

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1188 Session of 2013

INTRODUCED BY VOGEL, PILEGGI, SCARNATI, TOMLINSON, RAFFERTY, YUDICHAK, MENSCH, WHITE, YAW, ALLOWAY, ERICKSON, McILHINNEY AND VULAKOVICH, NOVEMBER 22, 2013

SENATOR VOGEL, AGRICULTURE AND RURAL AFFAIRS, RE-REPORTED AS AMENDED, MARCH 31, 2014

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," further
6 providing for definitions; repealing provisions related to
7 the State Horse Racing Commission and State Harness Racing
8 Commission; and providing for racing oversight AND FOR THE <--
9 CESSATION OF THE STATE HORSE RACING COMMISSION AND THE STATE
10 HARNESS RACING COMMISSION.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Section 102 of the act of December 17, 1981
14 (P.L.435, No.135), known as the Race Horse Industry Reform Act,
15 amended or added May 16, 1986 (P.L.205, No.63) and November 30,
16 1988 (P.L.1090, No.127), is amended to read:

17 Section 102. Definitions.

18 The following words and phrases when used in this act shall
19 have, unless the context clearly indicates otherwise, the
20 meanings given to them in this section:

21 ["Air mile." A unit of distance equal to 1,852 kilometers or <--

<--

1 5,280 feet for purposes of this act.]

2 "Board." The Pennsylvania Gaming Control Board.

3 "Bureau." The Bureau of Horse Racing.

4 "Business entity." A person, corporation, business trust,
5 estate, limited liability partnership or other form of legal
6 business entity.

7 "Clean letter of credit." A letter of credit which is
8 available to the beneficiary against presentation of only a
9 draft or receipt.

10 ["Commissions." The State Horse Racing Commission and the
11 State Harness Racing Commission.

12 "Commissioners." The persons appointed by the Governor and
13 confirmed by the Senate who serve on the State Horse Racing
14 Commission or the State Harness Racing Commission and who
15 administer the applicable provisions of this act.]

16 "ELECTRONIC WAGERING." A LEGAL WAGER PLACED BY AN INDIVIDUAL <--
17 IN THIS COMMONWEALTH RELATED ONLY TO THE OUTCOME OF A HORSE RACE
18 TAKING PLACE IN THIS COMMONWEALTH, PLACED OR TRANSMITTED BY AN
19 INDIVIDUAL THROUGH TELEPHONE OR ANY ELECTRONIC MEDIA APPROVED BY
20 THE BOARD AND ACCEPTED BY A LICENSED BUSINESS ENTITY OR ITS
21 APPROVED OFF-TRACK BETTING SYSTEM LOCATED IN THIS COMMONWEALTH.

22 "Evergreen clause." A term in a letter of credit providing
23 for automatic renewal of the letter of credit.

24 ~~"Harness horse racing." A form of standardbred horse racing~~ <--
25 ~~in which the horses participating are attached "in harnesses" to~~
26 ~~a sulky or other similar vehicle, at a specific gait, either a~~
27 ~~trot or pace, and the vehicle is being driven by a person.~~

28 "Horse racing." Harness STANDARDBRED horse racing and <--
29 thoroughbred horse racing.

30 "Horseman's organization." A trade association which

1 represents the majority of owners and trainers who own and race
2 horses at a licensed racetrack. <--

3 "Irrevocable clean letter of credit." A clean letter of
4 credit which cannot be canceled or amended unless there is an
5 agreement to cancel or amend among all parties to the letter of
6 credit.

7 "LAND MILE." A UNIT OF DISTANCE EQUAL TO 1,852 KILOMETERS OR <--
8 5,280 FEET.

9 "Licensed [corporations] business entity." The [corporations
10 that have] business entity that has obtained a license from
11 [either] the former State Horse Racing Commission [or the], the
12 former State Harness Racing Commission or the board to conduct
13 [thoroughbred or harness] horse race meetings [respectively]
14 with pari-mutuel wagering.

15 "Nonprimary location." Any facility in which pari-mutuel
16 wagering is conducted pursuant to this act other than the
17 primary racetrack location.

18 ["Nonprimary location statement." The written statement <--
19 pursuant to this act submitted to the appropriate commission by
20 a licensed corporation planning to establish a nonprimary
21 location.] <--

22 "Primary market area of a racetrack." The land area included
23 in a circle drawn with the racetrack as the center and a radius
24 of 35 ~~air~~ LAND miles. <--

25 "Racetrack." The physical facility where a licensed
26 [corporation] BUSINESS ENTITY conducts thoroughbred or [harness] <--
27 STANDARD BRED race meetings respectively with pari-mutuel
28 wagering.

29 "Racetrack enclosure." For purposes of this act, the term
30 "racetrack enclosure," with respect to each licensed

1 [corporation] BUSINESS ENTITY, shall be deemed to include at <--
2 least one primary racetrack location at which horse [race]
3 racing meetings authorized to be held by the licensed
4 [corporation] business entities are conducted, and all primary,
5 nonprimary, contiguous and noncontiguous locations of the
6 licensed [corporation] business entity which are specifically
7 approved by the [appropriate commission] board for conducting
8 the pari-mutuel system of wagering on the results of horse
9 [races] racing held at such meetings or [race] racing meetings
10 conducted by another licensed [corporation] business entity or
11 televised to such locations by simulcasting.

12 "Secondary market area of a racetrack." The land area
13 included in a circle drawn with the racetrack as the center and
14 a radius of 50 air LAND miles, not including the primary market <--
15 area of the racetrack.

16 "Simulcast." The transmission of live electronically
17 televised video/audio races from the host racetrack to the race
18 track receiving the television transmission.

19 "STANDARD BRED HORSE RACING." A FORM OF HORSE RACING IN WHICH <--
20 THE HORSES PARTICIPATING ARE ATTACHED "IN HARNESS" TO A SULKY OR
21 OTHER SIMILAR VEHICLE, AT A SPECIFIC GAIT, EITHER A TROT OR
22 PACE.

23 "Thoroughbred horse racing." The form of horse racing in
24 which each participating horse is mounted by a jockey, is duly
25 registered with The Jockey Club of New York and engages in horse
26 racing ON THE FLAT, which may include a steeplechase or hurdle <--
27 race.

28 "Totalisator." A computer system used to pool wagers, record
29 sales, calculate payoffs and display wagering data on a display
30 device that is located at a pari-mutuel facility or nonprimary

1 location.

2 Section 2. Chapter 2 of the act is repealed:

3 [CHAPTER 2

4 STATE HORSE RACING COMMISSION AND STATE HARNESS

5 RACING COMMISSION

6 Section 201. Establishment of the commissions.

7 (a) The State Horse Racing Commission is hereby established
8 as a departmental administrative commission within the
9 Department of Agriculture. The commission shall have general
10 jurisdiction over all pari-mutuel thoroughbred horse racing
11 activities in the Commonwealth and the corporations engaged
12 therein. For the purposes of this act, "thoroughbred horse
13 racing" means that form of horse racing in which each
14 participating horse is mounted by a jockey, is duly registered
15 with the Jockey Club, New York, New York and engages in races on
16 the flat. Thoroughbred horse racing may include a steeplechase
17 or hurdle race. The commission shall consist of three members
18 who shall be appointed by the Governor, by and with the advice
19 and consent of the Senate. Each commissioner shall hold office
20 for a term of three years and until a successor is qualified.

21 (b) The State Harness Racing Commission is hereby
22 established as a departmental administrative commission within
23 the Department of Agriculture. The commission shall have general
24 jurisdiction over all pari-mutuel harness racing activities in
25 the Commonwealth and the corporations engaged therein. The
26 commission shall consist of three members who shall be appointed
27 by the Governor, by and with the advice and consent of the
28 Senate. Each commissioner shall hold office for a term of three
29 years and until a successor is qualified.

30 (c) The commissioners shall be reimbursed for documented

1 expenses incurred in the performance of their official duties.
2 The commissioners shall be paid \$150 per diem for performing
3 their duties as directed by the Secretary of Agriculture. One of
4 the commissioners for each commission shall be appointed by the
5 Governor as chairperson. The commissioner appointed by the
6 Governor as chairperson shall serve in that position at the
7 pleasure of the Governor. The Secretary of Agriculture or his
8 designee shall be a nonvoting ex officio member of the
9 commissions. The commissions shall meet at least once a month
10 and at other times as the Secretary of Agriculture or the
11 commission chairperson deems necessary. Adequate public notice
12 of the time and place of the meetings shall be given. A
13 commissioner who fails to attend three consecutive meetings
14 shall be subject to removal. A commissioner shall be excused
15 from meetings due to illness or death of an immediate family
16 member. All commissioners shall be licensed under the provisions
17 of section 213.

18 (d) Each commission shall engage an executive secretary,
19 deputies, secretaries, officers and representatives as it may
20 deem necessary, who shall serve during its pleasure. The
21 commissions shall also engage other employees as they see fit
22 and whose duties shall be prescribed by the commissions and
23 whose compensation shall be fixed by the commissions within the
24 appropriations available. Legal counsel for the commissions
25 shall be appointed in accordance with the act of October 15,
26 1980 (P.L.950, No.164), known as the "Commonwealth Attorneys
27 Act." Each commission shall be subject to the provisions of the
28 act of April 9, 1929 (P.L.177, No.175), known as "The
29 Administrative Code of 1929," as to classification and
30 compensation for all its employees.

1 (e) It shall be the duty of the executive secretary to keep
2 a full and faithful record of the proceedings of the
3 commissions, preserve at the general office of the commissions
4 all books, maps, documents and papers entrusted to the executive
5 secretary's care, prepare for service the papers and notices as
6 may be required by the commissions and perform other duties as
7 the commissions may prescribe. It shall be the duty of the
8 executive secretary to keep, at the offices of the commissions,
9 a docket setting forth the names of all stockholders in all
10 corporations licensed under this act, the number of shares held
11 by each stockholder and the date on which each shareholder
12 acquired stock in the licensed corporation. The docket shall be
13 open for public inspection. It shall be the duty of the
14 executive secretary to appear before the Appropriations
15 Committees of the Senate and the House of Representatives for
16 budgetary review and recommendations.

17 (f) The commissions or designated officers, employees or
18 agents of the commissions shall have the power to administer
19 oaths and examine witnesses and may issue subpoenas to compel
20 attendance of witnesses and production of all relevant and
21 material reports, books, papers, documents, correspondence and
22 other evidence. The commissions shall, annually, make a full
23 report to the Secretary of Agriculture of their proceedings for
24 the preceding calendar year and suggestions and recommendations
25 as they see fit. The commissions shall exercise their powers and
26 duties in accordance with the provisions of "The Administrative
27 Code of 1929."

28 (g) The terms and termination dates of the terms of the
29 three commissioners who constitute the State Horse Racing
30 Commission under the act of December 11, 1967 (P.L.707, No.331),

1 referred to as the Pennsylvania Thoroughbred Horse Racing Law,
2 shall continue under this act. Any commissioner whose term has
3 already expired on the effective date of this act and who has
4 not been replaced by a new member or has not been confirmed for
5 another term, shall continue in his or her present status until
6 replaced by a new member or confirmed for another term.

7 (h) The terms and termination dates of the terms of the
8 three commissioners who constitute the State Harness Racing
9 Commission under the act of December 22, 1959 (P.L.1978,
10 No.728), referred to as the Pennsylvania Harness Racing Law,
11 shall continue under this act. Any commissioner whose term has
12 already expired on the effective date of this section and who
13 has not been replaced by a new member or has not been confirmed
14 for another term, shall continue in his or her present status
15 until replaced by a new member or confirmed for another term.

16 (i) All rules and regulations promulgated under the
17 provisions of the Pennsylvania Thoroughbred Horse Racing Law and
18 the Pennsylvania Harness Racing Law shall remain in effect
19 except to the extent that they are in direct conflict with the
20 provisions of this act. The commissions may amend, revise or
21 alter these rules and regulations as they deem necessary.

22 (j) All licenses issued under the provisions of section 11
23 of the Pennsylvania Thoroughbred Horse Racing Law and under the
24 provisions of section 9 of the Pennsylvania Harness Racing Law,
25 shall remain in effect for the remainder of the term for which
26 these licenses were issued. After these licenses have expired,
27 all renewals or new licenses shall be issued under the
28 provisions of this act.

29 (k) All licenses issued to corporations under the provisions
30 of section 7 of the Pennsylvania Thoroughbred Horse Racing Law

1 and under the provisions of section 7 of the Pennsylvania
2 Harness Racing Law, shall continue with the same force and
3 effect and shall be governed by the provisions of section 209.
4 Section 202. General powers of the commissions.

5 (a) The State Horse Racing Commission shall have the power
6 to supervise all thoroughbred horse race meetings at which pari-
7 mutuel wagering is conducted. The State Harness Racing
8 Commission shall have the power to supervise all harness horse
9 racing meetings at which pari-mutuel wagering is conducted. The
10 commissions may adopt rules and regulations to effect the
11 purposes and provisions of this act.

12 (b) Without limiting the generality of the foregoing and in
13 addition to its other powers:

14 (1) Each commission shall have power to fix a minimum
15 charge for admission to horse race meetings at which pari-
16 mutuel wagering is conducted, but the minimum charge shall
17 not be less than 50¢ for general admission, exclusive of
18 taxes. The commissions shall have power to fix the charge for
19 admission of soldiers, sailors and marines, in uniform, at
20 one-half of the amount fixed for general admission, whether
21 or not the one-half of the amount fixed is less than the
22 minimum prescribed therein.

23 (2) Each commission shall at all times have in effect
24 rules and regulations as required under Chapter 3 regarding
25 medication rules and enforcement provisions.

26 (3) The rules of the commissions shall also provide that
27 all winning pari-mutuel tickets must be presented for payment
28 before April 1 of the year following the year of their
29 purchase and failure to present the ticket within the
30 prescribed period of time shall constitute a waiver of the

1 right to participate in the award. After April 1 of the year
2 following, all licensed corporations will forward to the
3 State Treasurer through the Department of Revenue for credit
4 to the State Racing Fund all funds so held for the uncashed
5 tickets. Where it is shown to the satisfaction of the
6 appropriate commission and the Department of Revenue, through
7 substantiated and recorded data, that the reason for the
8 pari-mutuel ticket or tickets being outstanding and unclaimed
9 is loss, misplacement or theft within the confines and
10 control of the pari-mutuel department of any licensed
11 corporation and it is shown to the satisfaction of the
12 appropriate commission and the Department of Revenue that the
13 pari-mutuel ticket or tickets in question have been cashed by
14 the pari-mutuel department, the Department of Revenue, with
15 the approval of the appropriate commission, may adjust and
16 credit the licensed corporation's outstanding ticket account
17 accordingly on March 31 of the year following the year of
18 purchase or after a complete audit of the outstanding tickets
19 accounts have been performed. The licensed corporation shall
20 reimburse any employee who has been held personally
21 accountable and paid for the lost, misplaced or stolen
22 tickets.

23 (4) The commissions may adopt a general promotion
24 program to assist the licensed corporations in increasing
25 their attendance and average daily handle. Any expenditures
26 for a promotional program shall be authorized and approved in
27 the same manner as other operational costs of the
28 commissions.

29 (5) In the event that a state bordering Pennsylvania
30 enacts a wagering tax scheme that may place Pennsylvania

1 horse race meetings at a competitive disadvantage in the
2 purses that can be offered for horse races, a licensed
3 corporation may petition the appropriate commission for an
4 emergency financial grant to augment its purse structure. If
5 the appropriate commission finds that the effect of the
6 enacted wagering tax scheme of a bordering state is to place
7 Pennsylvania horse race meetings at a competitive
8 disadvantage in purse structure, the appropriate commission
9 shall make an emergency financial grant to the petitioning
10 licensed corporation for augmentation to its purse structure
11 out of moneys that the commission has budgeted for this
12 purpose; provided, however, that the Secretary of Agriculture
13 and the Secretary of the Office of Budget and Administration
14 have also agreed to the grant.

15 (c) The State Harness Racing Commission shall have
16 jurisdiction over and shall promulgate regulations as necessary
17 for the proper administration of all racing conducted by a
18 county agricultural society or an independent agricultural
19 society, as provided for under section 5(1)(iii) and (iv) of the
20 act of July 8, 1986 (P.L.437, No.92), known as the "Pennsylvania
21 Agricultural Fair Act."

22 Section 203.

23 (c) No corporation shall have the right to conduct any horse
24 race meet except on obtaining a license from the appropriate
25 commission and at the location or locations designated in its
26 license or any amendment thereto or as approved at any time by
27 the commission as the place or places at which it was proposed
28 to conduct its business. This restriction shall not apply to any
29 corporation whose racing plant or usefulness, in the discretion
30 of the appropriate commissions, shall, for any reason beyond the

1 control of the corporation, be totally destroyed or so
2 substantially interfered with as to render same unfit for
3 continued operation. Pending the rebuilding or restoration of
4 its usefulness, or the making of the required repairs to the
5 plant or the part destroyed or damaged, the commissions may
6 license such corporation to conduct its horse race meetings at
7 any other suitable location.

8 Section 204. Filing of information concerning stock transfers;
9 necessity for commissions' approval.

10 (a) Whenever a transfer of stock comprising an interest of
11 5% or more in any licensed corporation, or comprising an
12 interest of 5% or more in any corporation which leases to a
13 licensed corporation the track facility at which it conducts
14 pari-mutuel horse races or comprising an interest of 5% or more
15 in any corporation which owns 25% or more of the stock of the
16 licensed corporation shall be made, there shall be filed,
17 simultaneously, with the corporation which issued such stock the
18 following:

19 (1) In duplicate, an affidavit executed by the
20 transferee of the interest stating that he is to be the sole
21 beneficial owner thereof, and whether or not he:

22 (i) has been convicted of a crime involving moral
23 turpitude;

24 (ii) has been engaged in bookmaking or other forms
25 of illegal gambling;

26 (iii) has been found guilty of any fraud or
27 misrepresentation in connection with racing or breeding;

28 (iv) has been guilty of any violation or attempt to
29 violate any law, rule or regulation of any racing
30 jurisdiction, for which suspension from racing might be

1 imposed in such jurisdiction; or

2 (v) has violated any rule, regulation or order of
3 the commissions.

4 If the transferee of the interest is not, or is not to be,
5 the sole beneficial owner, there shall be annexed to the
6 affidavit of the transferee, and expressly stated in such
7 affidavit, a true and complete copy of all terms of the
8 agreement pursuant to which the interest in the corporation
9 is to be held by the transferee, including a detailed
10 statement of the interest of each person who is to have any
11 interest therein.

12 (2) In duplicate, an affidavit executed by each person
13 for whom the interest is to be held by the transferee,
14 setting forth whether or not the affiant:

15 (i) has been convicted of a crime involving moral
16 turpitude;

17 (ii) has engaged in bookmaking or other forms of
18 illegal gambling;

19 (iii) has been found guilty of any fraud or
20 misrepresentation in connection with racing or breeding;

21 (iv) has been guilty of any violation or attempt to
22 violate any law, rule or regulation of any racing
23 jurisdiction, for which suspension from racing might be
24 imposed in such jurisdiction; or

25 (v) has violated any rule, regulation or order of
26 the commissions.

27 To each of the affidavits shall be annexed, and expressly
28 stated in such affidavit, a true and complete copy of all the
29 terms of the agreement pursuant to which the interest is to
30 be held by the transferee, including a detailed statement of

1 the interest of each person who is to have any interest
2 therein. The corporation shall file with the appropriate
3 commission one of each duplicate affidavits.

4 (b) If, after the filing of any affidavit required to be
5 filed, there shall be any change in the status of any affiant
6 with respect to any of the matters set forth in subsection (a)
7 (1) of the affidavit filed, the affiant shall file with the
8 corporation with which his affidavit was so filed a new
9 affidavit, executed by him in duplicate, setting forth the
10 change of status and the corporation shall file one of these
11 affidavits with the appropriate commission.

12 (c) Whenever any change shall be made in the amount, nature
13 or of the interest of any person having an interest of 5% or
14 more in any corporation, or any new interest of 5% or more shall
15 be created therein, without a transfer as provided, the record
16 owner of the stock, and each person whose interest has been
17 attempted to be changed or created, shall file with the
18 corporation which issued the stock, in duplicate, affidavits as
19 provided by subsection (a)(1) and (2), except that these
20 affidavits need not include the matter referred to in subsection
21 (a) unless then required pursuant to subsection (b) and one copy
22 thereof shall be filed by the corporation with the appropriate
23 commission.

24 (d) If the appropriate commission determines that it is
25 inconsistent with the public interest, convenience, or
26 necessity, or with the best interest of racing generally, that
27 any person continue to be a stockholder of record, or the
28 beneficial owner of any interest in stock standing in the name
29 of another in any licensed corporation or of any corporation
30 which leases to such licensed corporation the track at which it

1 conducts pari-mutuel horse racing or which owned 25% or more of
2 the stock of the licensee, the appropriate commission shall have
3 full power and authority to order each stockholder or beneficial
4 owner to dispose of his stock or interest within a period of
5 time to be specified by the appropriate commission, which period
6 the appropriate commission shall have full power to extend.

7 (e) If the commissions shall make any order or direction as
8 provided in subsection (d), the person aggrieved shall be given
9 notice of the time and place of a hearing before the appropriate
10 commission, at which time the appropriate commission will hear
11 the person in reference thereto.

12 Section 205. Number of horse racing corporations.

13 (a) No more than six corporations shall be licensed by the
14 State Horse Racing Commission to conduct a pari-mutuel meet or
15 meets. No corporation licensed under this act to conduct harness
16 racing with pari-mutuel wagering or under the act of December
17 22, 1959 (P.L.1978, No.728), referred to as the Pennsylvania
18 Harness Racing Law, shall be licensed to conduct thoroughbred
19 horse racing with pari-mutuel wagering.

