

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1177 Session of
1983

INTRODUCED BY SEVENTY, PISTELLA, MURPHY, DeLUCA, CAPPABIANCA,
DUFFY, VAN HORNE, OLASZ, McVERRY, DAWIDA, PETRONE, COLE,
DAVIES AND TRELLO, JUNE 7, 1983

SENATOR O'CONNELL, STATE GOVERNMENT, IN SENATE, AS AMENDED,
MARCH 20, 1984

AN ACT

1 Amending the act of December 17, 1981 (P.L.435, No.135),
2 entitled "An act providing for the regulation of pari-mutuel
3 thoroughbred horse racing and harness horse racing
4 activities; imposing certain taxes and providing for the
5 disposition of funds from pari-mutuel tickets," DEFINING ←
6 OWNERSHIP INTEREST SUBJECT TO REGULATION; AND providing for
7 monitoring of wagering on video screens.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. ~~The~~ SECTIONS 204 AND 210 OF THE act of December ←
11 17, 1981 (P.L.435, No.135), known as the Race Horse Industry
12 Reform Act, ~~is amended by adding a section~~ ARE AMENDED to read: ←
13 SECTION 204. FILING OF INFORMATION CONCERNING STOCK TRANSFERS; ←
14 NECESSITY FOR COMMISSIONS' APPROVAL.

15 (A) WHENEVER A TRANSFER OF STOCK [OF] COMPRISING AN INTEREST
16 OF 5% OR MORE IN ANY LICENSED CORPORATION [OR OF], ANY
17 CORPORATION WHICH LEASES TO A LICENSED CORPORATION THE TRACK
18 FACILITY AT WHICH IT CONDUCTS PARI-MUTUEL HORSE RACES OR ANY
19 CORPORATION WHICH OWNS 25% OR MORE OF THE STOCK OF THE LICENSED

1 CORPORATION SHALL BE MADE, THERE SHALL BE FILED, SIMULTANEOUSLY,
2 WITH THE CORPORATION WHICH ISSUED SUCH STOCK THE FOLLOWING:

3 (1) IN DUPLICATE, AN AFFIDAVIT EXECUTED BY THE
4 TRANSFEREE OF THE INTEREST STATING THAT HE IS TO BE THE SOLE
5 BENEFICIAL OWNER THEREOF, AND WHETHER OR NOT HE:

6 (I) HAS BEEN CONVICTED OF A CRIME INVOLVING MORAL
7 TURPITUDE;

8 (II) HAS BEEN ENGAGED IN BOOKMAKING OR OTHER FORMS
9 OF ILLEGAL GAMBLING;

10 (III) HAS BEEN FOUND GUILTY OF ANY FRAUD OR
11 MISREPRESENTATION IN CONNECTION WITH RACING OR BREEDING;

12 (IV) HAS BEEN GUILTY OF ANY VIOLATION OR ATTEMPT TO
13 VIOLATE ANY LAW, RULE OR REGULATION OF ANY RACING
14 JURISDICTION, FOR WHICH SUSPENSION FROM RACING MIGHT BE
15 IMPOSED IN SUCH JURISDICTION; OR

16 (V) HAS VIOLATED ANY RULE, REGULATION OR ORDER OF
17 THE COMMISSIONS.

18 IF THE TRANSFEREE OF THE INTEREST IS NOT, OR IS NOT TO BE,
19 THE SOLE BENEFICIAL OWNER, THERE SHALL BE ANNEXED TO THE
20 AFFIDAVIT OF THE TRANSFEREE, AND EXPRESSLY STATED IN SUCH
21 AFFIDAVIT, A TRUE AND COMPLETE COPY OF ALL TERMS OF THE
22 AGREEMENT PURSUANT TO WHICH THE [STOCK] INTEREST IN THE
23 CORPORATION IS TO BE HELD BY THE TRANSFEREE, INCLUDING A
24 DETAILED STATEMENT OF THE INTEREST OF EACH PERSON WHO IS TO
25 HAVE ANY INTEREST THEREIN.

