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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 929 Session of  
2013

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INTRODUCED BY RAFFERTY, BRUBAKER, McILHINNEY, TOMLINSON,  
ALLOWAY, ERICKSON, SOLOBAY, FONTANA, KASUNIC, COSTA AND  
HUGHES, MAY 31, 2013

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REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
MAY 31, 2013

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AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated  
2 Statutes, in revenues, further providing for distributions  
3 from Pennsylvania Race Horse Development Fund.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Section 1406(a) of Title 4 of the Pennsylvania  
7 Consolidated Statutes is amended to read:

8 § 1406. Distributions from Pennsylvania Race Horse Development  
9 Fund.

10 (a) Distributions.--Funds in the Pennsylvania Race Horse  
11 Development Fund are hereby appropriated to the department on a  
12 continuing basis for the purposes set forth in this subsection  
13 and shall be distributed to each active and operating Category 1  
14 licensee conducting live racing as follows:

15 (1) An amount equal to 18% of the daily gross terminal  
16 revenue of each Category 1 licensee shall be distributed to  
17 each active and operating Category 1 licensee conducting live

1 racing unless the daily assessments are affected by the daily  
2 assessment cap provided for in section 1405(c) (relating to  
3 Pennsylvania Race Horse Development Fund). In cases in which  
4 the daily assessment cap affects daily assessments, the  
5 distribution to each active and operating Category 1 licensee  
6 conducting live racing for that day shall be a percentage of  
7 the total daily assessments paid into the Pennsylvania Race  
8 Horse Development Fund for that day equal to the gross  
9 terminal revenue of each active and operating Category 1  
10 licensee conducting live racing for that day divided by the  
11 total gross terminal revenue of all active and operating  
12 Category 1 licensees conducting live racing for that day.

13 [Except as provided in paragraphs (2) and (2.1), the] The  
14 distributions to licensed racing entities from the  
15 Pennsylvania Race Horse Development Fund shall be allocated  
16 as follows:

17 (i) Eighty percent shall be deposited weekly into a  
18 separate, interest-bearing purse account to be  
19 established by and for the benefit of the horsemen. The  
20 earned interest on the account shall be credited to the  
21 purse account. Licensees shall combine these funds with  
22 revenues from existing purse agreements to fund purses  
23 for live races consistent with those agreements with the  
24 advice and consent of the horsemen.

25 (ii) For thoroughbred tracks, 16% shall be deposited  
26 on a monthly basis into the Pennsylvania Breeding Fund as  
27 defined in section 223 of the Race Horse Industry Reform  
28 Act. For standardbred tracks, 8% shall be deposited on a  
29 monthly basis in the Pennsylvania Sire Stakes Fund as  
30 defined in section 224 of the Race Horse Industry Reform

1 Act, and 8% shall be deposited on a monthly basis into a  
2 restricted account in the State Racing Fund to be known  
3 as the Pennsylvania Standardbred Breeders Development  
4 Fund. The State Harness Racing Commission shall, in  
5 consultation with the Secretary of Agriculture by rule or  
6 by regulation, adopt a standardbred breeders program that  
7 will include the administration of Pennsylvania Stallion  
8 Award, Pennsylvania Bred Award and a Pennsylvania Sired  
9 and Bred Award.

10 (iii) Four percent shall be used to fund health and  
11 pension benefits for the members of the horsemen's  
12 organizations representing the owners and trainers at the  
13 racetrack at which the licensed racing entity operates  
14 for the benefit of the organization's members, their  
15 families, employees and others in accordance with the  
16 rules and eligibility requirements of the organization,  
17 as approved by the State Horse Racing Commission or the  
18 State Harness Racing Commission. This amount shall be  
19 deposited within five business days of the end of each  
20 month into a separate account to be established by each  
21 respective horsemen's organization at a banking  
22 institution of its choice. Of this amount, \$250,000 shall  
23 be paid annually by the horsemen's organization to the  
24 thoroughbred jockeys or standardbred drivers organization  
25 at the racetrack at which the licensed racing entity  
26 operates for health insurance, life insurance or other  
27 benefits to active and disabled thoroughbred jockeys or  
28 standardbred drivers in accordance with the rules and  
29 eligibility requirements of that organization.