20 (b) No more than five corporations shall be licensed by the
21 State Harness Racing Commission to conduct a pari-mutuel meet or
22 meets. No corporation licensed under this act to conduct
23 thoroughbred horse racing with pari-mutuel wagering or under the
24 act of December 11, 1967 (P.L.707, No.331), referred to as the
25 Pennsylvania Thoroughbred Horse Racing Law, shall be licensed to
26 conduct harness horse racing with pari-mutuel wagering.

27 Section 206. Responsibilities of the Department of Revenue.

28 The Department of Revenue is charged with the financial
29 administration of pari-mutuel wagering under this act, as
30 supplemented by the rules and regulations of the commissions.

1 The Department of Revenue shall have authority to prescribe the
2 forms and the system of accounting to be employed, and through
3 its representatives shall, at all times, have power of access
4 to, and examination of, any equipment relating to such wagering.
5 Section 207. Allocation of racing days.

6 (a) Up to 125 but no less than 25 racing days shall be
7 allocated to each licensed corporation conducting thoroughbred
8 horse race meetings in any calendar year; except, that upon
9 request, the State Horse Racing Commission may grant up to an
10 additional 25 racing days over the 125 days to a licensed
11 corporation in each calendar year, if racing meet schedules can
12 accommodate these extra days. Whenever two or more corporations
13 licensed to conduct racing at the same facility apply to the
14 State Horse Racing Commission for an allocation of racing days
15 at the same facility, the commission shall allocate the racing
16 days in the following manner:

17 (1) If there is an agreement between the licensed
18 corporations as to the allocation of racing days then as
19 provided for therein.

20 (2) If there is no agreement between the licensed
21 corporations as to the allocation of racing days, then
22 equally between them.

23 (b) No more than 125 racing days shall be allocated to each
24 licensed corporation conducting harness horse race meetings in
25 any calendar year. Every corporation shall hold its license
26 under the provisions of section 209. The State Harness Racing
27 Commission shall allocate the racing days in accordance with the
28 following guidelines:

29 (1) A licensed corporation that has an ownership
30 interest in the facility at which the racing days are to be

1 conducted shall be granted up to 125 racing days in any
2 calendar year upon request to the State Harness Racing
3 Commission. The State Harness Racing Commission shall grant
4 all racing days requested by licensed corporations described
5 in this paragraph before any other racing days are granted to
6 any other licensed corporation that desires to conduct a meet
7 at the same facility owned in part or in whole by a licensed
8 corporation that also desires to conduct a meet there.

9 (2) Whenever one or more licensed corporations that have
10 an ownership interest in the facility at which the racing
11 days are to be conducted apply to the State Harness Racing
12 Commission for an allocation of racing days, the State
13 Harness Racing Commission shall allocate an equal number of
14 racing days to each licensed corporation or to each licensed
15 corporation based upon an agreement between the licensed
16 corporations as to the allocation of racing days.

17 (3) Upon request the State Harness Racing Commission may
18 grant up to an additional 25 racing days over the 125 racing
19 days to a licensed corporation in each calendar year, and the
20 commission may grant up to 50 additional days of racing if
21 that corporation is the only corporation operating at the
22 facility, if racing meet schedules can accommodate these
23 extra racing days.

24 (4) For purposes of this section, an ownership interest
25 shall mean that a licensed corporation directly or through a
26 parent or subsidiary has at least 35% equity interest in the
27 track facility at which it conducts harness horse race
28 meetings or is the primary tenant at such facility. For
29 purposes of this subsection, a primary tenant shall be that
30 licensed corporation, if any, which is a tenant conducting

1 horse race meetings at a track facility at which no licensed
2 corporation conducting horse race meetings has directly or
3 through a parent or subsidiary at least a 35% equity interest
4 in such facility, and if there is more than one such tenant
5 at any such facility during the year prior to the year for
6 which dates are requested, then among or between such tenants
7 the primary tenant, if any, shall be designated by agreement
8 among or between those licensed corporations which propose to
9 conduct horse race meetings at the said track facility during
10 the year for which dates are requested.

11 (c) The commissions shall certify to the Secretary of the
12 Department of Revenue within 20 days after the allocation of
13 racing days to licensed corporations the following information:

- 14 (1) the names and addresses of the corporations;
- 15 (2) the names and addresses of the presidents and
16 general managers of the corporations;
- 17 (3) the names and locations of the facilities where the
18 racing days are to be conducted;
- 19 (4) the number of racing days allocated to each
20 corporation; and
- 21 (5) a numbered list of each racing day assigned to each
22 calendar day of the year for the purposes of taxation.

23 (d) If a racing day is cancelled by a licensed corporation
24 for reasons beyond its control, the appropriate commission shall
25 grant the licensed corporation the right to conduct that racing
26 day in the same or the next ensuing calendar year, if schedules
27 permit. The racing day for purposes of taxation under section
28 222 shall be at the lowest tax rate at which the licensed
29 corporation conducted a racing day during that year.
30 Section 208. State admissions taxes.

1 (a) Every corporation holding a thoroughbred horse race
2 meeting under this act shall collect, in addition to the
3 admission price of tickets sold or otherwise disposed of, for
4 each meeting held by the corporation, a tax equivalent to 15% of
5 the admission price, or 15¢ whichever is greater. In case of
6 failure to collect the tax, the tax shall be imposed upon the
7 corporation holding the race meeting. The tax shall be paid to
8 the Department of Revenue within ten days of collection. The
9 amounts collected shall be paid into the State Treasury to the
10 credit of the State Racing Fund. Before any corporation liable
11 to pay the tax shall hold any race meeting, or exercise any of
12 the powers conferred by this act, the corporation shall pay all
13 taxes due, and shall file a statement with the Department of
14 Revenue containing the name of the place and stating the time
15 when the races are to be held. Nothing in this section shall
16 apply to a race meeting conducted by any state, county or other
17 agricultural association. Retroactive to September 1, 1981 and
18 thereafter, the admission tax shall be decreased to a tax
19 equivalent to 10% of the admission price. Then on September 1,
20 1982 and thereafter, the admission tax shall be decreased to a
21 tax equivalent to 5% of the admission price.

22 (b) Every corporation holding a harness horse race meeting
23 shall collect, in addition to the admission price of tickets
24 sold or otherwise disposed of, for each such meeting held by the
25 corporation, a tax equivalent to 5% of the admission price. In
26 case of failure to collect the tax, the tax shall be imposed
27 upon the corporation holding the race meeting. The tax shall be
28 paid to the Department of Revenue within ten days after the
29 close of each race meeting. The amounts collected shall be paid
30 into the State Treasury to the credit of the State Racing Fund.

1 Before any corporation liable to pay the tax shall hold any race
2 meeting, or exercise any of the powers conferred by this act,
3 the corporation shall pay all taxes due and file a statement
4 with the Department of Revenue containing the name of the place
5 and stating the time when the races are to be held. Nothing in
6 this section shall apply to a race meeting conducted by any
7 state, county or other agricultural association.

8 (c) The Department of Revenue shall have the power to
9 examine the books and records of the corporation conducting any
10 horse race meeting and may hear testimony and take proofs and
11 material for its information, or from any other data which shall
12 be satisfactory to it. The Department of Revenue may order and
13 state an account for the tax due the State, together with the
14 expense of such examination. A penalty of 5% and interest at the
15 rate of 1% per month from the due date to the date of payment of
16 the tax shall be payable in case any tax imposed by this section
17 is not paid when due.

18 Section 209. Licenses for horse race meetings.

19 (a) Any corporation desiring to conduct horse race meetings
20 at which pari-mutuel wagering shall be permitted may apply to
21 the appropriate commission for a license. The license gives its
22 holder the privilege to conduct horse race meetings at which
23 pari-mutuel wagering is permitted. The license does not give its
24 holder a property right. If, in the judgment of the appropriate
25 commission, the public interest, convenience or necessity will
26 be served and a proper case for the issuance of the license is
27 shown, the appropriate commission may issue the license. The
28 license shall remain in effect so long as the licensed
29 corporation complies with all conditions, rules and regulations
30 and provisions of this act. A commission may revoke or suspend

1 the license of any corporation, if the commission finds by a
2 preponderance of the evidence that the corporation, its
3 officers, employees or agents, has not complied with the
4 conditions, rules, regulations and provisions of this act and
5 that it would be in the public interest, convenience or
6 necessity to revoke or suspend the license. A license is not
7 transferable.

8 (b) Every license shall be issued upon the following
9 conditions:

10 (1) A horse race meeting at which pari-mutuel wagering
11 is conducted is subject to the supervision of and to the
12 reasonable rules and regulations prescribed by the
13 appropriate commission.

14 (2) Pari-mutuel wagering conducted is also subject to
15 the supervision of and to the reasonable regulations
16 prescribed by the Department of Revenue. Any license may also
17 be issued upon any other condition that the appropriate
18 commission determines to be necessary or desirable to insure
19 that the public interest, convenience or necessity is served.

20 (3) The corporation can prove by a preponderance of the
21 evidence that it has obtained the use of a facility to
22 conduct horse race meetings. The proof may be demonstrated by
23 documentation of an ownership interest in the facility or by
24 a written lease for use of the facility. For purposes of this
25 paragraph, an ownership interest shall mean that a licensed
26 corporation directly or through a parent or subsidiary has at
27 least a 35% equity interest in the track facility at which it
28 conducts horse race meetings or is the primary tenant at such
29 facility. For purposes of this paragraph, a primary tenant
30 shall be that licensed corporation, if any, which is a tenant

1 conducting horse racing meetings at a track facility at which
2 no licensed corporation conducting horse race meetings has
3 directly or through a parent or subsidiary at least a 35%
4 equity interest in such facility, and if there is more than
5 one such tenant at any such facility during the year prior to
6 the year for which dates are requested, then among or between
7 such tenants the primary tenant, if any, shall be designated
8 by agreement among or between those licensed corporations
9 which propose to conduct horse race meetings at the said
10 track facility during the year for which dates are requested.

11 (4) The corporation posts, in favor of the appropriate
12 commission, a bond or irrevocable letter of credit in an
13 amount equal to the sum of the corporation's average weekly
14 payment, during active racing, into the State Racing Fund, as
15 determined by the appropriate commission on the basis of the
16 immediately preceding year, during the year for which dates
17 are requested.

18 (5) The licensed corporation prints in its racing
19 programs the procedure for filing a complaint with the
20 appropriate commission.

21 (c) Applications for licenses shall be in the form
22 prescribed by the appropriate commission and shall contain
23 information, material or evidence as the appropriate commission
24 may require. The term "racing week" shall include Sunday at the
25 discretion of the licensed corporation.

26 (d) In considering an application for a license to a
27 corporation, the commissions may give consideration to the
28 number of licenses already granted. No license shall be granted
29 to any track located within ten miles of a State, county or
30 other political subdivision fair conducting horse racing unless

1 the association, corporation, society, political subdivision or
2 State agency conducting the fair shall affirmatively waive
3 objection to the issuance of the license for dates within the
4 period.

5 (e) The commissions may refuse to grant, may revoke, or may
6 suspend a license to a corporation, if it shall determine that:

7 (1) Any officer, director, member or stockholder of the
8 corporation applying for a license or of any corporation
9 which owns stock in or shares in the profits, or participates
10 in the management of the affairs of the applicant, or which
11 leases to the applicant the track where it shall operate:

12 (i) has been convicted of a crime involving moral
13 turpitude;

14 (ii) has engaged in bookmaking or other forms of
15 illegal gambling;

16 (iii) has been found guilty of any fraud or
17 misrepresentation in connection with racing or breeding;

18 (iv) has been guilty of any violation or attempt to
19 violate any law, rule or regulation of any racing
20 jurisdiction, for which suspension from racing might be
21 imposed in such jurisdiction; or

22 (v) has violated any rule, regulation or order of
23 the commissions.

24 (2) The experience, character or fitness of any officer,
25 director or stockholder of any of the corporations is such
26 that the participation of the person in horse racing or
27 related activities would be inconsistent with the public
28 interest, convenience or necessity or with the best interests
29 of racing. If the commission determines that the interest of
30 any stockholder referred to in this paragraph or in paragraph

1 (1) is insufficient to affect adversely the conduct of pari-
2 mutuel horse racing by the corporation in accordance with the
3 provisions of this act, the commissions may disregard the
4 interest in determining whether or not to grant a license to
5 the corporation.

6 (3) The applicant is not the owner or the lessee of the
7 track at which it will conduct pari-mutuel horse racing under
8 the license applied for, or that any person, firm,
9 association or corporation other than the applicant shares,
10 or will share, in the profits of the applicant, other than by
11 dividends as a stockholder, or participates, or will
12 participate in the management of the affairs of the
13 applicant.

14 (4) The corporation does not have the use of a facility
15 to conduct horse race meetings. Such use must be proved by a
16 preponderance of the evidence. The proof may be demonstrated
17 by documentation of an ownership interest in the facility or
18 by a written lease for use of the facility.

19 (5) A licensed corporation does not have proof of a
20 written lease of a facility to conduct horse race meetings.
21 Under this paragraph, the appropriate commission may suspend
22 a license for a period of two years. After the expiration of
23 the suspension, the appropriate commission may then revoke
24 the license, if the licensed corporation has failed to
25 contract for a facility at which to conduct horse race
26 meetings.

27 (6) A licensed corporation has commingled horsemen's
28 funds in violation of section 235(c) or has refused to place
29 on deposit a letter of credit under section 236.

30 (f) The commissions shall also have power to refuse to

1 grant, revoke or suspend a license:

2 (1) To any corporation, the charter or certificate of
3 incorporation of which shall fail to contain a provision
4 requiring any stockholder, upon written demand of the
5 corporation, to sell his stock to the corporation at a price
6 to be fixed by the appropriate commission, provided the
7 demand be made pursuant to written direction of the
8 appropriate commission and from the date of the making of the
9 demand prohibiting the transfer of the certificate of stock
10 except to the corporation.

11 (2) To any corporation which, having been a licensee,
12 has failed, in the opinion of the appropriate commission, to
13 properly maintain its track and plant in good condition or
14 has failed to make adequate provision for rehabilitation and
15 capital improvements to its track and plant.

16 (g) Pending final determination of any question under this
17 section, the commissions may issue a temporary license upon such
18 terms and conditions as they see fit to effectuate the
19 provisions of this act.

20 (h) The commissions shall have power to direct that every
21 certificate of stock of a licensed corporation shall bear a
22 legend, plainly and prominently imprinted upon the face of the
23 certificate, reading: "This certificate of stock is transferable
24 only subject to the provisions of the 'Race Horse Industry
25 Reform Act'." The provisions of this subsection shall not apply
26 to stock heretofore issued by a licensed corporation under the
27 provisions of the act of December 11, 1967 (P.L.707, No.331), as
28 amended, and referred to as the Pennsylvania Thoroughbred Horse
29 Racing Law or of the act of December 22, 1959 (P.L.1978,
30 No.728), as amended, and referred to as the Pennsylvania Harness

1 Racing Law.

2 Section 210. Shareholders.

3 (a) Each licensed corporation shall, once a year, provide
4 the appropriate commission with a complete list of all its
5 shareholders, indicating the number of shares by each
6 shareholder.

7 (b) It shall be the duty of each licensed corporation within
8 ten days after any transfer of stock comprising an interest of
9 5% or more in such licensee, to notify the appropriate
10 commission of the transfer.

11 (c) Each certificate of stock issued by a licensed
12 corporation to a shareholder having a 5% or greater interest
13 shall have noted on the face thereof that the person whose name
14 is indicated as the owner of such shares of stock by the
15 certificate is the sole and absolute owner, and that he is not
16 holding such shares of stock or any portion of such shares of
17 stock represented by the certificate in trust for any person,
18 partnership, firm or corporation who or which is prohibited from
19 owning such shares of stock. If any of such shares of stock
20 represented by a certificate of stock are held subject to the
21 terms of either an inter vivos or testamentary trust for the
22 benefit of any person who could lawfully own such stock in his
23 own name, the fact shall be noted on the face of the certificate
24 and a copy of the instrument which created the trust shall be
25 attached. A duplicate copy of the instrument which created the
26 trust shall be filed with the appropriate commission.

27 (d) No property rights shall exist in any shares of stock of
28 any licensed corporation which are held in trust contrary to the
29 provisions of this section and the same shall be forfeited to
30 the Commonwealth after reasonable notice and upon hearing and

1 proof thereof in any suit instituted by the Attorney General of
2 Pennsylvania. Upon it being established that the stock is
3 subject to forfeiture by legal adjudication, the appropriate
4 commission shall sell the forfeited stock at public sale, upon
5 proper notice, to the highest bidder. The proceeds from the sale
6 shall be deposited in the General Fund of the Commonwealth of
7 Pennsylvania.

8 (e) As used in this section, the term "licensed corporation"
9 shall include any licensed corporation as defined in section 102
10 and also any firm, association or corporation which owns or
11 leases to any licensed association or corporation a race track
12 at which pari-mutuel racing is conducted, or any firm,
13 association or corporation which participates in the management
14 of any such licensed corporation.

15 Section 211. Prohibition of interest by public officers, public
16 employees and party officers in pari-mutuel racing
17 activities.

18 (a) No public officer, public employee or party officer
19 shall:

20 (1) hold any license to conduct a pari-mutuel meet from
21 the commissions;

22 (2) own or hold, directly or indirectly, any proprietary
23 interest, stock or obligation of any firm, association or
24 corporation:

25 (i) which is licensed by the commissions to conduct
26 pari-mutuel racing;

27 (ii) which is licensed to conduct its occupation,
28 trade or business at race tracks at which pari-mutuel
29 race meets are conducted;

30 (iii) which owns or leases to any licensed

1 association or corporation a race track at which pari-
2 mutuel racing is conducted; or

3 (iv) which participates in the management of any
4 licensed corporation conducting pari-mutuel racing; and

5 (3) hold any office or employment with any firm,
6 association or corporation specified in paragraph (2); or

7 (4) sell or be a member of a firm or own 10% or more of
8 the stock of any corporation which sells any goods or
9 services to any firm, association or corporation specified in
10 paragraph (2).

11 The provisions of paragraph (3) shall not apply to a public
12 employee other than a police officer or paid employee of a
13 police department, sheriff's office, district attorney's office
14 or other law enforcement agency so long as such employment of
15 employees of a political subdivision may be prohibited by
16 ordinance, resolution or local law.

17 (b) A knowing and willful violation of this section shall be
18 cause for removal from public office, public employment or party
19 office. In any such case, the public officer, public employee or
20 party officer, violating this section, shall be removed from
21 office by appropriate authority having the power of removal.

22 (c) The following words and phrases when used in this act
23 shall have, unless the context clearly indicates otherwise, the
24 meanings given to them in this section:

25 "Party officer." The following members or officers of any
26 political party:

27 (1) a member of a national committee;

28 (2) a chairman, vice-chairman, secretary, treasurer or
29 counsel of a State committee or member of the executive
30 committee of a State committee;

1 (3) a county chairman, vice-chairman, counsel, secretary
2 or treasurer of a county committee; or

3 (4) a city chairman, vice-chairman, counsel, secretary
4 or treasurer of a city committee.

5 "Public employee." Every person employed by the Commonwealth
6 or any political subdivision thereof.

7 "Public officer." Every person elected to any public office
8 of the Commonwealth or any political subdivision thereof.

9 (d) The commissions shall have the power to refuse to grant
10 or to revoke or suspend a license of any firm, association or
11 corporation which aids or knowingly permits or conspires to
12 permit any public officer, public employee or party officer to
13 acquire or retain any interest prohibited by this section.

14 (e) The provisions of this section shall allow any person
15 other than members, employees or appointees of the commissions
16 to own and to be licensed to race a horse at any licensed race
17 track.

18 Section 212. Officials at horse race meetings.

19 (a) At all thoroughbred horse race meetings licensed by the
20 State Horse Racing Commission, qualified judges and starters
21 shall be approved by the commission. These officials shall
22 enforce the rules and regulations of the State Horse Racing
23 Commission and shall render written reports of the activities
24 and conduct of such race meetings to the State Horse Racing
25 Commission. The compensation of these judges and starters shall
26 be paid by the corporation conducting the race meeting.

27 (b) At all harness race meetings licensed by the State
28 Harness Racing Commission, qualified judges and starters shall
29 be approved by the commission. No person shall be approved as a
30 judge or starter unless he is licensed by the United States

1 Trotting Association as a duly qualified pari-mutuel race
2 meeting official. The officials shall enforce the rules and
3 regulations of the State Harness Racing Commission and shall
4 render regular written reports of the activities and conduct of
5 the race meetings to the State Harness Racing Commission. The
6 compensation of the presiding judge and two associate judges at
7 each race track shall be fixed and paid by the State Harness
8 Racing Commission. The commission shall adopt a selection
9 process to approve the appointment of these officials. The
10 licensed corporations shall participate in this selection
11 process for approval of these officials.