26 (2) IN DUPLICATE, AN AFFIDAVIT EXECUTED BY EACH PERSON
27 FOR WHOM THE [STOCK, OR ANY] INTEREST [THEREIN,] IS TO BE
28 HELD BY THE TRANSFEREE, SETTING FORTH WHETHER OR NOT THE
29 AFFIANT:

30 (I) HAS BEEN CONVICTED OF A CRIME INVOLVING MORAL

1 TURPITUDE;

2 (II) HAS ENGAGED IN BOOKMAKING OR OTHER FORMS OF
3 ILLEGAL GAMBLING;

4 (III) HAS BEEN FOUND GUILTY OF ANY FRAUD OR
5 MISREPRESENTATION IN CONNECTION WITH RACING OR BREEDING;

6 (IV) HAS BEEN GUILTY OF ANY VIOLATION OR ATTEMPT TO
7 VIOLATE ANY LAW, RULE OR REGULATION OF ANY RACING
8 JURISDICTION, FOR WHICH SUSPENSION FROM RACING MIGHT BE
9 IMPOSED IN SUCH JURISDICTION; OR

10 (V) HAS VIOLATED ANY RULE, REGULATION OR ORDER OF
11 THE COMMISSIONS.

12 TO EACH OF THE AFFIDAVITS SHALL BE ANNEXED, AND EXPRESSLY
13 STATED IN SUCH AFFIDAVIT, A TRUE AND COMPLETE COPY OF ALL THE
14 TERMS OF THE AGREEMENT PURSUANT TO WHICH [STOCK] THE INTEREST
15 IS TO BE HELD BY THE TRANSFEREE, INCLUDING A DETAILED
16 STATEMENT OF THE INTEREST OF EACH PERSON WHO IS TO HAVE ANY
17 INTEREST THEREIN. THE CORPORATION SHALL FILE WITH THE
18 APPROPRIATE COMMISSION ONE OF EACH DUPLICATE AFFIDAVITS.

19 (B) IF, AFTER THE FILING OF ANY AFFIDAVIT REQUIRED TO BE
20 FILED, THERE SHALL BE ANY CHANGE IN THE STATUS OF ANY AFFIANT
21 WITH RESPECT TO ANY OF THE MATTERS SET FORTH IN SUBSECTION
22 (A)(1) OF THE AFFIDAVIT FILED, THE AFFIANT SHALL FILE WITH THE
23 CORPORATION WITH WHICH HIS AFFIDAVIT WAS SO FILED A NEW
24 AFFIDAVIT, EXECUTED BY HIM IN DUPLICATE, SETTING FORTH THE
25 CHANGE OF STATUS AND THE CORPORATION SHALL FILE ONE OF THESE
26 AFFIDAVITS WITH THE APPROPRIATE COMMISSION.

27 (C) WHENEVER ANY CHANGE SHALL BE MADE IN THE AMOUNT, NATURE
28 OR OF THE INTEREST OF ANY PERSON HAVING AN INTEREST OF 5% OR
29 MORE IN [STOCK OF] ANY CORPORATION, OR ANY NEW INTEREST OF 5% OR
30 MORE SHALL BE CREATED THEREIN, WITHOUT A TRANSFER AS PROVIDED,

1 THE RECORD OWNER OF THE STOCK, AND EACH PERSON WHOSE INTEREST
2 HAS BEEN ATTEMPTED TO BE CHANGED OR CREATED, SHALL FILE WITH THE
3 CORPORATION WHICH ISSUED THE STOCK, IN DUPLICATE, AFFIDAVITS AS
4 PROVIDED BY SUBSECTION (A)(1) AND (2), EXCEPT THAT THESE
5 AFFIDAVITS NEED NOT INCLUDE THE MATTER REFERRED TO IN SUBSECTION
6 (A) UNLESS THEN REQUIRED PURSUANT TO SUBSECTION (B) AND ONE COPY
7 THEREOF SHALL BE FILED BY THE CORPORATION WITH THE APPROPRIATE
8 COMMISSION.

