Stakes Fund shall
21 be divided equally among the licensees licensed under section 7
22 of this act.

23 (b) As an additional condition of the grant of a license
24 under section 7 of this act, each licensee shall accept such
25 amount, to be used solely as purses for the following races,
26 which each licensee shall sponsor at some time during its
27 licensed meeting:

28 (1) Four two year old races--one pace for colts, one pace
29 for fillies, one trot for colts, and one trot for fillies;

30 (2) Four three year old races--one pace for colts, one pace

1 for fillies, one trot for colts, one trot for fillies.

2 Entry for these races shall be limited to harness horses
3 which were sired by a standard-bred stallion regularly standing
4 in Pennsylvania; and each such race shall be designated a
5 Pennsylvania Sire Stakes Race. The commission shall make such
6 provisions and regulations as it shall deem necessary for the
7 proper administration of the entry restriction.

8 (c) Each licensee shall divide the funds received hereunder
9 equally for each of the two year old races, and for each of the
10 three year old races, each such allotment shall provide purse
11 money for the respective races. Such purse money shall be in
12 addition to any entry fees or other funds available.

13 (d) Each licensee shall schedule such races subject to the
14 right of the commission to prevent conflicts in the event of
15 contemporaneous meetings.

16 [(e) The remaining moneys in the Pennsylvania Sire Stakes
17 Fund shall be divided equally among those agricultural fairs
18 conducting harness horse races for two year old and three year
19 old harness horses. Each fair receiving such funds shall divide
20 the total amount equally among all eligible races for two year
21 old and three year old harness horses and shall apply the funds
22 solely as additional purse funds. Only races to which entry is
23 restricted to Pennsylvania bred or foaled horses shall be
24 eligible and the commission shall make such provisions and
25 regulations as it shall deem necessary for the proper
26 administration of the eligibility restriction.]

27 Section 4. This act shall take effect immediately.