12 Section 213. Licenses for commissioners, employees and
13 participants at horse race meetings.

14 (a) Each commission shall license trainers, jockeys,
15 drivers, persons participating in thoroughbred and harness horse
16 race meetings, horse owners and all other persons and vendors
17 exercising their occupation or employed at thoroughbred and
18 harness horse race meetings. The license gives its holder a
19 privilege to engage in the specified activity, but the license
20 does not give its holder a property right. Licenses are not
21 transferable. Each commission shall fix the license fees to be
22 paid by persons or corporations so licensed; provided, however,
23 that such occupational license fees shall not exceed \$100. All
24 fees shall be paid to the commissions and by them paid into the
25 State Treasury through the Department of Revenue and credited to
26 the State Racing Fund. The application shall be in the form and
27 contain the information as each commission may require.
28 Applicants must have their fingerprints taken or have
29 fingerprint records on file with the respective commission, the
30 Federal Bureau of Investigation, the State Police or any other

1 organization recognized by the respective commission as part of
2 the background investigation. Each commission may exempt
3 applicants from the fingerprint requirement for positions not
4 related to the care or training of horses, racing, wagering,
5 security or the management operations of the racing corporation
6 or racetrack. All licenses shall be issued for three-year terms
7 and shall be automatically renewed, upon payment of the required
8 fee, unless subsection (f) applies. Each commission may
9 establish a temporary license and fee valid for four months
10 within a twelve-month period. No applicant, however, may receive
11 more than one temporary license within 12 months of the issuance
12 of his or her preceding temporary license. The commissions may
13 also stagger the termination dates and renewal dates of the
14 licenses, in order to process and issue the licenses in an
15 orderly manner that provides for approximately one-third of the
16 licenses to be renewed each year. The commissions shall fix the
17 manner by which licenses are processed and issued by rule or
18 regulation.

19 (b) All commissioners and all employees, agents and
20 representatives of the commissions shall be licensed under this
21 act. There shall be no fee for this license. The commissions
22 shall fix by rule or regulation the manner in which these
23 licenses under this subsection shall be processed and issued.

24 (c) If the commissions find that the experience, character
25 and general fitness of the applicant are such that the
26 participation of the person in horse race meets is consistent
27 with the public interest, convenience and necessity, and with
28 the best interests of racing generally in conformity with the
29 purposes of this act, it may grant a license.

30 (d) The commissions may refuse to issue a license under this

1 section, if they shall find that the applicant:

2 (1) Has been convicted of a crime involving moral
3 turpitude.

4 (2) Has engaged in bookmaking or other form of illegal
5 gambling.

6 (3) Has been found guilty of any fraud or
7 misrepresentation in connection with racing or breeding.

8 (4) Has been found guilty of any violation or attempt to
9 violate any law, rule or regulation of racing in any
10 jurisdiction, for which suspension from racing might be
11 imposed in that jurisdiction.

12 (5) Has violated any rule, regulation or order of the
13 commissions.

14 (d.1) The commissions shall refuse to issue a license under
15 this section if they shall find that the applicant has been
16 convicted of an offense relating to fixing races. This
17 subsection shall not apply if the conviction is overturned on
18 appeal under the laws of the jurisdiction of the original
19 finding.

20 (e) Each commission shall have the right to inspect all
21 contracts between licensed corporations and vendors for goods
22 and services. Each commission shall require by rule or
23 regulation that vendors disclose to the appropriate commission
24 all principal officers and a description of their interests in
25 the vendors' business. Failure to properly disclose this
26 information shall constitute grounds to deny, to revoke or to
27 suspend any vendor's license issued under the provisions of this
28 act.

29 (f) The commissions may suspend, refuse to renew or revoke a
30 license issued under this section, if it shall determine that:

- 1 (1) The applicant or licensee:
2 (i) has been convicted of a crime involving moral
3 turpitude;
4 (ii) has engaged in bookmaking or other form of
5 illegal gambling;
6 (iii) has been found guilty of any fraud in
7 connection with racing or breeding;
8 (iv) has been guilty of any violation or attempt to
9 violate any law, rule or regulation of any racing
10 jurisdiction for which suspension from racing might be
11 imposed in that jurisdiction;
12 (v) has violated any rule, regulation or order of
13 the commissions; or
14 (vi) has been convicted of a felony offense related
15 to the use, possession or sale of drugs or alcohol.

16 (2) That the experience, character or general fitness of
17 any applicant or licensee is such that the participation of
18 the person in horse racing or related activities would be
19 inconsistent with the public interest, convenience or
20 necessity or with the best interests of racing.

21 (f.1) The commissions shall suspend, refuse to renew or
22 revoke a license issued under this section if it shall determine
23 that the applicant or licensee has been convicted of an offense
24 related to fixing races unless the conviction has been
25 overturned on appeal under the laws of the jurisdiction of the
26 original finding.

27 (g) Pending final determination of any question under this
28 section, the commissions may issue a temporary license upon such
29 terms and conditions as they may deem necessary or proper to
30 effectuate the provisions of this act.

1 (h) The commissions may suspend a license under subsection
2 (f) pending a hearing on the matter. The hearing must take place
3 within ten days of the suspension.

4 (i) The commissions shall not grant licenses to citizens of
5 states that do not grant licenses to citizens of this
6 Commonwealth on the basis of in-state preference.

7 Section 214. Power of commissions to impose fines and
8 penalties.

9 (a) In addition to their power to suspend or revoke licenses
10 granted by them, the commissions are authorized and empowered to
11 impose fines upon any corporation, association or person
12 participating in any way in any horse race meet at which pari-
13 mutuel wagering is conducted, other than as a patron and whether
14 licensed by the commissions or not, for a violation of any
15 provision of this act or the rules and regulations promulgated
16 by the commissions, not exceeding \$5,000 for each violation,
17 which fines shall be paid into the State Treasury through the
18 Department of Revenue and credited to the General Fund.
19 Following exhaustion of any administrative remedies promulgated
20 by the commissions for such purpose, the action of the
21 commissions in imposing any monetary fine shall be subject to
22 appeal to the Commonwealth Court and as approved by that court
23 system, or if no court appeal is taken, then as imposed, may be
24 collected in an action of assumpsit.

25 (b) No officer or employee of a licensed corporation or
26 their spouses, parents, fathers-in-law, mothers-in-law, sons,
27 daughters, sons-in-law or daughters-in-law shall have any direct
28 or indirect interest in a race horse that is participating in a
29 race at a meet at which such person or heretofore-mentioned
30 relative holds any interest in the licensed corporation

1 conducting the meet and/or the track facility. An officer or
2 employee of a licensed corporation or their spouses, parents,
3 fathers-in-law, mothers-in-law, sons, daughters, sons-in-law or
4 daughters-in-law may have an interest in a race horse and enter
5 it at meets that are conducted by licensed corporations or at
6 race tracks in which such a person or heretofore-mentioned
7 relative holds no direct or indirect interest. Each commission
8 shall impose a fine or penalty upon any person for violation of
9 this subsection as provided for under subsection (a). For
10 purposes of this subsection an interest shall not include:

11 (1) any breeder's fund award as a result of a horse
12 being a registered Pennsylvania-bred thoroughbred horse under
13 the provisions of section 223; and

14 (2) any interest in a licensed corporation or track
15 facility that was held by a person, partnership, association
16 or corporation on or before January 1, 1988.

17 Section 215. Security personnel; powers and duties; penalty.

18 (a) The commissions and any licensed corporations are
19 authorized and empowered to employ persons as security
20 personnel. These persons shall possess the powers and duties of
21 a peace officer with respect to the enforcement of the criminal
22 laws of the Commonwealth within the race meeting grounds or
23 enclosure. The designated persons are also authorized to
24 interrogate and eject from the race meeting grounds or enclosure
25 any persons suspected of violating any rule or regulation
26 promulgated by the commissions. The commissions may refuse
27 admission to and eject from enclosure of the race track operated
28 by any licensed corporation, any person whose presence there is,
29 in the judgment of the commission, inconsistent with the orderly
30 or proper conduct of a race meeting or whose presence or conduct

1 is deemed detrimental to the best interest of horse racing. The
2 action of the commissions in refusing any person admission, or
3 ejecting him from, a race meeting ground or enclosure shall not
4 be because of the race, creed, color, sex, national origin or
5 religion of that person and shall be reviewable by the
6 Commonwealth Court.

7 (b) Except as provided for in subsections (c) and (d), any
8 licensed corporation may refuse admission to and eject from the
9 enclosure of the race track operated by any association any
10 person except that no person shall be refused admission or be
11 ejected because of the race, color, creed, sex, national origin
12 or religion of that person.

13 (c) A licensed corporation may refuse admission to and eject
14 from the enclosure of the race track operated by the
15 corporation, any person licensed by the commissions under
16 section 213, employed at his occupation at the race track, whose
17 presence there is deemed detrimental to the best interests of
18 horse racing, citing the reasons for that determination. The
19 action of the corporation in refusing the person admission to or
20 ejecting him from a race meeting ground or enclosure shall have
21 immediate effect. The person refused admission or ejected shall
22 receive a hearing before the appropriate commission, if
23 requested, pursuant to rules and regulations adopted for that
24 purpose by the appropriate commission and a decision rendered
25 following that hearing.

26 (d) A licensed corporation may not refuse admission to or
27 eject a law enforcement official while that official is actually
28 engaged in the performance of official duties.

29 (e) A person found within a race track enclosure after
30 having been refused admission thereto or ejected therefrom

1 shall, upon conviction thereof in a summary proceeding, be
2 sentenced to pay a fine not exceeding \$300 or undergo
3 imprisonment for a term not exceeding 90 days, or both.

4 Section 216. Interstate simulcastings of horse races.

5 Each commission may, upon request by any licensed
6 corporation, grant permission for electronically televised
7 simulcasts of horse races to be operated by the licensed
8 corporation at the race track enclosure where a horse race
9 meeting is being conducted during, between, before or after
10 posted races for that racing day. The posted races for that
11 racing day shall include a minimum of eight live races, except,
12 at thoroughbred tracks on the one day designated as Breeders'
13 Cup Event Day, there shall be a minimum of five live races. The
14 simulcasts shall be limited to horse races conducted at
15 facilities outside this Commonwealth and televised to race track
16 enclosures within this Commonwealth. The simulcasts shall also
17 be limited to thoroughbred races designated as Grade I stakes,
18 or the international equivalent thereto, with purses of at least
19 \$100,000; standard bred races with purses of at least \$100,000;
20 and other stakes races which have, in the opinion of the
21 appropriate commission, significant value to the Pennsylvania
22 racing industry. Cross simulcasting of the aforementioned races
23 shall be permitted as long as the particular race is available
24 to all race tracks in the Commonwealth which are operating live
25 racing that day. All simulcasts of horse races from outside this
26 Commonwealth shall also comply with the provisions of the
27 Interstate Horse Racing Act of 1978, 92 Stat. 1811, 15 USC 3001
28 et seq. All forms of pari-mutuel wagering as described under
29 section 221 shall be allowed on horse races to be televised by
30 simulcasting. Each commission may promulgate rules or

1 regulations to regulate the wagering and the operation of these
2 horse races. All moneys wagered by patrons on these horse races
3 shall be computed in the amount of money wagered each racing day
4 for purposes of taxation under section 222.

5 Section 216.1. Televised international and interstate
6 simulcastings of horse races.

7 (a) Each commission may, upon request by a licensed
8 corporation, grant permission to maintain common pari-mutuel
9 pools on international and interstate races transmitted to and
10 from the racetrack enclosures within this Commonwealth, such
11 licensed corporation to be designated as the "host licensee."
12 The permission to act as host licensee for international and
13 interstate simulcast races shall be limited to licensed
14 corporations:

15 (1) which have a live racing agreement with a horseman's
16 organization representing a majority of owners and trainers
17 at the facility where the licensed corporation conducts
18 racing dates;

19 (2) which have scheduled 95% of the total number of
20 horse or harness racing days scheduled in 1986 by it or its
21 predecessor at the facility where the licensed corporation
22 conducts racing dates; and

23 (3) which, subject to actions or activities beyond the
24 control of the licensee, conduct not less than eight live
25 races per race date during each meet at the facility where
26 the licensed corporation conducts racing dates, except for
27 thoroughbred tracks on the day designated as Breeder's Cup
28 Event Day, when the facility shall hold a minimum of five
29 live races.

30 A horseman's organization representing a majority of owners and

1 trainers at a racetrack may consent to waiving or modifying the
2 provisions pertaining to the required number of racing days and
3 races per day scheduled by a licensed corporation at that
4 racetrack.

5 (b) Cross simulcasting of the races described in subsection
6 (a) shall be permitted if all amounts wagered on the races in
7 this Commonwealth are included in common pari-mutuel pools. A
8 host licensee seeking permission to cross simulcast must obtain
9 approval from both the State Harness Racing Commission and the
10 State Horse Racing Commission. All simulcasts of horse races
11 shall also comply with the provisions of the Interstate Horse
12 Racing Act of 1978 (92 Stat. 1811, 15 U.S.C. § 3001 et seq.).
13 All forms of pari-mutuel wagering as described under section 221
14 shall be allowed on horse races to be televised by simulcasting.
15 Each commission may permit pari-mutuel pools in this
16 Commonwealth to be combined with pari-mutuel pools created under
17 the laws of another jurisdiction and may permit pari-mutuel
18 pools created under the laws of another jurisdiction to be
19 combined with pari-mutuel pools in this Commonwealth. Each
20 commission may promulgate rules or regulations to regulate
21 wagering on televised simulcasts.

22 (c) All moneys wagered by patrons in this Commonwealth on
23 these horse races shall be computed in the amount of money
24 wagered each racing day for purposes of taxation under section
25 222 and all thoroughbred races shall be considered a part of a
26 thoroughbred horse race meeting and all harness races shall be
27 considered a part of a harness horse race meeting for purposes
28 of section 222(b)(5).

29 Section 217. Refunds.

30 (a) Money received by the commissions may, within one year

1 from receipts thereof, be refunded, to the party for whose
2 account the same were received, on proof satisfactory to the
3 commissions that:

4 (1) the moneys were in excess of the amount required by
5 law;

6 (2) the license for which application was made has been
7 refused by the commission;

8 (3) the moneys were received as a fine and the
9 commission has, after review, reduced the amount of the fine;
10 or

11 (4) upon appeal, the court reduced or remitted the fine
12 imposed and paid.

13 (b) Refunds shall, upon approval by the commission and after
14 approval by the Board of Finance and Revenue, be paid from any
15 moneys in the State Racing Fund.

16 Section 218. Place and manner of conducting pari-mutuel
17 wagering.

18 (a) Every licensed corporation shall provide during a horse
19 race meeting a place or places within the race track enclosure
20 at which the licensed corporation shall conduct the pari-mutuel
21 system of wagering by its patrons on the results of horse races
22 held at such meetings or televised to the race track enclosure
23 by simulcasting. The licensed corporation shall erect a sign or
24 board upon which shall be displayed the approximate straight
25 odds on each horse in any race; the value of a winning mutuel
26 ticket, straight, place or show on the first three horses in the
27 race; the elapsed time of the race; the value of a winning daily
28 double ticket, if a daily double be conducted, and any other
29 information that the commissions may deem necessary for the
30 guidance of the general public. The commissions may prescribe,

1 by rule, the type and kind of equipment to be used for the
2 display of the foregoing information.

3 (b) Each commission may upon request by any licensed
4 corporation grant permission to the licensed corporation to
5 conduct a telephone account wagering system: Provided, however,
6 That all telephone messages to place wagers must be to a place
7 within the race track enclosure: And further provided, That all
8 moneys used to place telephone wagers be on deposit in an amount
9 sufficient to cover the wager at the race track where the
10 account is opened. Each commission may promulgate rules or
11 regulations to regulate telephone account wagering. All moneys
12 wagered as a result of telephone account wagering shall be
13 included in the amount wagered each racing day for purposes of
14 taxation under section 222 and shall be included in the same
15 pari-mutuel pools for each posted race. All telephone account
16 wagering systems shall be solely operated by the licensed
17 corporations.

18 (c) A licensed corporation shall only accept and tabulate a
19 wager by a direct telephone call from the holder of a telephone
20 wagering account. No person shall directly or indirectly act as
21 an intermediary, transmitter or agent in the placing of wagers
22 for a holder of a telephone wagering account. No person shall in
23 any manner place any wager by telephone to a facility in the
24 race track enclosure on behalf of a holder of a telephone
25 wagering account. Only the holder of a telephone wagering
26 account shall place a telephone wager. Any person violating this
27 subsection shall be guilty of a misdemeanor of the first degree.

28 (d) A licensed corporation shall not accept a telephone
29 wager from, nor establish a telephone betting account for, any
30 person located in or residing in an area defined herein as the

1 primary market area of a race track, other than the race track
2 at which the licensed corporation is conducting a racing meet.
3 Nothing herein shall prohibit the licensed corporation from
4 accepting a telephone wager from, or establishing a telephone
5 betting account for, any person located in or residing in the
6 primary market area of the track at which the licensed
7 corporation is conducting a meet and, if two tracks share
8 primary market area as defined herein, both tracks shall have
9 equal rights to the market in the shared area.

10 (e) The primary market area of a race track, for purposes of
11 this act, is defined as that land area included in a circle
12 drawn with the race track as the center and a radius of 35 air
13 miles.

14 (f) The secondary market area of a racetrack, for purposes
15 of this act, is defined as that land area included in a circle
16 drawn with the racetrack as the center and a radius of 50 air
17 miles, but not including the primary market area of the
18 racetrack.

19 (g) Notwithstanding any other provisions of this act to the
20 contrary, upon approval by the appropriate commission, a
21 licensed corporation may establish one or more nonprimary
22 locations at which it shall conduct pari-mutuel wagering on all
23 horse races conducted by such licensed corporation and may
24 conduct pari-mutuel wagering on horse races conducted by another
25 licensed corporation, which horse races may be televised to the
26 locations, or on horse races simulcast to the locations pursuant
27 to section 216, provided that:

28 (1) No licensed corporation may establish nonprimary
29 locations within the primary market area, as set forth in
30 subsection (e), of any racetrack other than a racetrack at

1 which the licensed corporation conducts race meetings.
2 Establishment of a nonprimary location by a licensed
3 corporation within the primary market area of a racetrack at
4 which the licensed corporation conducts race meetings shall
5 require approval of the commission regulating the activities
6 of such licensed corporation.

7 (2) Any licensed corporation may establish a nonprimary
8 location within the secondary market area of a racetrack as
9 set forth in subsection (f), provided that the nonprimary
10 location is approved by both the State Harness Racing
11 Commission and the State Horse Racing Commission.

12 (3) Any licensed corporation may establish a nonprimary
13 location in areas outside the primary and secondary market
14 areas of any racetrack, provided that the location is
15 approved by the commission which regulates the activities of
16 the licensed corporation establishing the location.

17 (4) Where a site is approved by the commission as a
18 nonprimary location established by more than one licensed
19 corporation, by agreement between the licensed corporations
20 and with the approval of the appropriate commission, one
21 licensed corporation may operate the pari-mutuel equipment
22 for one or more of the licensed corporations at that
23 location, but the location may still be considered a part of
24 the racetrack enclosure of each of the licensed corporations
25 approved to conduct pari-mutuel wagering at that location.

26 (5) (i) Any licensed corporation, planning to establish
27 a nonprimary location, shall submit to the appropriate
28 commission a nonprimary location statement in a form
29 prescribed by the appropriate commission which specifies,
30 but is not limited to, the following:

1 (A) The number of permanent and part-time jobs
2 to be created at the proposed facility.

3 (B) The population of the town or municipality,
4 and surrounding area, where the proposed facility is
5 to be located.

6 (C) The proximity of the proposed facility to
7 any other nonprimary location or licensed racetrack.

8 (D) The type of seating to be provided,
9 including areas in the proposed facility where
10 patrons can handicap races.

11 (E) The total seating capacity of the proposed
12 facility.

13 (F) The size and number of toilet facilities.

14 (G) The availability of food and beverages,
15 including the number of tables, chairs, kitchen
16 facilities and concession stands.

17 (H) The number of available parking spaces.

18 (I) A description of the general demeanor of the
19 facility, including lighting, decor and plans for the
20 exterior of the facility.

21 (J) The number of betting windows and stand-
22 alone terminals to be provided.

23 (K) A description of the heating and air
24 conditioning units, the smoke removal equipment and
25 other climate control devices.

26 (L) The total square feet of the proposed
27 facility.

28 (ii) The General Assembly recognizes the economic
29 importance of the horse racing industry in this
30 Commonwealth; and further recognizes that the

1 Pennsylvania horse racing industry is in a state of
2 decline. Therefore, it is the intent of the General
3 Assembly through this amendatory act to revitalize and
4 secure the economic future of the horse racing industry
5 and to encourage statewide economic development by
6 assisting in the development of nonprimary locations. It
7 is the further intent of the General Assembly through
8 this amendatory act that in no case shall the appropriate
9 commission approve a nonprimary location statement when
10 the sole purpose of that statement is to provide wagering
11 opportunities pursuant to this act; rather, the
12 appropriate commission shall only approve a nonprimary
13 location statement that plans for a public facility
14 offering not only wagering opportunities, but other
15 amenities, such as high class restaurants and quality
16 handicapping facilities, so that all or part of the
17 nonprimary facility will resemble the clubhouse
18 facilities of a racetrack. It is the further intent of
19 the General Assembly through this amendatory act to offer
20 the potential for the creation of jobs, not only in the
21 racing and wagering industry, but more particularly in
22 other service jobs, such as parking attendants, waiters
23 and waitresses, security guards, custodial workers and
24 food service personnel.

25 (iii) In determining whether the nonprimary location
26 statement meets the legislative intent of this amendatory
27 act, the appropriate commission shall consider factors
28 which include, but are not limited to, the following:

29 (A) The purposes and provisions of this
30 amendatory act.

- 1 (B) The public interest.
- 2 (C) The integrity of live racing.
- 3 (D) The impact on the local community.
- 4 (E) The potential for job creation.
- 5 (F) The quality of the physical facilities and
- 6 all services to be provided therein.

7 (iv) In considering whether the appropriate
 8 commission will grant, suspend or revoke approval of
 9 nonprimary locations, the provisions of section 209(f) (2)
 10 shall apply. In connection therewith, the commission
 11 shall annually conduct inspections of the primary
 12 facility.