9 (D) IF THE APPROPRIATE COMMISSION DETERMINES THAT IT IS
10 INCONSISTENT WITH THE PUBLIC INTEREST, CONVENIENCE, OR
11 NECESSITY, OR WITH THE BEST INTEREST OF RACING GENERALLY, THAT
12 ANY PERSON HAVING AN INTEREST OF 5% OR MORE CONTINUE TO BE A
13 STOCKHOLDER OF RECORD, OR THE BENEFICIAL OWNER OF [ANY] THAT
14 INTEREST IN STOCK STANDING IN THE NAME OF ANOTHER IN ANY
15 LICENSED CORPORATION OR OF ANY CORPORATION WHICH LEASES TO SUCH
16 LICENSED CORPORATION THE TRACK AT WHICH IT CONDUCTS PARI-MUTUEL
17 HORSE RACING OR WHICH OWNED 25% OR MORE OF THE STOCK OF THE
18 LICENSEE, THE APPROPRIATE COMMISSION SHALL HAVE FULL POWER AND
19 AUTHORITY TO ORDER EACH SUCH STOCKHOLDER OR BENEFICIAL OWNER TO
20 DISPOSE OF HIS STOCK OR INTEREST WITHIN A PERIOD OF TIME TO BE
21 SPECIFIED BY THE APPROPRIATE COMMISSION, WHICH PERIOD THE
22 APPROPRIATE COMMISSION SHALL HAVE FULL POWER TO EXTEND.

23 (E) IF THE COMMISSIONS SHALL MAKE ANY ORDER OR DIRECTION AS
24 PROVIDED IN SUBSECTION (D), THE PERSON AGGRIEVED SHALL BE GIVEN
25 NOTICE OF THE TIME AND PLACE OF A HEARING BEFORE THE APPROPRIATE
26 COMMISSION, AT WHICH TIME THE APPROPRIATE COMMISSION WILL HEAR
27 THE PERSON IN REFERENCE THERETO.

28 SECTION 210. SHAREHOLDERS.

29 (A) EACH LICENSED CORPORATION SHALL PROVIDE THE APPROPRIATE
30 COMMISSION WITH A COMPLETE LIST OF ALL ITS SHAREHOLDERS HAVING

1 AN INTEREST OF 5% OR MORE IN THE CORPORATION, INDICATING THE
2 NUMBER OF SHARES BY EACH LISTED SHAREHOLDER.

3 (B) IT SHALL BE THE DUTY OF EACH LICENSED CORPORATION WITHIN
4 TEN DAYS AFTER ANY TRANSFER OF STOCK COMPRISING AN INTEREST OF
5 5% OR MORE IN SUCH LICENSEE, TO NOTIFY THE APPROPRIATE
6 COMMISSION OF THE TRANSFER.

7 (C) EACH CERTIFICATE OF STOCK ISSUED BY A LICENSED
8 CORPORATION TO A SHAREHOLDER HAVING AN INTEREST OF 5% OR MORE IN
9 THE CORPORATION SHALL HAVE NOTED ON THE FACE THEREOF THAT THE
10 PERSON WHOSE NAME IS INDICATED AS THE OWNER OF THE SHARES OF
11 STOCK BY THE CERTIFICATE IS THE SOLE AND ABSOLUTE OWNER, AND
12 THAT HE IS NOT HOLDING THE SHARES OF STOCK OR ANY PORTION OF THE
13 SHARES OF STOCK REPRESENTED BY THE CERTIFICATE IN TRUST FOR ANY
14 PERSON, PARTNERSHIP, FIRM OR CORPORATION WHO OR WHICH IS
15 PROHIBITED FROM OWNING THE SHARES OF STOCK. IF ANY OF THE SHARES
16 OF STOCK REPRESENTED BY A CERTIFICATE OF STOCK ARE HELD SUBJECT
17 TO THE TERMS OF EITHER AN INTER VIVOS OR TESTAMENTARY TRUST FOR
18 THE BENEFIT OF ANY PERSON WHO COULD LAWFULLY OWN SUCH STOCK IN
19 HIS OWN NAME, THE FACT SHALL BE NOTED ON THE FACE OF THE
20 CERTIFICATE AND A COPY OF THE INSTRUMENT WHICH CREATED THE TRUST
21 SHALL BE ATTACHED. A DUPLICATE COPY OF THE INSTRUMENT WHICH
22 CREATED THE TRUST SHALL BE FILED WITH THE APPROPRIATE
23 COMMISSION.