30 [(2) Beginning January 1, 2010, and for the remainder of

1 fiscal year 2009-2010, distributions from the Pennsylvania  
2 Race Horse Development Fund shall be allocated as follows:

3 (i) Each week, 34% of the money in the Pennsylvania  
4 Race Horse Development Fund shall be transferred to the  
5 General Fund.

6 (ii) Each week, 66% of the money in the Pennsylvania  
7 Race Horse Development Fund shall be distributed to each  
8 active and operating Category 1 licensee conducting live  
9 racing in accordance with the following formula:

10 (A) Divide:

11 (I) the total daily assessments paid by each  
12 active and operating Category 1 licensee  
13 conducting live racing into the Pennsylvania Race  
14 Horse Development Fund for that week; by

15 (II) the total daily assessments paid by all  
16 active and operating Category 1 licensees  
17 conducting live racing into the Pennsylvania Race  
18 Horse Development Fund for that week.

19 (B) Multiply the quotient under clause (A) by  
20 the amount to be distributed under this subparagraph.

21 (iii) The distribution under subparagraph (ii) shall  
22 be allocated as follows:

23 (A) The greater of 4% of the amount to be  
24 distributed under subparagraph (ii) or \$275,000 shall  
25 be used to fund health and pension benefits for the  
26 members of the horsemen's organizations representing  
27 the owners and trainers at the racetrack at which the  
28 licensed racing entity operates for the benefit of  
29 the organization's members, their families, employees  
30 and others in accordance with the rules and

1 eligibility requirements of the organization, as  
2 approved by the State Horse Racing Commission or the  
3 State Harness Racing Commission. This amount shall be  
4 deposited within five business days of the end of  
5 each week into a separate account to be established  
6 by each respective horsemen's organization at a  
7 banking institution of its choice. Of this amount, a  
8 minimum of \$250,000 shall be paid annually by the  
9 horsemen's organization to the thoroughbred jockeys  
10 or standardbred drivers organization at the racetrack  
11 at which the licensed racing entity operates for  
12 health insurance, life insurance or other benefits to  
13 active and disabled thoroughbred jockeys or  
14 standardbred drivers in accordance with the rules and  
15 eligibility requirements of that organization. The  
16 total distributions for health and pension benefits  
17 for fiscal year 2009-2010 shall not exceed  
18 \$11,400,000.

19 (B) Of the money remaining to be distributed  
20 under subparagraph (ii) after application of clause  
21 (A), the following disbursements shall be made:

22 (I) Eighty-three and one-third percent of  
23 the money to be distributed under this clause  
24 shall be deposited on a weekly basis into a  
25 separate, interest-bearing purse account to be  
26 established by and for the benefit of the  
27 horsemen. The earned interest on the account  
28 shall be credited to the purse account. Licensees  
29 shall combine these funds with revenues from  
30 existing purse agreements to fund purses for live

1 races consistent with those agreements with the  
2 advice and consent of the horsemen.

3 (II) For thoroughbred tracks, 16 and 2/3% of  
4 the money to be distributed under this clause  
5 shall be deposited on a weekly basis into the  
6 Pennsylvania Breeding Fund established in section  
7 223 of the Race Horse Industry Reform Act. For  
8 standardbred tracks, 8 and 1/3% of the money to  
9 be distributed under this clause shall be  
10 deposited on a weekly basis into the Pennsylvania  
11 Sire Stakes Fund as defined in section 224 of the  
12 Race Horse Industry Reform Act; and 8 and 1/3% of  
13 the money to be distributed under this clause  
14 shall be deposited on a weekly basis into a  
15 restricted account in the State Racing Fund to be  
16 known as the Pennsylvania Standardbred Breeders  
17 Development Fund. The State Harness Racing  
18 Commission shall, in consultation with the  
19 Secretary of Agriculture, promulgate regulations  
20 adopting a standardbred breeders program that  
21 will include the administration of the  
22 Pennsylvania Stallion Award, the Pennsylvania  
23 Bred Award and the Pennsylvania Sired and Bred  
24 Award.