13 (v) The rights, duties and obligations of the
 14 appropriate commission, as set forth in this amendatory
 15 act, shall apply to nonprimary locations and any
 16 employees or vendors of the licensed corporation
 17 establishing the nonprimary location.

18 (6) (i) In addition to the requirements of paragraph
 19 (10), any licensed corporation which is authorized to
 20 conduct racing at any primary racetrack location at which
 21 there has not been, in the previous calendar year, a
 22 minimum of 142 days of live racing shall not be eligible
 23 to establish nonprimary locations outside its primary
 24 market area and shall only be eligible to establish
 25 nonprimary locations within its primary market area
 26 according to the following schedule.

27	Year	Number of	Number of days	Number of	Number of days
28		live racing	in subsequent	live racing	in subsequent
29		days	year permitted	days	year permitted
30		conducted	to operate	conducted	to operate

1			nonprimary		nonprimary
2			locations		locations
3			within primary		within primary
4			market area		market area
5	1988	50	365		
6	1989	69	365	Under 69	307
7	1990	88	365	Under 88	259
8	1991	107	365	Under 107	191
9	1992	126	365	Under 126	133
10	1993	142	365	Under 142	75

11 (ii) Notwithstanding the chart contained in
12 subparagraph (i), if any such licensed corporation
13 schedules 69 or more racing days in calendar year 1989,
14 it may, upon approval of the appropriate commission,
15 establish nonprimary locations within its primary market
16 area for that calendar year.

17 (7) (i) The licensed corporation authorized to hold
18 race meetings at a primary racetrack location at which
19 more than one license is so authorized may be granted up
20 to two nonprimary locations by the appropriate
21 commission, up to a maximum of four per primary racetrack
22 location. The licensed corporation authorized to hold
23 race meetings at a primary racetrack location at which
24 there is only one such licensed corporation so authorized
25 may be granted up to three nonprimary locations.

26 (ii) In addition to the nonprimary locations
27 authorized by subparagraph (i), during each of the
28 calendar years 1989 and 1990, the appropriate commission
29 may approve no more than one additional nonprimary
30 location per primary racetrack location, for one licensed

1 corporation authorized to conduct racing at the primary
2 racetrack location.

3 (iii) The General Assembly may, at any time, stop
4 the further approval of any nonprimary locations. The
5 State Harness Racing Commission and the State Horse
6 Racing Commission shall not have the authority to approve
7 any greater number of nonprimary locations after December
8 31, 1990, unless further authorized by the General
9 Assembly.

10 (iv) It shall be the duty of both the State Harness
11 Racing Commission and the State Horse Racing Commission
12 to annually report to the General Assembly on the effect
13 of nonprimary locations on such factors as the local
14 economy, the public interest and the integrity of live
15 racing, and make suggestions and recommendations.

16 (8) (i) Moneys wagered at all primary and nonprimary
17 locations pursuant to this act shall be included in
18 common pari-mutuel pools. All money wagered by patrons on
19 these races shall be computed in the amount of money
20 wagered each racing day for purposes of taxation under
21 section 222. The licensed corporation conducting the race
22 meeting and maintaining the pari-mutuel pools shall
23 maintain accurate records of the amount wagered in each
24 pool from every primary and nonprimary location.

25 (ii) The retained moneys as provided for in section
26 222(e) shall be calculated for each location where pari-
27 mutuel wagering is being conducted. If wagering has taken
28 place at a nonprimary location where the wagering is
29 conducted by a licensed corporation other than the
30 licensed corporation conducting the race meeting, the

1 licensed corporation conducting the race meeting shall
2 retain any moneys to which it is entitled by agreement
3 between such licensed corporations and shall pay over the
4 balance of the retained moneys to the licensed
5 corporation conducting the wagering at the nonprimary
6 location.

7 (9) (i) A licensed corporation conducting a race
8 meeting on which pari-mutuel wagering is conducted at one
9 or more nonprimary locations shall distribute to the
10 horseman's organization representing a majority of owners
11 and trainers at its racetrack, or in accordance with the
12 practice of the parties, to be used for payment of purses
13 at that racetrack, an amount equal to not less than 6% of
14 the daily gross wagering handle on such races at a
15 nonprimary location: Provided, however, That when the
16 gross wagering handle on such races at any such
17 nonprimary location on a given day is less than \$30,000,
18 the above-referenced percentage shall be not less than
19 3%, and when the gross wagering handle on such races at
20 any such nonprimary location on a given day is between
21 \$30,000 and \$75,000 inclusive, the above-referenced
22 percentage shall be not less than 4.75%: And provided
23 further, That whenever a nonprimary location is within
24 the primary market area of a licensed corporation other
25 than the licensed corporation conducting such races, the
26 applicable percentage shall be distributed one-half to
27 the horseman's organization representing a majority of
28 owners and trainers at the racetrack, or in accordance
29 with the practice of the parties, where the race meeting
30 is being conducted to be used for the payment of purses

1 at that racetrack and one-half to such horseman's
2 organization, or in accordance with the practice of the
3 parties, at the racetrack within the primary market area
4 to be used for the payment of purses at that racetrack.
5 Nothing in this subparagraph shall prevent a licensed
6 corporation from agreeing to distribute amounts greater
7 than the percentages set forth in this subparagraph.
8 However, if no alternative agreement has been reached,
9 the total percentage paid for purses under this
10 subparagraph shall be in accordance with the minimum
11 percentages set forth in this subparagraph.

12 (ii) Notwithstanding subparagraph (i), or any other
13 provision in this act to the contrary, a nonprimary
14 location may be established within the primary market
15 area of a racetrack by agreement between the licensed
16 corporation and the horseman's organization representing
17 a majority of the owners and trainers at that racetrack
18 specifying the total percentage of handle wagered at such
19 nonprimary location to be distributed to that horseman's
20 organization, or in accordance with the practice of the
21 parties, to be used for the payment of purses at that
22 racetrack. If no such agreement is reached covering such
23 locations, the total percentage to be paid for purses
24 pursuant to this subparagraph shall be the same as that
25 applied to on-track wagering at the racetrack located
26 within the primary market area.

27 (10) The provisions of section 234 relating to the
28 required number of racing days apply to this subsection.
29 However, a horseman's organization representing a majority of
30 owners and trainers at a racetrack may consent to waiving or

1 modifying the provisions as pertaining to the required number
2 of racing days scheduled by a licensed corporation at that
3 racetrack.

4 Section 219. Books and records of pari-mutuel wagering.

5 Every corporation that conducts a horse race meeting at which
6 pari-mutuel wagering is authorized, shall keep books and records
7 so as to clearly show by separate record the total amount of
8 money contributed to every pari-mutuel pool. The Department of
9 Revenue or its authorized representative shall have access to
10 all books and records for the purpose of examining the same and
11 ascertaining whether the proper amount due to the State is being
12 paid by the licensed corporation.

13 Section 220. Filing of certain agreements with the commissions.

14 Every corporation licensed to conduct horse race meetings at
15 which pari-mutuel wagering is permitted shall promptly after
16 entering any lease agreement concerning any concession, labor
17 management relation, hiring of designated classes of officers,
18 employees or contractors specified by the commissions or any
19 such other contract or agreement as the commissions may
20 prescribe, file with the appropriate commission a true and
21 correct copy, or an accurate summary, if oral.

22 Section 221. Retention percentages for pari-mutuel pools.

23 (a) Every licensed corporation shall distribute the moneys
24 in any pari-mutuel pool to the holders of winning tickets under
25 the following requirements:

26 (1) all tickets shall be presented for payment before
27 the first day of April of the year following the year of
28 their purchase; and

29 (2) seventeen percent of the moneys plus the breakage
30 from regular wagering pools shall be retained by the licensed

1 corporations for further distribution under section 222; or

2 (3) nineteen percent of the moneys plus the breakage
3 from regular wagering pools from licensed corporations whose
4 total deposits in all pari-mutuel pools averaged less than
5 \$300,000 per racing day for their previous meeting at the
6 same facility; or

7 (4) twenty percent of the moneys plus the breakage from
8 the exacta, daily double, quinella and other wagering pools
9 involving two horses each racing day shall be retained by the
10 licensed corporations for further distribution under section
11 222; or

12 (5) at least 26% but no more than 35% of the moneys plus
13 the breakage from the trifecta or other wagering pools
14 involving more than two horses in one or more races each
15 racing day shall be retained by the licensed corporations for
16 further distribution under section 222; and

17 (6) except as provided for in subsection (d.1) of
18 section 222, every corporation may retain less than 17%, 19%
19 or 20% of the moneys in the wagering pools under paragraphs
20 (2), (3) and (4) or less than 26% of the moneys in the
21 wagering pools under paragraph (5) upon approval from the
22 appropriate commission; and

23 (7) every corporation may retain more than 25% but no
24 more than 35% of the moneys in the wagering pools under
25 paragraph (5) upon approval from the appropriate commission;
26 and

27 (8) all moneys remaining in the wagering pools described
28 under paragraphs (2), (3), (4), (5), (6) and (7) shall be
29 distributed to the holders of winning tickets.

30 (b) Breakage shall mean the odd cents of redistributions to

1 be made on all contributions to pari-mutuel pools exceeding a
2 sum equal to the next lowest multiple of ten.

3 (c) The commissions shall establish by rule or regulation
4 provisions for minus-pools relating to the retention
5 requirements under this section.

6 Section 222. Distribution of moneys retained from pari-mutuel
7 pools; taxation.

8 (a) There is hereby created the State Racing Fund. All
9 licensed corporations that conduct harness race meetings shall
10 pay a tax through the Department of Revenue for credit to the
11 State Racing Fund. All licensed corporations that conduct
12 thoroughbred horse race meetings shall pay a tax through the
13 Department of Revenue for credit to the State Racing Fund. The
14 tax imposed on all licensed corporations shall be a percentage
15 tax on the amount wagered each racing day and be paid from the
16 moneys retained under section 221.

17 (a.1) At the close of each day of racing, all corporations
18 licensed to conduct harness horse race meetings or thoroughbred
19 horse race meetings which annually conduct at least 100 days of
20 racing, or when two licensed corporations conduct their race
21 meetings at the same facility and between them annually conduct
22 at least 175 days of racing, will pay out of the moneys retained
23 on that day under section 221, through the Department of Revenue
24 for credit to the State Horse Racing Fund the following taxes
25 for the time periods stated:

26 (1) From January 1, 1984 through June 30, 1984 - 3.8%.

27 (2) From July 1, 1984 through June 30, 1986 - 2.0%.

28 (3) After June 30, 1986 - 1.5%, except as provided in
29 subsection (a.4).

30 (a.2) Corporations not annually conducting at least 100 days

1 of racing, or 175 days of racing in conjunction with another
2 licensee at the same facility as described above, will pay 2.5%
3 from July 1, 1984 to June 30, 1986, and 2.0% thereafter. This
4 subsection shall not apply if races are not conducted because of
5 an act of God or because of a strike resulting from a labor
6 dispute.

7 (a.3) For purposes of this section, a racing day shall be
8 considered conducted after the appropriate commission has
9 certified the allocation of racing days to the Secretary of the
10 Department of Revenue under the provisions of section 207(b)
11 even if the racing day is subsequently cancelled by the licensed
12 corporation for reasons beyond its control.

13 (a.4) Any corporation which does not hold a license under
14 section 209 on the effective date of this act and which is
15 granted a license under this act shall be subject to payment out
16 of moneys retained under section 221, through the Department of
17 Revenue for credit to the State Horse Racing Fund, of the
18 following tax for a period of four years from the issuance date
19 of the license - 1.0%, at which time said licensee shall be
20 subject to the lawful rate then in effect under subsection (a.1)
21 (3).

22 (a.5) In order to qualify for the 1.0% tax rate authorized
23 under subsection (a.4), the newly licensed corporation may not
24 include any officer, director or the immediate relative (spouse,
25 children or parents) of any officer or director of any licensed
26 racing corporation which conducted, at any time within the
27 immediately preceding five years, any horse or harness race
28 meetings at the racetrack enclosure for which the license is
29 sought. Also, the newly licensed corporation may not include any
30 shareholder (or their immediate relative) holding a 5% or

1 greater interest who also held a 5% or greater interest in any
2 corporation licensed at any time within the immediately
3 preceding five years to conduct horse or harness race meetings
4 at the racetrack enclosure for which the license is sought.

5 (b) The commissions shall distribute moneys from the State
6 Racing Fund, together with the interest earned thereon, in the
7 following manner:

8 (1) The salaries of employees of the commission employed
9 by or for it under the provisions of this act and the act of
10 April 9, 1929 (P.L.177, No.175), known as "The Administrative
11 Code of 1929," net of any income earned or received by the
12 commission.

13 (2) The payment of the compensation of employees of the
14 Department of Revenue when used in collecting taxes and
15 penalties imposed by this act.

16 (3) The expenses of the Secretary and the Department of
17 Agriculture incurred in administering their duties under this
18 act.

19 (4) To pay all other expenses incurred by the commission
20 in administering this act, net of any income earned or
21 received by the commission.

22 (5) From remaining moneys in the State Racing Fund:

23 (i) An amount equivalent to one percent of the
24 amount wagered each racing day at thoroughbred horse race
25 meetings shall be paid by the Horse Racing Commission
26 from the State Racing Fund through the Department of
27 Revenue for credit to the Pennsylvania Breeding Fund.

28 (ii) An amount equivalent to one and one-half
29 percent of the amount wagered each racing day at harness
30 horse race meetings shall be paid by the Harness Racing

1 Commission from the State Racing Fund through the
2 Department of Revenue for credit to the Pennsylvania Sire
3 Stakes Fund, beginning on July 1, 1983.

4 (6) All remaining moneys in the State Racing Fund shall
5 be paid into the General Fund.

6 (c) All breakage retained under section 221 by licensed
7 corporations that conduct thoroughbred horse race meetings shall
8 be distributed in the following manner:

9 (1) Fifty percent of the breakage shall be retained by
10 the licensed corporations.

11 (2) Twenty-five percent of the breakage shall be
12 retained by the licensed corporations to be used solely for
13 purses to the horsemen.

14 (3) Twenty-five percent of the breakage shall be paid to
15 the Department of Revenue for credit to the State Horse
16 Racing Fund.

17 (d) All breakage retained under section 221 by licensed
18 corporations that conduct harness horse race meetings shall be
19 distributed in the following manner:

20 (1) Fifty percent of the breakage shall be retained by
21 the licensed corporations.

22 (2) The remaining 50% of the breakage shall be retained
23 by the licensed corporations of which one-half of this
24 breakage shall be used solely by the licensed corporations
25 for claiming and nonclaiming races where entry is restricted
26 to Pennsylvania-sired horses in the following manner:

27 (i) On January 1, 1982, and thereafter at least five
28 of the horses programmed to start shall be Pennsylvania-
29 sired horses. If at least five of the horses programmed
30 to start are not Pennsylvania-sired horses, then the

1 licensed corporation conducting the meet shall cancel the
2 race.

3 (ii) On January 1, 1983, and thereafter at least
4 seven of the horses programmed to start shall be
5 Pennsylvania-sired horses. If at least seven of the
6 horses programmed to start are not Pennsylvania-sired
7 horses, then the licensed corporation conducting the meet
8 shall cancel the race.

9 (iii) On January 1, 1984, and thereafter, only
10 Pennsylvania-sired horses shall be allowed to start in
11 these races. If all the positions are not filled by
12 Pennsylvania-sired horses in these races, then the
13 licensed corporation conducting the meet shall cancel the
14 race.

15 All breakage moneys due licensed corporations for the purses for
16 claiming and nonclaiming races under this paragraph but not
17 expended as a result of a race cancellation shall be carried
18 forward to the next succeeding meet by the licensed corporations
19 to be used for claiming and nonclaiming races which restrict
20 entry to Pennsylvania-sired horses under the provisions of this
21 paragraph.

22 (d.1) An amount equivalent to one percent of the amount
23 wagered at each racing day at thoroughbred and harness horse
24 race meetings as set forth in section 221(a) (4) and (5) shall be
25 paid through the Department of Revenue for credit to the State
26 Racing Fund.

27 (e) All remaining moneys retained under section 221 and not
28 heretofore distributed shall be kept by the licensed
29 corporations for their use.
30 Section 223. Pennsylvania Breeding Fund.

1 (a) There is hereby created a restricted account in the
2 State Racing Fund to be known as the Pennsylvania Breeding Fund
3 which shall consist of the money appropriated under the
4 provisions of section 222 and which shall be administered by the
5 State Horse Racing Commission.

6 (b) After the deduction of expenses related to the
7 administration and development of the Pennsylvania Breeding Fund
8 program incurred by the Pennsylvania Horse Breeders'
9 Association, the State Horse Racing Commission shall, by rule or
10 regulation, provide for awards as follows:

11 (1) An award of 30% of the purse earned by every
12 registered Pennsylvania-bred thoroughbred horse sired by a
13 registered Pennsylvania sire at the time of conception of the
14 registered Pennsylvania-bred thoroughbred horse, or an award
15 of 20% of the purse earned by every registered Pennsylvania-
16 bred thoroughbred horse sired by a nonregistered sire, which
17 finishes first, second or third in any race conducted by a
18 licensed corporation under this act shall be paid to the
19 breeder of said registered Pennsylvania-bred thoroughbred
20 horse. A single award under this paragraph may not exceed 1%
21 of the total annual fund money.

22 (2) An award of 10% of the purse earned by any
23 Pennsylvania-bred thoroughbred horse which finishes first,
24 second or third in any race conducted by a licensed
25 corporation under this act shall be paid to the owner of the
26 registered Pennsylvania sire which regularly stood in
27 Pennsylvania at the time of conception of said Pennsylvania-
28 bred thoroughbred horse. A single award under this paragraph
29 may not exceed .5% of the total annual fund money.

30 (3) An award of 10% of the purse earned by any

1 registered Pennsylvania-bred thoroughbred horse which
2 finishes first in any race conducted by a licensed
3 corporation under this act not restricting entry to
4 registered Pennsylvania-bred thoroughbred horses shall be
5 paid to the licensed owner of said registered Pennsylvania-
6 bred thoroughbred horse at the time of winning. A single
7 award under this paragraph may not exceed .5% of the total
8 annual fund money.

9 (c) Up to one-fifth of the total of the estimated fund
10 moneys remaining each year after the deduction of expenses
11 related to the administration and development of the
12 Pennsylvania Breeding Fund program and the payment of breeder,
13 stallion and owner awards, shall be divided among the licensed
14 corporations that conduct thoroughbred horse race meetings in
15 direct proportion to the rate by which each licensed corporation
16 generated the fund moneys during the previous year to be used
17 solely for purses for Pennsylvania Breeding Fund stakes races
18 which restrict entry to registered Pennsylvania-bred
19 thoroughbred horses.

20 (d) The fund moneys remaining following disbursements as
21 directed in subsection (b)(1), (2) and (3) and subsection (c)
22 shall be divided among the licensed corporations that conduct
23 thoroughbred horse race meetings in direct proportion to the
24 rate by which each licensed corporation generated the fund
25 moneys during the previous year to be used for purses as
26 follows:

27 (1) Claiming and nonclaiming Pennsylvania Breeding Fund
28 races which restrict entry to registered Pennsylvania-bred
29 thoroughbred horses.

30 (2) Claiming and nonclaiming Pennsylvania Breeding Fund

1 races which prefer registered Pennsylvania-bred thoroughbred
2 horses as starters. In these races, should eight or more
3 registered Pennsylvania-bred horses pass the entry box, the
4 race shall be considered closed to horses other than
5 registered Pennsylvania-bred thoroughbred horses.

6 (e) Those Pennsylvania Breeding Fund moneys due licensed
7 corporations as outlined in subsections (c) and (d) but not
8 expended during the calendar year may be carried forth in the
9 fund on the account of said licensed corporations to be expended
10 during the succeeding year in addition to said corporations'
11 fund moneys annually due them for purses.

12 (f) The Pennsylvania Breeding Fund Advisory Committee, under
13 the jurisdiction of the State Horse Racing Commission, is hereby
14 established and shall be part of the Pennsylvania State Horse
15 Racing Commission. The commission shall consist of five members,
16 all of whom shall be residents of Pennsylvania, to be appointed
17 by the commission by June 1 of each year. The committee shall
18 consist of two members of the Pennsylvania Horse Breeders'
19 Association, one member from the licensed corporations, one
20 member from the association representing horsemen racing in
21 Pennsylvania and one member of the commission. If any member
22 other than the commission member has not been recommended by
23 June 1 of each year, the commission shall make an appointment
24 for the organization failing to so recommend a member of the
25 committee. The committee shall assist and advise the commission
26 under the provisions of this act but shall have no power in
27 administering the fund. The members of the committee shall
28 receive no compensation for their services as members.

29 (g) The State Horse Racing Commission may contract with the
30 Pennsylvania Horse Breeders' Association as the sole responsible

1 body for the registration and records of Pennsylvania-breds. The
2 Pennsylvania Horse Breeders' Association shall advise the
3 commission when called upon and shall determine the
4 qualifications for Pennsylvania-bred thoroughbred horses and
5 Pennsylvania sires. Its registration and record facts are hereby
6 declared as official Pennsylvania records. At the close of each
7 calendar year, the Pennsylvania Horse Breeders' Association,
8 through the Pennsylvania Breeding Fund Advisory Committee, shall
9 submit to the commission for its approval an itemized budget of
10 projected expenses for the ensuing year relating to the
11 administration and development of the Pennsylvania Breeding Fund
12 program. The commission, on no more than a quarterly basis,
13 shall reimburse from the fund the Pennsylvania Horse Breeders'
14 Association for those expenses actually incurred in the
15 administration and development of the Breeding Fund program.
16 Section 224. Pennsylvania Sire Stakes Fund.