24 (D) NO PROPERTY RIGHTS SHALL EXIST IN ANY SHARES OF STOCK OF
25 ANY LICENSED CORPORATION ISSUED TO A SHAREHOLDER HAVING AN
26 INTEREST OF 5% OR MORE IN THE CORPORATION WHICH SHARES ARE HELD
27 IN TRUST CONTRARY TO THE PROVISIONS OF THIS SECTION AND THE SAME
28 SHALL BE FORFEITED TO THE COMMONWEALTH AFTER REASONABLE NOTICE
29 AND UPON HEARING AND PROOF THEREOF IN ANY SUIT INSTITUTED BY THE
30 ATTORNEY GENERAL OF PENNSYLVANIA. UPON IT BEING ESTABLISHED THAT

1 THE STOCK IS SUBJECT TO FORFEITURE BY LEGAL ADJUDICATION, THE
2 APPROPRIATE COMMISSION SHALL SELL THE FORFEITED STOCK AT PUBLIC
3 SALE, UPON PROPER NOTICE, TO THE HIGHEST BIDDER. THE PROCEEDS
4 FROM THE SALE SHALL BE DEPOSITED IN THE GENERAL FUND OF THE
5 COMMONWEALTH OF PENNSYLVANIA.

6 (E) AS USED IN THIS SECTION, THE TERM "LICENSED CORPORATION"
7 SHALL INCLUDE ANY LICENSED CORPORATION AS DEFINED IN SECTION 102
8 AND ALSO ANY FIRM, ASSOCIATION OR CORPORATION WHICH OWNS OR
9 LEASES TO ANY LICENSED ASSOCIATION OR CORPORATION A RACE TRACK
10 AT WHICH PARI-MUTUEL RACING IS CONDUCTED, OR ANY FIRM,
11 ASSOCIATION OR CORPORATION WHICH PARTICIPATES IN THE MANAGEMENT
12 OF ANY SUCH LICENSED CORPORATION.

13 SECTION 2. THE ACT IS AMENDED BY ADDING A SECTION TO READ:
14 Section 233. Monitoring of wagering on video screens.

15 Every corporation licensed to conduct pari-mutuel betting
16 shall display on video screens the approximate odds or
17 approximate will pays on each horse for each race as well as any
18 combination of races including, but not limited to, quinellas,
19 exactas, perfectas and any other combination or pool of races.

20 NO DISPLAY OF APPROXIMATE ODDS OR APPROXIMATE WILL PAYS SHALL BE ←
21 REQUIRED WHERE THE WAGER IS ON HORSES IN FOUR OR MORE RACES,
22 SUCH AS "PICK 4, PICK 5 OR PICK 6." In addition to displaying
23 the amount of money wagered, the approximate odds or approximate
24 will pays on each horse or combination of horses shall be shown
25 on video screens IN EACH WAGERING DIVISION. For trifectas, in ←
26 lieu of odds or approximate will pays, the amount of money being
27 wagered on each horse to win in the trifecta pool shall be
28 displayed on video screens separately from any other
29 information. The above required information shall be displayed
30 from the opening of bets or wagering and be continually

1 displayed until the wagering is closed. At least one video
2 screen in each wagering division shall display the amount of
3 money wagered on each horse involved in any trifecta pool.

4 ~~Section 2. This act shall take effect in 60 days.~~ <—

5 SECTION 3. (A) SECTION 1 SHALL TAKE EFFECT IMMEDIATELY. <—

6 (B) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 120 DAYS.