25 (2.1) For fiscal years 2010-2011 through 2012-2013,  
26 distributions from the Pennsylvania Race Horse Development  
27 Fund shall be allocated as follows:

28 (i) Each week, 17% of the money in the Pennsylvania  
29 Race Horse Development Fund shall be transferred to the  
30 General Fund.

1           (ii) Each week, 83% of the money in the Pennsylvania  
2 Race Horse Development Fund shall be distributed to each  
3 active and operating Category 1 licensee conducting live  
4 racing in accordance with the following formula:

5           (A) Divide:

6                 (I) the total daily assessments paid, by  
7 each active and operating Category 1 licensee  
8 conducting live racing, into the Pennsylvania  
9 Race Horse Development Fund for that week; by

10                (II) the total daily assessments paid, by  
11 all active and operating Category 1 licensees  
12 conducting live racing, into the Pennsylvania  
13 Race Horse Development Fund for that week.

14           (B) Multiply the quotient under clause (A) by  
15 the amount to be distributed under this subparagraph.

16           (iii) The distribution under subparagraph (ii) shall  
17 be allocated as follows:

18           (A) The greater of 4% of the amount to be  
19 distributed under subparagraph (ii) or \$220,000 shall  
20 be used to fund health and pension benefits for the  
21 members of the horsemen's organizations representing  
22 the owners and trainers at the racetrack at which the  
23 licensed racing entity operates for the benefit of  
24 the organization's members, their families, employees  
25 and others in accordance with the rules and  
26 eligibility requirements of the organization, as  
27 approved by the State Horse Racing Commission or the  
28 State Harness Racing Commission. This amount shall be  
29 deposited within five business days of the end of  
30 each week into a separate account to be established

1 by each respective horsemen's organization at a  
2 banking institution of its choice. Of this amount, a  
3 minimum of \$250,000 shall be paid annually by the  
4 horsemen's organization to the thoroughbred jockeys  
5 or standardbred drivers organization at the racetrack  
6 at which the licensed racing entity operates for  
7 health insurance, life insurance or other benefits to  
8 active and disabled thoroughbred jockeys or  
9 standardbred drivers in accordance with the rules and  
10 eligibility requirements of that organization. The  
11 total distribution under this clause in any fiscal  
12 year shall not exceed \$11,400,000.

13 (B) Of the money remaining to be distributed  
14 under subparagraph (ii) after application of clause  
15 (A), the following disbursements shall be made:

16 (I) Eighty-three and one-third percent of  
17 the money to be distributed under this clause  
18 shall be deposited on a weekly basis into a  
19 separate, interest-bearing purse account to be  
20 established by and for the benefit of the  
21 horsemen. The earned interest on the account  
22 shall be credited to the purse account. Licensees  
23 shall combine these funds with revenues from  
24 existing purse agreements to fund purses for live  
25 races consistent with those agreements with the  
26 advice and consent of the horsemen.

27 (II) For thoroughbred tracks, 16 and 2/3% of  
28 the money to be distributed under this clause  
29 shall be deposited on a weekly basis into the  
30 Pennsylvania Breeding Fund established in section



1 223 of the Race Horse Industry Reform Act. For  
2 standardbred tracks, 8 and 1/3% of the money to  
3 be distributed under this clause shall be  
4 deposited on a weekly basis into the Pennsylvania  
5 Sire Stakes Fund as defined in section 224 of the  
6 Race Horse Industry Reform Act; and 8 and 1/3% of  
7 the money to be distributed under this clause  
8 shall be deposited on a weekly basis into a  
9 restricted account in the State Racing Fund to be  
10 known as the Pennsylvania Standardbred Breeders  
11 Development Fund. The State Harness Racing  
12 Commission shall, in consultation with the  
13 Secretary of Agriculture, promulgate regulations  
14 adopting a standardbred breeders program that  
15 will include the administration of the  
16 Pennsylvania Stallion Award, the Pennsylvania  
17 Bred Award and the Pennsylvania Sired and Bred  
18 Award.]

19 (3) No moneys of the Pennsylvania Race Horse Development  
20 Fund may be transferred to the General Fund.

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22 Section 2. This act shall take effect immediately.