17 (a) There is hereby created a restricted account in the
18 State Racing Fund to be known as the Pennsylvania Sire Stakes
19 Fund which shall consist of the money appropriated under the
20 provisions of section 222 and which shall be administered by the
21 State Harness Racing Commission.

22 (b) Sixty percent of the money remaining in the excess fund
23 account of the Pennsylvania Sire Stakes Fund at the end of the
24 calendar year in which this subsection is enacted shall be
25 distributed to licensed corporations that conduct harness horse
26 race meetings to be used in the next succeeding calendar year as
27 purse money for Pennsylvania-sired horses. The remaining 40% of
28 the money in the excess fund account at the end of the calendar
29 year of the enactment of this subsection, together with the
30 interest earned on that money, shall be distributed to licensed

1 corporations that conduct harness horse race meetings to be used
2 in the next succeeding calendar year following the next
3 succeeding calendar year as purse money for Pennsylvania-sired
4 horses. After deduction of sufficient funds to cover the State
5 Harness Racing Commission's cost of administration, 80%, unless
6 a smaller percentage is necessary in order to comply with the
7 minimum dollar requirement of subsection (e), of all remaining
8 moneys in the Pennsylvania Sire Stakes Fund at the end of the
9 calendar year shall be distributed to licensed corporations that
10 conduct harness horse race meetings to be used as purse money
11 for Pennsylvania-sired horses. The State Harness Racing
12 Commission may then allocate up to a total of and not exceeding
13 40% of the total amount to be distributed to licensed
14 corporations in a calendar year for use for a series of
15 championship final races at the race tracks of licensed
16 corporations that conduct harness horse race meetings. The State
17 Harness Racing Commission shall allocate the moneys to these
18 championship final races in an equal amount for each sex, age
19 and gait for two- and three-year-old trotters and pacers. The
20 State Harness Racing Commission shall determine conditions
21 establishing eligibility to these final events. No pari-mutuel
22 harness track shall be awarded more than 50% of the championship
23 final races in any calendar year. The State Harness Racing
24 Commission shall schedule these final events so as to evenly
25 alternate classes at each race track each year. After the
26 allocation for the championship final races has been determined,
27 the remaining funds to be distributed to licensed corporations
28 that conduct harness horse race meetings shall be divided
29 equally among the licensed corporations. Each licensed
30 corporation shall divide the funds received equally for each of:

1 (1) four two-year-old races; one pace for colts, one
2 pace for fillies, one trot for colts and one trot for
3 fillies; and

4 (2) four three-year-old races; one pace for colts, one
5 pace for fillies, one trot for colts and one trot for
6 fillies.

7 (c) Each allotment shall provide purse money for the
8 respective races. The purse money shall be in addition to any
9 entry fees or other funds available.

10 (d) Entry for these races shall be limited to harness horses
11 which were sired by a standardbred stallion regularly standing
12 in Pennsylvania and each race shall be designated a Pennsylvania
13 sire stakes race. The State Harness Racing Commission shall make
14 the provisions and regulations as it shall deem necessary for
15 the proper administration of the entry restriction.

16 (e) The remaining moneys in the Pennsylvania Sire Stakes
17 Fund up to a total of and not exceeding \$25,000 for each
18 agricultural fair and one- or two-day events as defined in
19 harness racing commission regulations shall be divided equally
20 among those agricultural fairs and one- or two-day events, not
21 to exceed more than five one- or two-day events per year and as
22 authorized by the State Harness Racing Commission, provided that
23 no more than two one-day or two-day events per county are
24 authorized unless, after a date established by the commission,
25 all five of the events have not been allocated, conducting
26 harness horse races for two-year-old and three-year-old harness
27 horses: Provided, however, That in no event shall less than
28 \$225,000 be allocated from the Pennsylvania Sire Stakes Fund and
29 be divided equally among those agricultural fairs and one- or
30 two-day events conducting these races. Each fair or one- or two-

1 day events receiving the funds shall divide the total amount
2 equally among all eligible races for two-year-old and three-
3 year-old harness horses and shall apply the funds solely as
4 additional purse funds. Only races to which entry is restricted
5 to Pennsylvania-sired horses shall be eligible. The State
6 Harness Racing Commission shall make the provisions and
7 regulations as it shall deem necessary for the proper
8 administration of all racing provided for in this subsection,
9 including, but not limited to, portable stall rentals at one-day
10 or two-day events.

11 (f) The fund moneys remaining following disbursements as
12 directed in subsections (b), (c), (d) and (e) shall, except as
13 provided in subsection (b), be divided among active licensed
14 corporations that conduct harness horse race meetings under this
15 act in direct proportion to the rate by which each licensed
16 corporation generated the fund moneys during the previous year.
17 The fund moneys so divided shall be used for purses as follows:

18 (1) A minimum of four races, claiming and nonclaiming,
19 shall be carded per week on the condition sheet for overnight
20 claiming and nonclaiming Pennsylvania Fund races which
21 restrict entry to registered Pennsylvania-sired or wholly
22 Pennsylvania-owned harness horses.

23 (2) Claiming and nonclaiming Pennsylvania Fund races
24 which prefer registered Pennsylvania-sired harness horses as
25 starters. In these races, should seven or more registered
26 Pennsylvania-sired harness horses pass the entry box, the
27 race shall be considered closed to horses other than
28 registered Pennsylvania-sired harness horses.

29 Section 225.1. Fair Fund proceeds.

30 The Secretary of Agriculture shall distribute certain moneys

1 in the Fair Fund annually, on or before March 1, for
2 reimbursement for each county agricultural society and each
3 independent agricultural society conducting harness horse racing
4 during its annual fair other than races for two- and three-year
5 old colts and fillies, an amount of money equal to that used
6 during their annual fair as purse money for harness horse
7 racing, track and stable maintenance, starting gate rental and
8 the cost of all harness horse racing officials required during
9 their annual fair, but not more than \$13,000, a minimum of
10 \$4,000 of which must be used for purse money and the balance of
11 said allotment per fair, not used for purse money over the
12 minimum \$4,000 allotment, shall be used for said specific
13 purposes herein before referenced, or otherwise said allotment
14 shall be retained in the fund. The State Harness Racing
15 Commission shall cause to be carried out as its responsibility a
16 yearly inspection of each track facility and shall advise each
17 operating fair of necessary track maintenance which is necessary
18 to insure adequate racing surface during the course of scheduled
19 fairs and racing events. If it is the opinion of the commission
20 that the fair society or event sponsor is not adequately
21 financing track maintenance through its permissible
22 reimbursement under this paragraph, the commission shall so
23 surcharge the Fair Fund account of said fair society or event
24 sponsor to effectuate said remediation.

25 Section 226. Hearing of refusal or revocation of license.

26 If the commissions refuse to grant any license applied for
27 under this act, or shall revoke or suspend any license granted,
28 the applicant or licensee may demand, within ten days after
29 notice of the decision of the appropriate commission, a hearing
30 before the appropriate commission. The commission shall give

1 prompt notice of the time and place for the hearing at which
2 time the commission will hear the applicant or licensee. Pending
3 the hearing and final determination, the action of the
4 commissions in refusing to grant or in revoking or suspending a
5 license shall remain in full force. The commissions may continue
6 any hearing from time to time for the convenience of any of the
7 parties. Any of the parties affected by a hearing may be
8 represented by counsel. In the conduct of the hearing, the
9 commissions shall not be bound by technical rules of evidence,
10 but all evidence offered before the commissions shall be reduced
11 to writing. All evidence, exhibits and findings of the
12 commissions shall be permanently preserved and shall constitute
13 the record of the commission. In connection with the hearing,
14 the commissions shall have the power to administer oaths and
15 examine witnesses, and may issue subpoenas to compel attendance
16 of witnesses and the production of all material and relevant
17 reports, books, papers, documents, correspondence and other
18 evidence. The commissions may by order refer to one or more of
19 its officers the duty of taking testimony in the matter and to
20 report to the commission. Within 30 days after the conclusion of
21 the hearing, the appropriate commission shall make a final order
22 in writing, setting forth the reasons for the action taken by it
23 and a copy thereof shall be served on the applicant or licensee.
24 Section 227. Approval of the racing facility.

25 The commissions shall not grant to a corporation formed under
26 this act a license to conduct a horse race meeting at which
27 pari-mutuel betting may be conducted, until the corporation has
28 submitted to the appropriate commission a statement of the
29 location of its proposed grounds and race track, together with a
30 plan of the track and plans of all buildings, seating stands and

1 other structures in a form as the appropriate commission may
2 prescribe. All plans shall be approved by the appropriate
3 commission before the issuance of any license to conduct a pari-
4 mutuel horse race meeting.

5 Section 228. Prohibition of wagering by certain officials,
6 employees and minors.

7 No commissioner, executive secretary, deputy, officer,
8 representative, employee or counsel of the commission shall
9 wager upon the outcome of any horse race conducted at a track at
10 which pari-mutuel wagering is conducted by any licensed
11 corporation of the commissions. No licensed corporation shall
12 permit any person who is actually and apparently under 18 years
13 of age to wager at a race meeting conducted by it. No licensed
14 corporation shall permit any person who is under 18 years of age
15 to attend a horse race meeting conducted by it unless the person
16 is accompanied by a parent or guardian. This section shall not
17 be construed to prohibit persons under 18 years of age, who are
18 legally employed, from being upon the race track premises for
19 the sole purpose of engaging in the performance of their duties
20 as employees. The commissions shall, by rule, provide for
21 enforcement of this section.

22 Section 229. State horse racing veterinarians and State
23 stewards.

24 (a) The State Horse Racing Commission shall appoint and
25 employ licensed veterinarians and stewards to serve as the horse
26 racing veterinarians and State stewards for horse racing,
27 respectively, at each meeting conducted by a corporation
28 licensed by the State Horse Racing Commission. The State Horse
29 Racing Commission shall have the authority to employ other
30 individuals as shall be necessary to carry out the

1 responsibilities of this section.

2 (b) The costs and compensation of the horse racing
3 veterinarians, State stewards and other individuals employed
4 shall be fixed and paid by the State Horse Racing Commission.

5 (c) The State Horse Racing Commission shall establish a job
6 description and professional criteria for stewards to assure
7 that they have a working knowledge of the horse racing industry.
8 Section 230. State harness racing veterinarians.

9 (a) The State Harness Racing Commission shall appoint and
10 employ licensed veterinarians to serve as the harness racing
11 veterinarians for harness racing at each meeting conducted by a
12 corporation licensed by the State Harness Racing Commission. The
13 State Harness Racing Commission shall have the authority to
14 employ other individuals as shall be necessary to carry out the
15 responsibilities under this section.

16 (b) The costs and compensation of the harness racing
17 veterinarians and other individuals employed to carry out the
18 provisions of this act shall be fixed and paid by the State
19 Harness Racing Commission.

20 Section 231. Free passes, cards or badges.

21 (a) A licensed corporation shall not issue free passes,
22 cards or badges without admission tax, except to persons
23 hereafter described: officers, employees and shareholders of the
24 corporation conducting the race meeting; members, officers and
25 employees of the commissions; members of horse racing
26 associations of other states and foreign countries; public
27 officers engaged in the performance of their duties; persons
28 employed and accredited by the press to attend such meeting;
29 owners, stable managers, trainers, jockeys, concessionaries and
30 other persons whose actual duties require their presence at the

1 race tracks.

2 (b) The commissions may allow a licensed corporation to
3 issue free passes, cards or badges for special promotional
4 programs and seasonal discount ticket programs, so long as the
5 corporation has obtained approval from the appropriate
6 commission. The admissions taxes under section 208 shall be
7 imposed on the price of all seasonal discount tickets sold by a
8 licensed corporation.

9 (c) The issuance of tax-free passes, cards or badges shall
10 be under the rules and regulations of the commissions. A list of
11 all persons, except persons admitted under an approved special
12 promotional program or seasonal discount ticket program, to whom
13 free passes, cards or badges are issued shall be filed with the
14 appropriate commission.

15 Section 232. Political subdivision agricultural fairs and horse
16 race meetings not licensed to conduct pari-mutuel
17 wagering.

18 Pari-mutuel wagering on horse races at any county or other
19 political subdivision, agricultural or other fair shall not be
20 authorized. No lottery, pool selling, bookmaking or any other
21 kind of gambling upon the results of races, heats or contests of
22 speed of horses shall be allowed at any fair or at any horse
23 race meeting conducted in the State, except those licensed to
24 operate pari-mutuel wagering under the provisions of this act.

25 Section 233. Monitoring of wagering on video screens.

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

1 No display of approximate odds or approximate will-pays shall be
2 required where the wager is on horses in four or more races,
3 such as "Pick 4, Pick 5 or Pick 6." In addition to displaying
4 the amount of money wagered, the approximate odds or approximate
5 will-pays on each horse or combination of horses shall be shown
6 on video screens in each wagering division. For trifectas, in
7 lieu of odds or approximate will-pays, the amount of money being
8 wagered on each horse to win in the trifecta pool shall be
9 displayed on video screens separately from any other
10 information. The above required information shall be displayed
11 from the opening of bets or wagering and be continually
12 displayed until the wagering is closed. At least one video
13 screen in each wagering division shall display the amount of
14 money wagered on each horse involved in any trifecta pool.
15 Section 234. Simulcasting.

16 The State Horse Racing Commission and the State Harness
17 Racing Commission shall only permit intrastate simulcasting of
18 live racing between two licensed corporations when each
19 continues to schedule 95% of the total number of horse or
20 harness racing days scheduled in 1986 at the facility where each
21 said licensed corporation conducts its horse or harness racing
22 dates, and when the average number of live horse or harness
23 races per race day equals 90% of the average number of live
24 horse or harness races conducted per day in 1985 at the facility
25 where each said licensed corporation conducts its horse or
26 harness racing dates, subject to any actions or activities
27 beyond the control of the licensee: Provided, however, That for
28 any licensed corporation that was granted a permanent license
29 for horse racing and operating at a facility where the average
30 daily handle at the facility at which the licensed corporation

1 conducts racing dates is less than \$150,000 in any calendar year
2 after 1985, the State Horse Racing Commission may permit
3 intrastate simulcasting when the licensed corporation first
4 schedules a minimum of 50 racing days in the calendar year in
5 which it wishes to simulcast. A newly licensed corporation
6 racing at the facility may be permitted to intrastate simulcast
7 by the State Horse Racing Commission when it first schedules at
8 least 50 racing dates in the year in which it wishes to
9 simulcast. If a newly licensed corporation is awarded harness or
10 horse racing dates after 1987 and races those dates at a horse
11 or harness racing facility existing in 1987, other than a
12 facility whose average daily handle is less than \$150,000, the
13 respective commissions shall not permit intrastate simulcasting
14 unless the same number of horse or harness dates scheduled at
15 that facility in 1987 are scheduled at that facility in the year
16 that the corporation wishes to simulcast subject to any actions
17 or activities beyond the control of the licensees (i.e. act of
18 God, strike). For a licensed corporation awarded racing dates at
19 a facility which did not conduct horse or harness racing prior
20 to 1987, the respective commissions may permit intrastate
21 simulcasting if the licensed corporation is the only corporation
22 operating that facility when that corporation first schedules a
23 minimum of 125 days of racing dates in the calendar year in
24 which it wishes to simulcast or when more than one such
25 corporation is awarded dates for racing at the same facility
26 when those corporations first schedule a minimum of 200 days of
27 racing in the calendar year in which they wish to simulcast. For
28 purposes of this section a racing day shall consist of a minimum
29 of eight live races, except at thoroughbred tracks on Breeders'
30 Cup Event Day. For any licensed racing corporation engaged in

1 simulcasting, regardless of location or distance from another
2 licensed racing corporation, there shall exist a written
3 agreement with the horseman's organization representing a
4 majority of the owners and trainers at both the sending and
5 receiving racetracks. If no agreement can be reached, then the
6 licensed corporation may petition the court of common pleas in
7 the county in which the licensed corporation racetrack is
8 located, which may, upon good cause shown by the licensed
9 corporation that failure to consent would be detrimental to the
10 Pennsylvania racing industry, direct the organization
11 representing the horsemen to approve the simulcast agreement.
12 The respective commission may then authorize the simulcasting,
13 if, in the opinion of the appropriate commission, such
14 simulcasting will have significant value to the Pennsylvania
15 racing industry. The simulcast signal shall be encoded, and the
16 racetrack receiving the simulcast signal shall not send this
17 signal anywhere other than public locations authorized under
18 section 218 or 218-A. All forms of pari-mutuel wagering
19 described in section 221 shall be allowed on races to be
20 televised by simulcasting under this section. The State Horse
21 Racing Commission and the State Harness Racing Commission may
22 promulgate regulations on wagering and the operation of these
23 races. All money wagered by patrons on these races shall be
24 computed in the amount of money wagered each racing day for
25 purposes of taxation under section 222. In the event the
26 simulcast is between a thoroughbred racetrack and a harness
27 racetrack, both commissions shall have jurisdiction, and any
28 approval required hereunder must be received from both
29 commissions: Provided, however, That if no agreement can be
30 reached between the horseman's organization aforementioned, then

1 the licensed corporation may petition the court of common pleas
2 in the county in which the licensed corporation racetrack is
3 located, which may, upon good cause shown by the licensed
4 corporation that failure to consent would be detrimental to the
5 Pennsylvania racing industry, direct the organization
6 representing the horsemen to approve the simulcast agreement.
7 The respective commissions may then authorize the simulcasting
8 if, in the opinions of the respective commission, such
9 simulcasting will have a significant value to the Pennsylvania
10 racing industry. The provisions of this section with regard to
11 the required number of racing days may be waived or modified by
12 the applicable commission if the waiver or modification has been
13 consented to by the horseman's organization representing a
14 majority of the owners and trainers at the racetrack where the
15 racing days are to be scheduled or raced.

16 Section 235. Commingling.

17 (a) This section shall be applicable only to licensed
18 thoroughbred racing corporations.

19 (b) The race secretary shall receive entries and
20 declarations as an agent for the licensed corporation for which
21 the race secretary acts. The race secretary or an individual
22 designated by the licensed corporation may receive stakes,
23 forfeits, entrance money, jockey's and other fees, purchase
24 money in claiming races and other money that can properly come
25 into his possession as an agent for the licensed corporation for
26 which the race secretary or designee is acting.

27 (c) A licensed corporation shall maintain a separate
28 account, called a Horsemen's Account. Money owing to owners in
29 regard to purses, stakes, rewards, claims and deposits shall be
30 deposited into the Horsemen's Account. Funds in the account

1 shall be recognized and denominated as being the sole property
2 of owners. Deposited funds may not be commingled with funds of
3 the licensed corporation unless a licensed corporation has
4 established, in favor of the organization which represents a
5 majority of the owners and trainers racing with the licensed
6 corporation, an irrevocable clean letter of credit with an
7 evergreen clause. The minimum amount of the credit must be the
8 greater of \$1,000,000 or 110% of the highest monthly balance in
9 the Horsemen's Account in the immediate prior year. To calculate
10 the monthly balance in the Horsemen's Account, the sum of the
11 daily balances shall be divided by the number of days in the
12 month. The evergreen clause must provide that, 30 days prior to
13 the expiration of the letter of credit, the financial
14 institution can elect not to renew the letter of credit; that,
15 upon this election, the financial institution must notify the
16 designee of the organization which represents a majority of the
17 owners and trainers racing with the licensed corporation, by
18 registered mail, return receipt requested, of the election not
19 to renew; and that the financial institution will honor the
20 letter of credit for six months after expiration. Purse money
21 earned by owners shall be deposited by the licensed corporation
22 in the Horsemen's Account within 48 hours after the result of
23 the race in which the money was earned has been declared
24 official and the purse has been released by the commission.

25 (d) A licensed corporation shall designate a bookkeeper who
26 is authorized to receive and disburse funds from the Horsemen's
27 Account. The bookkeeper must be bonded to provide indemnity for
28 malfeasance, nonfeasance and misfeasance. A certified copy of
29 the bond shall be filed with the commission.

30 (e) The Horsemen's Account and the investment and deposit

1 schedules relating to the account are subject to examination, at
2 reasonable times, by a designee of the organization which
3 represents a majority of the owners and trainers racing with the
4 licensed corporation and by the commission. The bookkeeper shall
5 provide each owner with access, at reasonable times during a
6 racing day, to the amount of funds in the Horsemen's Account
7 credited to that owner. At the close of a race meeting, the
8 bookkeeper shall mail to each owner a record of deposits,
9 withdrawals and transfers affecting the amount of funds in the
10 Horsemen's Account credited to that owner.

11 (f) The Horsemen's Account shall be audited periodically as
12 deemed appropriate by the commission. There shall be at least
13 one audit per year. Monthly statements shall be provided to the
14 designee of the organization which represents a majority of the
15 owners and trainers racing with the licensed corporation.

16 (g) Fifty percent of the money earned as interest on funds
17 in the Horsemen's Account shall be paid to the organization
18 which represents a majority of the owners and trainers racing
19 with the licensed corporation on a weekly basis. This amount
20 shall be for the benefit of the horsemen as determined by the
21 organization which represents the majority of the owners and
22 trainers racing with the licensed corporation. The remaining 50%
23 of the interest earned shall be for the benefit of the licensed
24 corporation which shall have the responsibility to fund all
25 costs associated with the administration of the fund. Interest
26 each month must be earned in an amount equal to the Federal
27 Reserve Discount Rate on the first day of the month.

28 Section 236. Harness racing purse moneys.

29 Each licensed harness horse racing association must place on
30 deposit with the State Harness Racing Commission by March 1 of

1 each year an irrevocable letter of credit equivalent to its
2 average weekly purse total from the immediate prior year. The
3 commission shall hold the letter of credit in trust for the
4 harness horsemen racing at that licensed corporation in the
5 event that purse checks are not issued or that insufficient
6 funds are available to cover the purse checks.

7 Section 237. Limitations on day and night racing.

8 (a) For the purpose of this section day racing shall be
9 racing days for which the starting time for the first race is at
10 or before 2:00 p.m., and night racing shall be racing days for
11 which the starting time for the first race is after 5:00 p.m.
12 Day racing may not be conducted at any racing facility after
13 1985 on any comparable type racing day or holiday on which day
14 racing was not conducted in 1985 unless all presently operating
15 licensed corporations conducting day racing agree, in writing,
16 to allow such day racing activities.

17 (b) Night racing may not be conducted at any racing facility
18 after 1985 on any comparable type racing night or holiday on
19 which night racing was not conducted in 1985 unless all
20 presently operating racing facilities conducting night racing
21 agree, in writing, to allow night racing activities.

22 (c) Each appropriate commission shall have the authority to
23 grant exceptions to this section upon application by a licensed
24 racing corporation for not more than five racing days per
25 calendar year with respect to each licensed corporation. The
26 provisions of this section shall be effective until July 1,
27 1991.]

28 Section 3. The act is amended by adding a chapter to read:

29 CHAPTER 2-A
30 RACING OVERSIGHT

1 Section 201-A. Bureau of Horse Racing.

2 (a) Establishment.--The Bureau of Horse Racing is
3 established within the board to regulate the operations of horse
4 racing and pari-mutuel operations.

5 (b) Jurisdiction.--The board shall have jurisdiction and
6 regulatory authority over the following:

7 (1) Pari-mutuel wagering and other horse racing
8 activities in this Commonwealth.

9 (2) A licensed ~~corporation~~ BUSINESS ENTITY engaged in <--
10 pari-mutuel horse racing activities.

11 (3) Out-of-competition drug testing, which shall include
12 the random drug testing of all horses entered in a race,
13 stabled on the grounds or shipped into a licensed
14 ~~corporation's~~ BUSINESS ENTITY'S facility. <--

15 (4) The conduct of horse racing in this Commonwealth.

16 (c) Records.--The board shall maintain at its office the
17 following:

18 (1) All documents provided to or filed with the board.
19 Documents may be designated as confidential in accordance
20 with board policy.

21 (2) A docket setting forth the names of all stockholders
22 in a business entity, licensed under this act. The docket
23 shall be available for public inspection during normal
24 business hours of the board.

25 (3) The number of shares held by each stockholder.

26 (4) A complete record of proceedings of the board
27 relating to horse racing and pari-mutuel wagering.

28 (d) Rules and regulations.--The following shall apply:

29 (1) All rules and regulations promulgated under the
30 former act of December 11, 1967 (P.L.707, No.331), referred

1 to as the Pennsylvania Thoroughbred Horse Racing Law, or the
2 former act of December 22, 1959 (P.L.1978, No.728), referred
3 to as the Pennsylvania Harness Racing Law, shall remain in
4 effect except to the extent that they are in direct conflict
5 with this act. The board may adopt, amend, revise or alter
6 the rules and regulations as the board deems necessary.

7 (2) The board shall promulgate rules and regulations
8 necessary for the administration and enforcement of this act.
9 Except as provided in paragraph (3), regulations shall be
10 adopted under the act of July 31, 1968 (P.L.769, No.240), <--
11 referred to as the Commonwealth Documents Law, and the act of
12 June 25, 1982 (P.L.633, No.181), known as the Regulatory
13 Review Act PROMULGATED IN ACCORDANCE WITH LAW. <--

14 (3) In order to facilitate the prompt implementation of
15 this act, regulations promulgated by the board shall be
16 deemed temporary regulations which shall not expire for a
17 period of three years following publication. Temporary
18 regulations shall not be subject to:

19 (i) Sections 201, 202, 203, 204 and 205 of the
20 Commonwealth Documents Law.

21 (ii) The Regulatory Review Act.

22 (iii) Sections 204(b) and 301(10) of the act of
23 October 15, 1980 (P.L.950, No.164), known as the
24 Commonwealth Attorneys Act.

25 (4) Except for temporary regulations governing
26 procedures for collecting and testing for illegal or
27 performance enhancing substances and practices in horse
28 racing, the board's authority to promulgate temporary
29 regulations under paragraph (3) shall expire three years
30 after the effective date of this section. Regulations adopted

1 after this period shall be promulgated as provided by law.

2 (E) APPLICATION.--THE BOARD SHALL DEVELOP A JOINT <--
3 APPLICATION FOR CATEGORY 1 LICENSEES AND LICENSED BUSINESS
4 ENTITIES.

5 (e) (F) Licenses.--Each license issued prior to January 1, <--
6 2014, shall remain in effect for the remainder of the term for
7 which the license was issued unless revoked or suspended. After
8 a license has expired, a license renewal or new license shall be
9 issued under this act. A license renewal shall be subject to and
10 made consistent with the requirements of 4 Pa.C.S. § 1326
11 (relating to license renewals).

12 Section 202-A. Additional powers.

13 The board shall regulate horse racing at which pari-mutuel
14 wagering is conducted and approve the number of racing days
15 allocated by TO each licensed business entity. In addition to <--
16 any other powers of the board:

17 (1) The board shall promulgate regulations regarding
18 medication rules.

19 (2) The board shall require applicants under this act to
20 submit to fingerprinting and photographing by the
21 Pennsylvania State Police or by a local law enforcement
22 agency capable of submitting fingerprints and photographs
23 electronically to the Pennsylvania State Police utilizing the
24 Integrated Automated Fingerprint Identification System and
25 the Commonwealth Photo Imaging Network or in a manner
26 provided by the Pennsylvania State Police. The Pennsylvania
27 State Police shall submit fingerprints ~~when requested by the~~ <--
28 ~~board~~ to the Federal Bureau of Investigation to verify the
29 identity of applicants and to obtain criminal records. THE <--
30 BOARD SHALL CONSIDER INFORMATION OBTAINED PURSUANT TO THIS

1 PROVISION FOR THE PURPOSE OF SCREENING APPLICANTS FOR FITNESS
2 FOR LICENSURE IN ACCORDANCE WITH THE PROVISIONS OF THIS ACT.
3 NATIONAL CRIMINAL HISTORY RECORD INFORMATION RECEIVED BY THE
4 BOARD SHALL BE HANDLED AND MAINTAINED IN ACCORDANCE WITH
5 FEDERAL BUREAU OF INVESTIGATION POLICY. Fingerprints and
6 photographs obtained under this paragraph may be maintained
7 by the board and the Pennsylvania State Police to enforce
8 this act and for general law enforcement purposes. In
9 addition to any other fee or cost assessed by the board, an
10 applicant shall pay for the cost of fingerprinting and
11 photographing. THE BOARD MAY EXEMPT CERTAIN CATEGORIES OF <--
12 EMPLOYMENT FROM THIS PARAGRAPH.

13 (3) Two years following the effective date of this
14 section, the board may adopt regulations to annually increase
15 any fee, charge or cost authorized under this act. The <--
16 increase may not exceed the annual cost of living adjustment
17 calculated by applying the percentage change in the consumer
18 price index for all urban consumers for the Pennsylvania, New
19 Jersey, Delaware and Maryland area for the most recent 12-
20 month period for which figures have been officially reported
21 by the United States Department of Labor, Bureau of Labor
22 Statistics, immediately prior to the date the adjustment is
23 due to take effect. This paragraph shall not apply to the
24 costs of drug testing under section 304.

25 (4) THE BOARD OR DESIGNATED EMPLOYEE OF THE BOARD SHALL <--
26 HAVE THE POWER TO ADMINISTER OATHS AND EXAMINE WITNESSES AND
27 MAY ISSUE SUBPOENAS TO COMPEL ATTENDANCE OF WITNESSES AND
28 PRODUCTION OF ALL RELEVANT AND MATERIAL REPORTS, BOOKS,
29 PAPERS, DOCUMENTS, CORRESPONDENCE AND OTHER EVIDENCE.

30 Section 202.1-A. Budget.

1 The board shall annually submit an itemized proposed budget
2 to the Office of the Budget and the chairman of the
3 Appropriations Committee of the Senate and the chairman of the
4 Appropriations Committee of the House of Representatives
5 requesting CONSISTING OF amounts to be appropriated FROM THE <--
6 STATE RACING FUND, THE PENNSYLVANIA RACE HORSE DEVELOPMENT FUND
7 OR THE GENERAL FUND to administer and enforce this act.

8 Section 203-A. License.

9 After January 1, 2015, a licensed business entity shall
10 conduct a horse racing meeting at the location designated and
11 approved by the board under 4 Pa.C.S. §§ 1302 (relating to
12 Category 1 slot machine license) and 1303 (relating to
13 additional Category 1 slot machine license requirements).

14 Section 204-A. (Reserved).

15 Section 205-A. Number of horse racing corporations.

16 (a) ~~Harness~~ STANDARDBRED horse racing.--No more than four <--
17 business entities shall be licensed to conduct a pari-mutuel
18 meet. No business entity licensed under this act to conduct
19 ~~harness~~ STANDARDBRED horse racing with pari-mutuel wagering <--
20 shall be licensed to conduct thoroughbred horse racing with
21 pari-mutuel wagering.

22 (b) Thoroughbred horse racing.--No more than three business
23 entities shall be licensed by the board to conduct a pari-mutuel
24 meet. No business entity licensed under this act to conduct
25 thoroughbred horse racing with pari-mutuel wagering shall be
26 licensed to conduct ~~harness~~ STANDARDBRED horse racing with pari- <--
27 mutuel wagering.

28 Section 206-A. Department of Revenue.

29 The Department of Revenue shall provide financial
30 administration of pari-mutuel wagering under this act in

1 accordance with Department of Revenue regulations and
2 regulations of the board. The Department of Revenue shall
3 prescribe the form and system of accounting to be used by
4 licensed business entities, and may access and examine records,
5 equipment and other information relating to pari-mutuel
6 wagering.

7 Section 207-A. Allocation of racing days.

8 (a) General rule.--Racing shall be conducted consistent with
9 4 Pa.C.S. § 1303 (relating to additional category 1 slot machine
10 license requirements).

11 (b) Certification.--The board shall submit to the Secretary
12 of Revenue the approved number of racing days for each licensed
13 business entity, including the following information:

14 (1) the names and addresses of the licensed business
15 entities;

16 (2) the names and addresses of the owners, officers and
17 general managers of the licensed business entities; and

18 (3) any other information the board deems appropriate.

19 ~~(c) Cancellation.--If a racing day is canceled by a licensed~~ <--

20 ~~(C) CANCELLATION.--~~ <--

21 (1) IF A RACING DAY IS CANCELED BY A LICENSED business
22 entity for reasons beyond the licensed business entity's
23 control, the board shall grant the licensed business entity
24 the right to conduct that racing day in the same or the next
25 ensuing calendar year, if schedules permit.

26 (2) THE BOARD MAY REQUIRE THE CANCELLATION OF A RACE IF <--
27 IT IS DETERMINED THAT LESS THAN SIX HORSES HAVE ENTERED A
28 RACE.

29 ~~Section 208 A. Fee for racetrack admissions.~~ <--

30 ~~(a) General rule.--~~

1 ~~(1) Each licensed business entity holding a horse racing~~
2 ~~meeting under this act shall remit to the Department of~~
3 ~~Revenue a fee equal to 20¢ for each individual who attended~~
4 ~~the horse racing meeting. The amount collected shall be~~
5 ~~deposited into the State Racing Fund.~~

6 ~~(2) Nothing under this section shall apply to a horse~~
7 ~~racing meeting conducted by a State, county or agricultural~~
8 ~~association.~~

9 ~~(b) Investigation. The Department of Revenue may examine~~
10 ~~and audit books and records of the licensed business entity~~
11 ~~conducting a horse racing meeting and may hear testimony and~~
12 ~~accept evidence or other data. The Department of Revenue may~~
13 ~~order an account for the tax due to the Commonwealth together~~
14 ~~with the expense of the examination. A penalty of 5% and~~
15 ~~interest at the rate of 1% per month from the due date to the~~
16 ~~date of payment of the tax shall be payable if tax imposed under~~
17 ~~this section is not paid when due.~~

18 ~~SECTION 208-A. (RESERVED).~~

<--

19 ~~Section 209-A. Licenses for horse racing meetings.~~

20 ~~(a) Procedure and terms.--~~

21 ~~(1) After January 1, 2015, a business entity desiring to~~
22 ~~conduct horse racing meetings for which a Category 1 license~~
23 ~~has been issued and at which pari-mutuel wagering is~~
24 ~~permitted may apply to the board for a license or the renewal~~
25 ~~of an existing license.~~

26 ~~(2) A licensed business entity shall have the privilege~~
27 ~~to conduct a horse racing meeting at which pari-mutuel~~
28 ~~wagering is permitted. A license to conduct a horse racing~~
29 ~~meeting shall not be a property right.~~

30 ~~(3) The board may revoke or suspend the license of a~~

1 licensed business entity if the board finds that the business
2 entity, its owners, officers, managers or agents, has not
3 complied with this act and regulations promulgated in
4 accordance with this act.

5 (4) A licensed business entity may not transfer a
6 license without the approval of the board.

7 (b) Conditions.--Each horse racing license shall be issued
8 upon the following conditions:

9 (1) A horse racing meeting at which pari-mutuel wagering
10 is conducted shall be ~~supervised~~ REGULATED by the board. <--

11 (2) The conduct of pari-mutuel wagering shall also be <--
12 ~~supervised and subject to the Department of Revenue and~~
13 ~~regulations of the department~~ BE REGULATED BY THE DEPARTMENT <--
14 OF REVENUE.

15 ~~(3) The business entity posts a bond or irrevocable <--~~
16 ~~letter of credit payable to the board in an amount equal to~~
17 ~~the sum of the business entity's average weekly payment of~~
18 ~~the pari mutuel tax, during active racing, into the State~~
19 ~~Racing Fund, based on revenues generated in the previous~~
20 ~~year.~~

21 ~~(4)~~ (3) The licensed business entity prints in its <--
22 racing programs the procedure for filing a complaint with the
23 board.

24 (c) Applications.--Applications for a licensed business
25 entity shall be in the form prescribed by the board and shall
26 contain information as the board may require.

27 (d) Grounds for denial, revocation or suspension.--The board
28 may deny, revoke or suspend the license of a business entity, if
29 it determines that:

30 (1) Any owner, officer, director or manager of the

1 business entity applying for a license or of any business
2 entity which participates in the management of the affairs of
3 the applicant, or which leases to the licensed business
4 entity the track where it shall operate:

5 (i) has been convicted of bookmaking or other forms
6 of illegal gambling;

7 (ii) has been convicted of any fraud or
8 misrepresentation in connection with racing or breeding;

9 (iii) has been convicted of any violation or attempt
10 to violate any law, rule or regulation of any horse
11 racing jurisdiction, for which suspension from horse
12 racing might be imposed in that jurisdiction;

13 (iv) has violated any rule, regulation or order of
14 the board; ~~or~~ <--

15 (v) has been convicted of a felony; OR <--

16 (VI) HAS FURNISHED THE BOARD WITH FALSE OR
17 MISLEADING INFORMATION.

18 (2) The experience, character or fitness of any owner,
19 officer, director or manager of the licensed business entity
20 is such that the participation of the person in horse racing
21 or related activities would be inconsistent with the public
22 interest or with the best interests of horse racing.

23 (3) The licensed business entity does not have use of
24 the racetrack or racetrack enclosure in accordance with the
25 requirements of 4 Pa.C.S. Pt. II (relating to gaming).

26 (4) A licensed business entity has commingled horsemen's
27 funds in violation of section 235-A(c) or has refused to
28 place on deposit a letter of credit under section 236-A.

29 (5) The board determines that the licensed business
30 entity has failed to properly maintain its racetrack and

1 racetrack enclosure in good condition or to provide adequate
2 capital improvements to the racetrack and racetrack enclosure
3 as required under this act and 4 Pa.C.S. § 1404 (relating to
4 distributions from licensee's revenue receipts).

5 (e) Conditional licenses.--Pending a final determination
6 under this section, the board may issue a conditional license
7 upon such terms and conditions as are necessary to effectuate
8 the provisions of this act.

9 Section 210-A. (Reserved).

10 Section 211-A. Financial and employment interests.

11 (a) General rule.--A business entity applying for a license
12 or a licensed business entity shall comply with the provisions
13 of 4 Pa.C.S. §§ 1512 (relating to financial and employment
14 interests), 1512.1 (relating to additional restrictions) and
15 1513 (relating to political influence).

16 (b) Gifts.--No owner, officer, manager or employee of an
17 applicant or licensed business entity or their spouses, parents,
18 fathers-in-law, mothers-in-law, siblings, children, sons-in-law
19 or daughters-in-law shall accept gifts from breeders, owners,
20 trainers or other individuals who participate in the conduct of
21 horse racing in this Commonwealth.

22 Section 212-A. Officials at horse racing meetings.

23 All qualified judges and starters shall be approved by the
24 board. For ~~harness~~ STANDARD BRED horse racing meetings, no person <--
25 shall be approved as a judge or starter unless the person is
26 licensed by the United States Trotting Association as a duly
27 qualified pari-mutuel racing meeting official. All officials
28 shall enforce the law and shall provide written reports of the
29 activities and conduct of horse racing meetings to the board.
30 The compensation of these judges and starters shall be assessed <--

1 ~~to the licensed business entity~~ OFFICIALS SHALL BE PAID BY THE <--
2 BOARD.

3 Section 213-A. Licenses for individuals.

4 ~~(a) General rule.--The board shall issue licenses to DEVELOP~~ <--
5 A LICENSING CLASSIFICATION SYSTEM FOR THE REGULATION OF VENDORS,
6 trainers, jockeys, drivers, HORSEMEN'S ORGANIZATIONS, horse <--
7 owners and other individuals participating in horse racing and
8 all other persons required to be licensed as determined by the
9 board. The license shall not be a property right.

10 ~~(b) Fee.--The board shall fix and may establish classes for~~
11 license APPLICATION fees to be paid by persons or licensed <--
12 business entities. An occupational A license fee shall not <--
13 exceed \$1,000. All fees shall be paid to the board and deposited
14 into the State Racing Fund.

15 ~~(c) Application.--The application shall be in the form and~~
16 contain the information as the board may require.

17 ~~(d) Duration RENEWAL.--All licenses shall be issued for~~ <--
18 three years and shall be renewed, upon payment of the required
19 fee and continued compliance with this act.

20 ~~(e) Conditional license. The board may establish a~~
21 conditional license fee valid for four months within a 12 month
22 period. No applicant may receive more than one conditional
23 license within 12 months of the issuance of the applicant's
24 preceding conditional license. SUBJECT TO RENEWAL EVERY THREE <--
25 YEARS. NOTHING IN THIS ACT SHALL BE CONSTRUED TO RELIEVE A
26 LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY THE BOARD OF ANY
27 CHANGES RELATING TO THE STATUS OF ITS LICENSE OR TO ANY OTHER
28 INFORMATION CONTAINED IN THE APPLICATION MATERIALS ON FILE WITH
29 THE BOARD. THE APPLICATION FOR RENEWAL SHALL BE SUBMITTED AT
30 LEAST 60 DAYS PRIOR TO EXPIRATION OF THE LICENSE AND SHALL

1 INCLUDE AN UPDATE OF THE INFORMATION CONTAINED IN THE INITIAL
2 APPLICATION AND ANY PRIOR RENEWAL APPLICATIONS AND THE PAYMENT
3 OF ANY RENEWAL FEE REQUIRED BY THE BOARD. A LICENSE FOR WHICH A
4 COMPLETED RENEWAL APPLICATION AND FEE, IF REQUIRED, HAS BEEN
5 RECEIVED BY THE BOARD SHALL CONTINUE IN EFFECT UNLESS AND UNTIL
6 THE BOARD SENDS WRITTEN NOTIFICATION TO THE HOLDER OF THE
7 LICENSE THAT THE BOARD HAD DENIED THE RENEWAL OF THE LICENSE.

8 (E) LICENSES.--THE BOARD MAY ISSUE ONE OF THE FOLLOWING:

9 (1) A TEMPORARY LICENSE FOR FOUR MONTHS WITHIN A 12-
10 MONTH PERIOD PENDING A FINAL DETERMINATION.

11 (2) A CONDITIONAL LICENSE UPON THE TERMS AND CONDITIONS
12 AS NECESSARY TO ADMINISTER THIS ACT.

13 (f) Processing and issuance.--The board shall adopt
14 regulations to fix the manner by which licenses are processed
15 and issued.

16 (g) Denial.--The board may deny a license under this
17 section, if it determines that the applicant:

18 (1) Has been convicted of bookmaking or other forms of
19 illegal gambling.

20 (2) Has been convicted of any fraud or misrepresentation
21 in connection with racing or breeding.

22 (3) Has been convicted of any violation or attempt to
23 violate any law, rule or regulation of HORSE racing in any <--
24 jurisdiction, for which suspension from HORSE racing might be <--
25 imposed in that jurisdiction.

26 (4) HAS BEEN CONVICTED OF AN OFFENSE UNDER 18 PA.C.S. § <--
27 5511 (RELATING TO CRUELTY TO ANIMALS).

28 ~~(4)~~ (5) Has violated any rule, regulation or order of <--
29 the board.

30 ~~(5)~~ (6) Has been convicted of an offense relating to <--

1 fixing races.

2 ~~(6)~~ (7) Has been convicted of a felony offense. <--

3 ~~(7)~~(8) Has failed to comply with payment requirements <--

4 under section 304 relating to testing for medication.

5 (9) THE EXPERIENCE OR CHARACTER OF ANY APPLICANT OR <--

6 LICENSEE IS SUCH THAT THE PARTICIPATION IN HORSE RACING WOULD

7 BE INCONSISTENT WITH THE BEST INTEREST OF HORSE RACING.

8 (h) Inspection.--The board shall have the right to inspect

9 all contracts between licensed business entities and vendors for

10 goods and services. The board shall adopt regulations to require

11 vendors to disclose all principal owners and officers and a

12 description of their interests in the vendors' business. Failure

13 to disclose this information shall constitute grounds to deny,

14 to revoke or to suspend any vendor's license issued under this

15 act.

16 (i) Suspension, revocation and refusal to renew.--The board

17 may suspend, refuse to renew or revoke a license issued under

18 this section, if:

19 (1) The applicant or licensee:

20 (i) has been convicted of bookmaking or other form

21 of illegal gambling;

22 (ii) has been convicted of any fraud OR <--

23 MISREPRESENTATION in connection with racing or breeding;

24 (iii) has been convicted of any violation or attempt

25 to violate any law, rule or regulation of any horse

26 racing jurisdiction for which suspension from horse

27 racing might be imposed in that jurisdiction;

28 (IV) HAS BEEN CONVICTED OF AN OFFENSE UNDER 18 <--

29 PA.C.S. § 5511.

30 ~~(iv)~~ (V) has violated any rule, regulation or order <--

1 of the board;

2 ~~(v)~~ (VI) has been convicted of a felony offense; or <--

3 ~~(vi)~~ (VII) has failed to comply with payment <--

4 requirements under section 304-; OR <--

5 (VIII) HAS FURNISHED THE BOARD WITH FALSE OR
6 MISLEADING INFORMATION OR THAT THE INFORMATION CONTAINED
7 IN THE APPLICATION OR ANY RENEWAL APPLICATION IS NO
8 LONGER TRUE AND CORRECT.

9 (2) The experience or character of any applicant or
10 licensee is such that the participation of the person in
11 horse racing or related activities would be inconsistent with
12 the public interest or with the best interests of horse
13 racing.

14 (3) The applicant or licensee has been convicted of an
15 offense related to fixing races unless the conviction has
16 been overturned on appeal under the laws of the jurisdiction
17 of the original finding.

18 (4) IN THE EVENT OF A REVOCATION OR FAILURE TO RENEW, <--
19 THE APPLICANT'S AUTHORIZATION TO CONDUCT PREVIOUSLY APPROVED
20 ACTIVITY SHALL IMMEDIATELY CEASE AND ALL FEES PAID IN
21 CONNECTION THEREWITH SHALL BE DEEMED TO BE FORFEITED. IN THE
22 EVENT OF A SUSPENSION, THE APPLICANT'S AUTHORIZATION TO
23 CONDUCT THE PREVIOUSLY APPROVED ACTIVITY SHALL IMMEDIATELY
24 CEASE UNTIL THE BOARD HAS NOTIFIED THE APPLICANT THAT THE
25 SUSPENSION IS NO LONGER IN EFFECT.

26 ~~(j) Temporary license. Pending a final determination under~~ <--
27 ~~this section, the board may issue a temporary license upon such~~
28 ~~terms and conditions as are necessary to effectuate the~~
29 ~~provisions of this act.~~

30 ~~(k)~~ (J) Hearings.--The board may suspend a license under <--

1 ~~subsection (i) pending a hearing on the matter. The hearing must~~ <--
2 ~~take place within ten days of the suspension.~~

3 ~~(1) (K) Reciprocity.--The board shall not grant licenses to~~ <--
4 ~~citizens of states that prohibit the grant of licenses to~~
5 ~~citizens of this Commonwealth on the basis of in-state~~
6 ~~preference.~~

7 ~~Section 213.1 A. Totalisator.~~ <--

8 ~~The following shall apply:~~

9 ~~(1) A person that provides totalisator services to a~~
10 ~~racing association located in this Commonwealth, including a~~
11 ~~totalisator company located in this Commonwealth or operating~~
12 ~~from a location outside this Commonwealth. A provider of~~
13 ~~totalisator services~~

14 ~~SECTION 213.1-A. PROVIDERS.~~ <--

15 ~~(A) TOTALISATOR PROVIDER.--BEGINNING AT THE RENEWAL OF AN~~
16 ~~EXISTING CONTRACT OR EXECUTION OF A NEW CONTRACT, A PERSON THAT~~
17 ~~PROVIDES TOTALISATOR SERVICES TO A LICENSED BUSINESS ENTITY~~
18 ~~LOCATED IN THIS COMMONWEALTH shall be licensed by the board and~~
19 ~~remit an annual license fee not to exceed \$100,000. The license~~
20 ~~fee shall be deposited in the State Racing Fund. The provider~~
21 ~~shall submit information on operating systems and procedures as~~
22 ~~required by the board.~~

23 ~~(2) A manufacturer, wholesaler, distributor or vendor of~~ <--

24 ~~(B) MEDICAL PROVIDERS.--A MANUFACTURER, WHOLESALER,~~ <--
25 ~~DISTRIBUTOR OR VENDOR OF any equine drug, medication,~~
26 ~~therapeutic substance or metabolic derivative purchased by or~~
27 ~~delivered to a licensee or other individual participating in~~
28 ~~horse racing in this Commonwealth by means of Internet, mail~~
29 ~~delivery, in person delivery or other means SHALL BE LICENSED BY~~ <--
30 ~~THE BOARD. THE BOARD SHALL DEVELOP A FEE SCHEDULE TO LICENSED~~

1 MEDICAL PROVIDERS UNDER THIS SUBSECTION.

2 Section 214-A. Power of board to impose fines.

3 (a) General rule.--The board may impose administrative fines
4 upon any licensed or unlicensed business entity, association or
5 person participating in horse racing at which pari-mutuel
6 wagering is conducted, other than as a patron, for a violation
7 of any provision of this act OR RULE OR REGULATION OF THE BOARD, <--
8 not exceeding \$100,000 for each violation. EACH DAY MAY BE <--
9 CONSIDERED A SEPARATE VIOLATION. Fines shall be deposited in the
10 State Racing Fund and may be appropriated for the enforcement of
11 this act.

12 (b) Interests.--

13 (1) No owner, officer or employee of a licensed business
14 entity or their spouses, parents, fathers-in-law, mothers-in-
15 law, siblings, children, sons-in-law or daughters-in-law
16 shall have any direct or indirect interest in a race horse
17 that is participating in a race at a meet at which the person
18 or relative listed under this paragraph holds any interest in
19 the licensed business entity conducting the meet or in the
20 ~~track~~ RACETRACK facility. <--

21 (2) The board shall impose a fine upon any person for a
22 violation of this subsection in accordance with subsection

23 (a).

24 Section 215-A. Security personnel.

25 (a) General rule.--The board shall require licensed business
26 entities to employ persons as security personnel. Designated
27 security personnel may interrogate and ~~eject~~, EJECT OR EXCLUDE <--
28 from the racetrack or enclosure any individual suspected of
29 violating this act.

30 (b) Penalty.--An individual found within a race track

1 enclosure after having been refused admission thereto or ejected
2 therefrom shall, upon conviction, be guilty of a summary offense
3 and be sentenced to pay a fine of not more than \$500.

4 Section 216-A. Interstate simulcasting.

5 The board may approve the application of a licensed business
6 entity to electronically televise simulcasts of horse races to
7 be operated by the licensed business entity at the race track
8 enclosure where a horse race is being conducted during, between,
9 before or after posted races for that racing day. Each simulcast
10 of horse races from outside this Commonwealth shall comply with
11 the Interstate Horseracing Act of 1978 (Public Law 95-515, 15
12 U.S.C. § 3001 et seq.). All forms of pari-mutuel wagering under
13 section 221-A shall be allowed on horse races to be televised by
14 simulcasting. The board shall promulgate regulations regarding
15 the wagering and the operation of the horse races INTERSTATE <--
16 SIMULCASTING OF HORSE RACING. All money wagered on horse races
17 shall be computed in the amount of money wagered each racing day
18 for purposes of taxation under section 222-A.

19 Section 216.1-A. Televised simulcastings.

20 (a) Host licensees.--Upon request by a licensed business
21 entity, the board may designate the entity as a host licensee,
22 authorized to maintain common pari-mutuel pools on international
23 and interstate races transmitted to and from the racetrack
24 enclosures within this Commonwealth. All simulcasts of horse
25 races shall comply with the provisions of the Interstate
26 Horseracing Act of 1978 (Public Law 95-515, 15 U.S.C. § 3001 et
27 seq.) and the laws of each state involved, placed or transmitted
28 by an individual in one state via telephone, Internet or other
29 electronic media and accepted and maintained in common pari-
30 mutuel pools. The designation as a host licensee for

1 international and interstate simulcast races shall be limited to
2 licensed business entities which comply with 4 Pa.C.S. § 1303(d)
3 (relating to additional Category 1 slot machine license
4 requirements).

5 (b) Simulcasts.--The following apply:

6 (1) Cross simulcasting of the races described in
7 subsection (a) shall be permitted if all amounts wagered on
8 the races in this Commonwealth are included in common pari-
9 mutuel pools. A host licensee seeking permission to cross
10 simulcast must obtain approval from the board.

11 (2) Forms of pari-mutuel wagering shall be allowed on
12 horse races to be televised by simulcasting. The board may
13 permit pari-mutuel pools in this Commonwealth to be combined
14 with pari-mutuel pools created under the laws of another
15 jurisdiction and may permit pari-mutuel pools created under
16 the laws of another jurisdiction to be combined with pari-
17 mutuel pools in this Commonwealth. The board shall promulgate
18 regulations necessary to regulate wagering on televised
19 simulcasts.

20 (c) Taxation.--Money wagered by patrons in this Commonwealth
21 on ~~the~~ horse races shall be computed by the amount of money <--
22 wagered each racing day for purposes of taxation under section
23 222-A. Thoroughbred races shall be considered a part of a
24 thoroughbred horse racing meeting and ~~harness~~ STANDARDBRED horse <--
25 races shall be considered a part of a ~~harness~~ STANDARDBRED horse <--
26 racing meeting.

27 Section 217-A. (Reserved).

28 Section 218.1-A. Place and manner of conducting pari-mutuel
29 wagering.

30 (a) Wagering location.--A licensed business entity shall

1 provide a location during a horse racing meeting within the
2 racetrack enclosure where the licensed business entity shall
3 operate the pari-mutuel system of wagering by its patrons on the
4 results of horse races held at the racetrack or televised to the
5 racetrack enclosure by simulcasting under section 216.1-A. The
6 licensed business entity shall erect a sign or board compatible
7 with the totalisator systems which shall display all of the
8 following:

9 (1) The approximate straight odds on each horse in any
10 race.

11 (2) The value of a winning mutuel ticket, straight,
12 place or show on the first three horses in the race.

13 (3) The elapsed time of the race.

14 (4) The value of a winning daily double ticket, if a
15 daily double is conducted, and any other information that the
16 board deems necessary to inform the general public.

17 (b) Equipment.--The board may test and examine the equipment
18 to be used for the display of the information under subsection
19 (a).

20 (C) ELECTRONIC WAGERING.--A LICENSED BUSINESS ENTITY MAY <--
21 OPERATE ELECTRONIC WAGERING ON HORSE RACING IN ACCORDANCE WITH
22 ALL OF THE FOLLOWING:

23 (1) MESSAGES TO PLACE WAGERS SHALL BE TO A PLACE WITHIN
24 THE RACETRACK ENCLOSURE.

25 (2) MONEY USED TO PLACE WAGERS UNDER THIS SUBSECTION
26 SHALL BE ON DEPOSIT IN AN AMOUNT SUFFICIENT TO COVER THE
27 WAGER AT THE RACETRACK WHERE THE ACCOUNT IS OPENED.

28 THE BOARD MAY PROMULGATE REGULATIONS NECESSARY TO REGULATE
29 ELECTRONIC WAGERING FOR HORSE RACING.

30 (D) TAXATION.--MONEY WAGERED AS A RESULT OF ELECTRONIC

1 WAGERING SHALL BE INCLUDED IN THE AMOUNT WAGERED EACH RACING DAY
2 FOR PURPOSES OF TAXATION UNDER SECTION 222-A AND SHALL BE
3 INCLUDED IN THE SAME PARI-MUTUEL POOLS FOR EACH POSTED RACE.
4 ELECTRONIC WAGERING SHALL BE OPERATED BY THE LICENSED BUSINESS
5 ENTITY OR BY A DULY LICENSED VENDOR.

6 (E) CONDITIONS.--

7 (1) A LICENSED BUSINESS ENTITY SHALL ONLY ACCEPT AND
8 TABULATE A WAGER BY A DIRECT REQUEST VIA ELECTRONIC MEDIA
9 FROM THE HOLDER OF AN ELECTRONIC WAGERING ACCOUNT. ONLY THE
10 HOLDER OF THE ELECTRONIC WAGERING ACCOUNT SHALL PLACE A
11 WAGER.

12 (2) ANY PERSON WHO VIOLATES THIS SUBSECTION COMMITS A
13 MISDEMEANOR OF THE FIRST DEGREE.

14 (F) PRIMARY MARKET AREA.--

15 (1) NO LICENSED BUSINESS ENTITY MAY ACCEPT A WAGER OR
16 ESTABLISH ELECTRONIC WAGERING FOR ANY PERSON LOCATED IN THE
17 PRIMARY MARKET AREA OF A RACETRACK, OTHER THAN THE RACETRACK
18 AT WHICH THE LICENSED BUSINESS ENTITY IS CONDUCTING A RACING
19 MEET.

20 (2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
21 PROHIBIT A LICENSED BUSINESS ENTITY FROM ACCEPTING A WAGER
22 FROM OR ESTABLISHING AN ELECTRONIC WAGERING ACCOUNT FOR ANY
23 PERSON LOCATED IN THE PRIMARY MARKET AREA OF THE RACETRACK
24 WHERE THE LICENSED BUSINESS ENTITY IS CONDUCTING A MEET. IF
25 TWO TRACKS SHARE THE PRIMARY MARKET AREA, BOTH RACETRACKS
26 SHALL HAVE EQUAL RIGHTS TO THE MARKET IN THE SHARED AREA.

27 Section 218.2-A. Pari-mutuel wagering at nonprimary locations.

28 (a) Nonprimary locations.--The following shall apply:

29 (1) Notwithstanding any other provisions of this act,
30 beginning January 2014 2015, the board may approve a licensed <--

1 business entity to continue to operate a nonprimary location
2 where it has conducted pari-mutuel wagering on horse races
3 conducted by the licensed business entity. The licensed
4 business entity may continue to conduct pari-mutuel wagering
5 at the location on horse races conducted by another licensed
6 business entity, which horse races may be televised to the
7 location or on horse races simulcast to the location under
8 section 216-A, provided that:

9 (i) A licensed business entity has not established a
10 nonprimary location within the primary market area of any
11 racetrack other than a racetrack where the licensed
12 business entity conducts racing meetings. Establishment
13 of a nonprimary location by a licensed business entity
14 within the primary market area of a racetrack where the
15 licensed business entity conducts racing meetings shall
16 require approval of the board.

17 (ii) A licensed business entity has not established
18 a nonprimary location within the secondary market area of
19 a racetrack if the nonprimary location is approved by the
20 board.

21 (iii) A licensed business entity has not established
22 a nonprimary location in an area outside the primary and
23 secondary market areas of any racetrack if the location
24 is approved by the board.

25 (2) Except as provided under paragraph (1), no
26 additional licenses shall be permitted.

27 (3) The board shall annually conduct inspections of the
28 primary facility.

29 (4) ~~The rights, duties and obligations~~ REGULATORY
30 AUTHORITY of the board shall apply to nonprimary locations

<--

1 and any employees or vendors of the licensed business entity
2 establishing the nonprimary location.

3 (b) (Reserved).

4 (c) Taxation and records.--Money wagered at all primary and
5 nonprimary locations under this act shall be included in common
6 pari-mutuel pools. Money wagered by patrons on the races shall
7 be computed by the amount of money wagered each racing day for
8 purposes of taxation under section 222-A. The licensed business
9 entity conducting the racing meeting and maintaining the pari-
10 mutuel pools shall maintain accurate records of the amount
11 wagered in each pool from every primary and nonprimary location.

12 (d) Retention.--Money retained under section 222-A(e) shall
13 be calculated for each location where pari-mutuel wagering is
14 being conducted. If wagering has taken place at a nonprimary
15 location where the wagering is conducted by a licensed business
16 entity other than the licensed business entity conducting the
17 racing meeting, the licensed business entity conducting the
18 racing meeting shall retain any money to which it is entitled by
19 agreement. The licensed business entity conducting the meeting
20 shall pay over the balance of the retained money to the licensed
21 business entity conducting the wagering at the nonprimary
22 location.

23 (e) Payment of purses.--A licensed business entity
24 conducting a racing meeting where pari-mutuel wagering is
25 conducted at one or more nonprimary locations shall distribute
26 money to the horseman's organization representing a majority of
27 owners and trainers at its racetrack, or in accordance with the
28 practice of the parties, to be used for payment of purses at
29 that racetrack, as follows:

30 (1) Except as provided for in paragraphs (2), (3), (4)

1 and (5), an amount equal to but not less than 6% of the daily
2 gross wagering handle on the races at a nonprimary location.

3 (2) When the gross wagering handle on the races at a
4 nonprimary location on a given day is less than \$30,000, the
5 percentage may not be less than 3%.

6 (3) When the gross wagering handle on the races at a
7 nonprimary location on a given day is between \$30,000 and
8 \$75,000 inclusive, the percentage may not be less than 4.75%.

9 (4) Whenever a nonprimary location is within the primary
10 market area of a licensed business entity other than the
11 licensed business entity conducting the races, the applicable
12 percentage shall be distributed one-half to the horseman's
13 organization representing a majority of owners and trainers
14 at the racetrack or in accordance with the practice of the
15 parties.

16 (5) Where the racing meeting is being conducted to be
17 used for the payment of purses at the racetrack and one-half
18 to the horseman's organization, or in accordance with the
19 practice of the parties, at the racetrack within the primary
20 market area to be used for the payment of purses at the
21 racetrack.

22 Nothing in this subsection shall be construed to prevent a
23 licensed business entity from agreeing to distribute amounts
24 greater than the percentages set forth in this subsection.
25 However, if no alternative agreement has been reached, the total
26 percentage for purses under this subsection shall be paid in
27 accordance with the minimum percentages set forth in this
28 subparagraph.

29 (f) Other payments.--Notwithstanding any other provision of
30 this act, a nonprimary location may be established within the

1 primary market area of a racetrack by agreement between the
2 licensed business entity and the horseman's organization
3 representing a majority of the owners and trainers at the
4 racetrack specifying the total percentage of handle wagered at
5 the nonprimary location to be distributed to the horseman's
6 organization, or in accordance with the practice of the parties,
7 to be used for the payment of purses at that racetrack. If no
8 agreement is reached covering the locations, the total
9 percentage to be paid for purses shall be the same as that
10 applied to on-track wagering at the racetrack located within the
11 primary market area.

12 Section 219-A. Books and records of pari-mutuel wagering.

13 Every Category 1 licensed facility that conducts a horse
14 racing meeting at which pari-mutuel wagering is authorized,
15 shall maintain books and records that clearly show by separate
16 record the total amount of money contributed to every pari-
17 mutuel pool. The Department of Revenue or its authorized
18 representative shall have access to examine all books and
19 records and ascertain whether the proper amount due to the State
20 is being paid by the licensed business entity.

21 Section 220-A. Filing of certain agreements with the board.

22 A licensed business entity shall promptly file with the board
23 ~~a true and correct copy of any lease agreement concerning any~~ <--
24 concession, labor management relation, hiring of designated
25 classes of officers, employees or contractors specified by the
26 board or any other contract or agreement as the board may
27 prescribe.

28 Section 221-A. Tax.

29 (a) Fund.--There is hereby established in the State Treasury
30 the State Racing Fund. A licensed business entity that conducts

1 horse racing meetings shall pay a tax to the Department of
2 Revenue for deposit in the State Racing Fund.

3 (b) Tax rate.--The tax imposed on a licensed entity shall be
4 1.5% of the amount wagered each racing day and 2.5% of the total
5 amount on an exacta ~~wager~~, DAILY DOUBLE, QUINELLA AND TRIFECTA <--
6 WAGER.

7 (c) Expenditures.--Funds collected and deposited under
8 subsection (b) and any interest shall be used solely for the
9 administration and enforcement of this act including:

10 (1) Funds to the board in an amount appropriated by the
11 General Assembly.

12 (2) Funds to the Department of Revenue in an amount
13 appropriated by the General Assembly.

14 (d) Remainder.--The remainder of the money shall be
15 distributed as follows:

16 (1) An amount equivalent to 1% of the amount wagered
17 each racing day at thoroughbred horse race meetings shall be
18 paid by the ~~Horse Racing Commission~~ DEPARTMENT OF REVENUE <--
19 from the State Racing Fund through the ~~Department of Revenue~~ <--
20 for credit to the Pennsylvania Breeding Fund.

21 (2) An amount equivalent to 1.5% of the amount wagered
22 each racing day at ~~harness~~ STANDARDBRED horse race meetings <--
23 shall be paid by the ~~Harness Racing Commission~~ DEPARTMENT OF <--
24 REVENUE from the State Racing Fund through the Department of
25 Revenue for credit to the Pennsylvania Sire Stakes Fund.

26 (3) The remainder of the amount wagered each racing day
27 shall be deposited in the State Racing Fund, for
28 appropriation for ~~projects relating to the promotion of horse~~ <--
29 racing.

30 Section 222-A. Pari-mutuel pool distribution.

<--

1 (a) Distribution.--A licensed BUSINESS entity shall
2 distribute money in a pari-mutuel pool to the holders of winning
3 ticket presented for payment before the first day of April of
4 the year following the date of purchase. After April 1 of the
5 year following the year of purchase, a licensed business entity
6 shall forward the necessary funds held for uncashed tickets to
7 the Department of Revenue. The funds shall be deposited into the
8 State Racing Fund.

9 (b) Remainder.--The remainder of the money shall be retained
10 by the licensed entity in the following manner:

11 (1) Seventeen percent of the money plus the breakage
12 from regular wagering pools or 19% of the money plus the
13 breakage from regular wagering pools for licensed entities
14 whose daily total in all pari-mutuel pools averaged less than
15 \$300,000.

16 (2) Twenty percent of the money plus breakage from the
17 exacta, daily double, quinella and other wagering pools as
18 determined by the board.

19 (3) At least 26%, but no more than 35%, from the
20 trifecta or other wagering pools as determined by the board.

21 (c) Retention.--A licensed BUSINESS entity may retain less
22 percentages upon approval of the board.

<--

23 (d) Definitions.--As used in this section, the term
24 "breakage" shall mean the odd cents of redistributions to be
25 made on contributions to pari-mutuel pools exceeding a sum equal
26 to the next lowest multiple of ten.

27 Section 223-A. Pennsylvania Breeding Fund.

28 (a) Establishment.--There is hereby created a restricted
29 account in the State Racing Fund to be known as the Pennsylvania
30 Breeding Fund which shall consist of the money deposited under

1 section 222-A AND WHICH SHALL BE DISTRIBUTED BY THE DEPARTMENT <--
2 OF REVENUE.

3 (b) Awards from the Pennsylvania Breeding Fund.--The
4 Department of Revenue shall distribute money from the fund <--
5 PENNSYLVANIA BREEDING FUND as follows: <--

6 (1) An award of 30% of the purse earned by every
7 registered Pennsylvania-bred thoroughbred racing horse sired
8 by a registered Pennsylvania sire at the time of conception
9 of the registered Pennsylvania-bred thoroughbred horse, or an
10 award of 20% of the purse earned by every registered
11 Pennsylvania-bred thoroughbred horse sired by a nonregistered
12 sire, which finishes first, second or third in any race
13 conducted by a licensed business entity under this act shall
14 be paid to the breeder of said registered Pennsylvania-bred
15 thoroughbred horse. A single award under this paragraph may
16 not exceed 1% of the total annual fund money.

17 (2) An award of 10% of the purse earned by any
18 Pennsylvania-bred thoroughbred horse which finishes first,
19 second or third in any race conducted by a licensed business
20 entity under this act shall be paid to the owner of the
21 registered Pennsylvania sire which regularly stood in
22 Pennsylvania at the time of conception of the Pennsylvania-
23 bred thoroughbred horse. A single award under this paragraph
24 may not exceed 0.5% of the total annual fund money.

25 (3) An award of 10% of the purse earned by any
26 registered Pennsylvania-bred thoroughbred horse which
27 finishes first in any race conducted by a licensed business
28 entity under this act not restricting entry to registered
29 Pennsylvania-bred thoroughbred horses shall be paid to the
30 licensed owner of said registered Pennsylvania-bred

1 thoroughbred horse at the time of winning. A single award
2 under this paragraph may not exceed 0.5% of the total annual
3 fund money.

4 (c) Purses from Pennsylvania Breeding Fund.--Up to one-fifth
5 of the total of the estimated fund PENNSYLVANIA BREEDING FUND <--
6 money remaining each year after the deduction of expenses
7 related to the administration and development of the
8 Pennsylvania Breeding Fund program and the payment of breeder,
9 stallion and owner awards, shall be divided among the licensed
10 business entities that conduct thoroughbred horse racing
11 meetings in direct proportion to the rate by which each licensed
12 business entity generated the fund money during the previous
13 year to be used solely for purses for Pennsylvania Breeding Fund
14 stakes races which restrict entry to registered Pennsylvania-
15 bred thoroughbred horses.

16 (d) Remaining funds.--The fund PENNSYLVANIA BREEDING FUND <--
17 money remaining following disbursements as directed in
18 subsection (b) (1), (2) and (3) and subsection (c) shall be
19 divided among the licensed business entities that conduct
20 thoroughbred horse racing meetings in direct proportion to the
21 rate by which each licensed business entity generated the fund
22 money during the previous year to be used for purses as follows:

23 (1) Claiming and nonclaiming Pennsylvania Breeding Fund
24 races which restrict entry to registered Pennsylvania-bred
25 thoroughbred horses.

26 (2) Claiming and nonclaiming Pennsylvania Breeding Fund
27 races which prefer registered Pennsylvania-bred thoroughbred
28 horses as starters. In these races, should eight or more
29 registered Pennsylvania-bred horses pass the entry box, the
30 race shall be considered closed to horses other than

1 registered Pennsylvania-bred thoroughbred horses.

2 (e) Funds not expended.--Pennsylvania Breeding Fund money
3 due licensed business entities, as outlined in subsections (c)
4 and (d), but not expended during the calendar year may be
5 carried forth in the fund on the accounts of the licensed
6 business entities to be expended during the succeeding year in
7 addition to the business entities' fund money annually due them
8 for purses.

9 (e.1) Committee.--There is hereby established the
10 Pennsylvania Breeding Fund Advisory Committee. The committee
11 shall consist of members, who are residents of Pennsylvania, to
12 be appointed by the board by June 1 of each year. The committee
13 shall consist of two members of the Pennsylvania Horse Breeders'
14 Association, one member from the licensed ~~corporations~~ BUSINESS <--
15 ENTITIES, one member from the association representing horsemen
16 racing in Pennsylvania and one member of the board. If a member
17 other than the board member has not been recommended by June 1
18 of each year, the board shall make an appointment for the
19 organization failing to so recommend a member of the committee.
20 The committee shall assist and advise the board under the
21 provisions of this act but shall have no power in administering
22 the fund. Members of the advisory committee shall not receive
23 compensation or reimbursements for participation on the
24 committee.

25 (f) Pennsylvania Horse Breeders' Association.--The board ~~may~~ <--
26 SHALL contract with the Pennsylvania Horse Breeders' Association <--
27 as the organization responsible body for the registration and
28 records of Pennsylvania-bred horses. The Pennsylvania Horse
29 Breeders' Association shall advise the board when called upon
30 and shall determine the qualifications for Pennsylvania-bred

1 thoroughbred horses and Pennsylvania sires. Registration and
2 records of the association shall be official records of the
3 Commonwealth. At the close of each calendar year, the
4 Pennsylvania Horse Breeders' Association shall submit to the
5 board for its approval an itemized budget of projected expenses
6 for the ensuing year relating to the administration and
7 development of the Pennsylvania Breeding Fund program. The board
8 shall reimburse the Pennsylvania Horse Breeders' Association for
9 those expenses actually incurred in the administration and
10 development of the Pennsylvania Breeding Fund program from the
11 fund PENNSYLVANIA BREEDING FUND, no more than on a quarterly <--
12 basis. NO MORE THAN 5% OF THE FUND MAY BE UTILIZED FOR <--
13 ADMINISTRATIVE COSTS.

14 Section 224-A. Pennsylvania Sire Stakes Fund.

15 (a) Establishment.--There is created a restricted account in
16 the State Racing Fund to be known as the Pennsylvania Sire
17 Stakes Fund which shall consist of the money deposited under
18 section 222-A AND WHICH SHALL BE ADMINISTERED BY THE BOARD. <--

19 (b) Distribution and use of funds.--Funds shall be
20 distributed as follows:

21 (1) Sixty percent of the money remaining in the excess
22 fund account of the Pennsylvania Sire Stakes Fund at the end
23 of the calendar year in which this subsection is enacted
24 shall be distributed to licensed business entities that
25 conduct ~~harness~~ STANDARD BRED horse racing meetings to be used <--
26 in the next succeeding calendar year as purse money for
27 Pennsylvania-sired horses. The remaining 40% of the money in
28 the excess fund account at the end of the calendar year of
29 the enactment of this subsection, together with the interest
30 earned on that money, shall be distributed to licensed

1 business entities that conduct ~~harness~~ STANDARDDBRED horse <--
2 racing meetings to be used in the next succeeding calendar
3 year following the next succeeding calendar year as purse
4 money for Pennsylvania-sired horses.

5 (2) After deduction of sufficient funds to cover the
6 board's cost of administration, 80% of all remaining money in
7 the Pennsylvania Sire Stakes Fund at the end of the calendar
8 year shall be distributed to licensed business entities that
9 conduct ~~harness~~ STANDARDDBRED horse racing meetings to be used <--
10 as purse money for Pennsylvania-sired horses. The board may
11 allocate up to a total of 40% of the amount to be distributed
12 to licensed business entities in a calendar year for use for
13 a series of championship final races at the race tracks of
14 licensed business entities that conduct ~~harness~~ STANDARDDBRED <--
15 horse racing meetings. The ~~Department of Revenue~~ BOARD shall <--
16 distribute the money to these championship final races in an
17 equal amount for each sex, age and gait for two-year-old and
18 three-year-old trotters and pacers based on conditions
19 establishing eligibility to these final events. No pari-
20 mutuel ~~harness track~~ STANDARDDBRED RACETRACK shall be awarded <--
21 more than 50% of the championship final races in any calendar
22 year. The board shall schedule these final events so as to
23 evenly alternate classes at each race track each year. After
24 the allocation for the championship final races has been
25 determined, the remaining funds to be distributed to licensed
26 business entities that conduct ~~harness~~ STANDARDDBRED horse <--
27 racing meetings shall be divided equally among the licensed
28 business entities. Each licensed business entity shall divide
29 the funds received equally for each of:

30 (i) four two-year-old races; one pace for colts, one

1 pace for fillies, one trot for colts and one trot for
2 fillies; and

3 (ii) four three-year-old races; one pace for colts,
4 one pace for fillies, one trot for colts and one trot for
5 fillies.

6 (c) Purse money.--Each allotment shall provide purse money
7 for the respective races. The purse money shall be in addition
8 to any entry fees or other funds available.

9 (d) Entry restriction.--Entry for these races shall be
10 limited to ~~harness~~ STANDARD BRED horses which were sired by a <--
11 standardbred stallion regularly standing in Pennsylvania and
12 each race shall be designated a Pennsylvania sire stakes race.
13 The board shall adopt regulations as necessary to administer the
14 entry restriction.

15 Section 225-A. Fair Fund proceeds.

16 (a) Distribution.--The Department of Agriculture shall
17 distribute money in the Fair Fund annually, on or before March
18 1, for reimbursement for each county agricultural society and
19 each independent agricultural society conducting ~~harness~~ <--
20 STANDARD BRED horse racing during its annual fair, other than <--
21 racers for two-year-old and three-year-old colts and fillies, an
22 amount of money equal to that used during their annual fair as
23 purse money for ~~harness~~ STANDARD BRED horse racing, track and <--
24 stable maintenance, starting gate rental and the cost of all
25 ~~harness~~ STANDARD BRED horse racing officials required during <--
26 their annual fair. The reimbursement amount may not be more than
27 \$13,000, a minimum of \$4,000 of which must be used for purse
28 money and the balance of the allotment per fair, not used for
29 purse money over the minimum \$4,000 allotment, shall be used for
30 the specific purposes referenced above or otherwise the

1 allotment shall be retained in the fund.

2 (b) Inspection.--The Department of Agriculture shall
3 annually inspect each track facility AT A COUNTY FAIR and advise <--
4 each operating fair about track maintenance which is necessary
5 to ensure adequate racing surface during the course of scheduled
6 fairs and racing events. If it is the opinion of the Department
7 of Agriculture that the fair society or event sponsor is not
8 adequately financing track maintenance, the Department of
9 Revenue shall surcharge the Fair Fund account of the fair
10 society or event sponsor to effectuate the remediation.

11 Section 226-A. Hearing.

12 If the board denies any license application or revokes or
13 suspends any license granted, an applicant or licensee may
14 demand, within ten days after notice of the decision of the
15 board, a hearing before the board. The provisions of 2 Pa.C.S.
16 Chs. 5 Subch. A (relating to practice and procedure of
17 Commonwealth agencies) and 7 Subch. A (relating to judicial
18 review of Commonwealth agency action) shall apply.

19 Section 227-A. (Reserved).

20 Section 228-A. Prohibition of wagering.

21 No board member or employee of the board shall wager upon the
22 outcome of any horse race conducted at OR SIMULCAST TO a track <--
23 at which pari-mutuel wagering is conducted by any licensed
24 business entity of the board. No licensed business entity shall
25 permit any person who is actually and apparently under 18 years
26 of age to wager at a racing meeting conducted by the licensed
27 business entity. No licensed business entity shall permit any
28 person who is under 18 years of age to attend a horse racing
29 meeting conducted by the licensed business entity unless the
30 person is accompanied by a parent or guardian. This section

1 shall not be construed to prohibit persons under 18 years of
2 age, who are legally employed, from being upon the race track
3 premises for the sole purpose of engaging in the performance of
4 their duties as employees.

5 Section 229-A. Veterinarians and State stewards.

6 (a) General rule.--The board shall have the authority to
7 contract with licensed veterinarians and stewards, STEWARDS AND <--
8 OTHER PERSONNEL DEEMED APPROPRIATE BY THE BOARD to serve at each
9 meeting conducted by a business entity licensed by the board <--
10 LICENSED BUSINESS ENTITY. The board may employ other individuals <--
11 as shall be necessary to carry out the responsibilities of this
12 section.

13 (b) Costs and compensation.--The costs and compensation of
14 the horse racing veterinarians, State stewards and other
15 individuals PERSONNEL shall be fixed and paid by the board FROM <--
16 THE STATE RACING FUND.

17 (c) Steward requirements. The board shall establish a job <--
18 description and professional criteria for stewards to assure
19 that they have a working knowledge of the horse racing industry.

20 (C) AGRICULTURAL SOCIETY HORSE RACING.--THE DEPARTMENT OF <--
21 AGRICULTURE MAY PROMULGATE REGULATIONS TO OVERSEE HORSE RACING
22 CONDUCTED BY A COUNTY AGRICULTURAL SOCIETY OR AN INDEPENDENT
23 AGRICULTURAL SOCIETY, AS PROVIDED FOR UNDER SECTION 5(1) (III)
24 AND (IV) OF THE ACT OF JULY 8, 1986 (P.L.437, NO.92), KNOWN AS
25 THE PENNSYLVANIA AGRICULTURAL FAIR ACT.

26 Section 230-A. (Reserved).

27 Section 231 A. Free passes, cards or badges. <--

28 (a) Issuance. A licensed business entity may not issue a
29 free pass, card or badge, without admission tax except to:

30 (1) an owner, officer, employee or shareholder of the

1 ~~licensed business entity conducting the racing meeting;~~

2 ~~(2) a member, officer or employee of the board;~~

3 ~~(3) a member of a horse racing association of another~~
4 ~~state or foreign country;~~

5 ~~(4) a public officer engaged in the performance of his~~
6 ~~duty;~~

7 ~~(5) an individual employed and accredited by the press~~
8 ~~to attend the meeting; or~~

9 ~~(6) an owner, stable manager, trainer, jockey,~~
10 ~~concessionary or other individual whose duties require a~~
11 ~~presence at the race track.~~

12 ~~(b) Promotions and discounts. The board may approve a~~
13 ~~licensed business entity to issue a free pass, card or badge for~~
14 ~~a special promotional program and seasonal discount ticket~~
15 ~~program. The admission tax under section 208 A shall be imposed~~
16 ~~on the price of the seasonal discount tickets sold by a licensed~~
17 ~~business entity.~~

18 ~~(c) Regulations. A free pass, card or badge shall be issued~~
19 ~~in accordance with regulations of the board.~~

20 ~~(d) List. Except persons admitted under an approved special~~
21 ~~promotional program or seasonal discount ticket program, a list~~
22 ~~of the individuals to whom a free pass, card or badge is issued~~
23 ~~shall be filed with the board.~~

24 SECTION 231-A. PROMOTIONS AND DISCOUNTS.

<--

25 THE BOARD MAY APPROVE A LICENSED BUSINESS ENTITY TO ISSUE A
26 FREE PASS, CARD OR BADGE FOR A SPECIAL PROMOTIONAL PROGRAM AND
27 SEASONAL DISCOUNT TICKET PROGRAM.

28 Section 232-A. (Reserved).

29 Section 233-A. Monitoring of wagering on video screens.

30 A licensed business entity conducting pari-mutuel wagering

1 shall display on video screens the approximate odds or
2 approximate will-pays on each horse for each race as well as a
3 combination of races, including quinellas, exactas, perfectas
4 and any other combination or pool of races. A display of
5 approximate odds or approximate will-pays is not required where
6 the wager is on horses in four or more races, such as "Pick 4,
7 Pick 5 or Pick 6." In addition to displaying the amount of money
8 wagered, the approximate odds or approximate will-pays on each
9 horse or combination of horses must be shown on video screens in
10 each wagering division. For trifectas, in lieu of odds or
11 approximate will-pays, the amount of money being wagered on each
12 horse to win in the trifecta pool must be displayed on video
13 screens separately from any other information. Information must
14 be displayed from the opening of bets or wagering and be
15 continually displayed until the wagering is closed. At least one
16 video screen in each wagering division shall display the amount
17 of money wagered on each horse involved in a trifecta pool.

18 Section 234-A. Simulcasting.

19 (a) General rule.--The board shall permit intrastate
20 simulcasting of live racing.

21 (b) Simulcast signal.--The simulcast signal shall be
22 encoded, and the racetrack receiving the simulcast signal may
23 not send the signal anywhere other than a public location
24 authorized under section 218.1-A or 218.2-A.

25 (c) Forms of pari-mutuel wagering.--The forms of pari-mutuel
26 wagering described in section 221-A are allowed on a race to be
27 televised by simulcasting under this section.

28 (d) Regulations.--The board may promulgate regulations on
29 wagering and the operation of horse racing.

30 (e) Computation of money wagered.--The money wagered by a

1 patron on a race must be computed in the amount of money wagered
2 each racing day for purposes of taxation under section 222-A.

3 (f) Thoroughbred and ~~harness~~ STANDARDBRED horse <--
4 racetracks.--If a simulcast is between a thoroughbred racetrack
5 and a ~~harness~~ STANDARDBRED horse racetrack, the board has <--
6 jurisdiction. An approval required under this section must be
7 received from the board, provided that if an agreement is not
8 reached between the organization representing the horsemen, the
9 licensed business entity may petition the court of common pleas
10 in the county in which the licensed entity's racetrack is
11 located. The court of common pleas may direct the organization
12 representing the horsemen to approve the simulcast agreement
13 upon good cause shown by the licensed business entity that
14 failure to consent would be detrimental to the racing industry
15 in this Commonwealth. The board may authorize the simulcasting
16 if the simulcasting will have a significant value to the racing
17 industry in this Commonwealth.

18 (g) Definition.--As used in this section, the term "racing
19 day" consists of a minimum of eight live races, except at
20 thoroughbred tracks on Breeders' Cup Event Day.

21 Section 235-A. Commingling.

22 (a) Applicability.--This section is applicable only to
23 licensed business entities that conduct thoroughbred racing.

24 (b) Race secretary.--The race secretary shall receive
25 entries and declarations as an agent for the licensed business
26 entity for which the race secretary acts. The race secretary or
27 an individual designated by the licensed business entity may
28 receive stakes, forfeits, entrance money, jockey fees and other
29 fees, purchase money in claiming races and other money that can
30 properly come into the race secretary's possession as an agent

1 for the licensed business entity for which the race secretary or
2 designee is acting.

3 (c) Horsemen's Account.--A licensed business entity shall
4 maintain a separate account, to be known as a Horsemen's
5 Account. Money owed to owners in regard to purses, stakes,
6 rewards, claims and deposits shall be deposited into the
7 Horsemen's Account. Funds in the account are recognized and
8 denominated as being the sole property of owners. Deposited
9 funds may not be commingled with funds of the licensed business
10 entity unless a licensed business entity established an
11 irrevocable clean letter of credit with an evergreen clause in
12 favor of the organization which represents a majority of the
13 owners and trainers racing with the licensed business entity.
14 The minimum amount of the credit must be the greater of
15 \$1,000,000 or 110% of the highest monthly balance in the
16 Horsemen's Account in the immediate prior year. To calculate the
17 monthly balance in the Horsemen's Account, the sum of the daily
18 balances shall be divided by the number of days in the month.
19 The evergreen clause must provide that:

20 (1) thirty days prior to the expiration of the letter of
21 credit, the financial institution can elect not to renew the
22 letter of credit;

23 (2) upon an election under paragraph (1), the financial
24 institution must notify the designee of the organization that
25 represents a majority of the owners and trainers racing with
26 the licensed business entity, by registered mail, return
27 receipt requested, of the election not to renew; and

28 (3) the financial institution will honor the letter of
29 credit for six months after expiration.

30 Purse money earned by owners shall be deposited by the licensed

1 business entity in the Horsemen's Account within 48 hours after
2 the result of the race in which the money was earned has been
3 declared official and the purse has been released by the board.

4 (d) ~~Bookkeeper~~ ACCOUNTING.--A licensed business entity shall <--
5 designate a ~~bookkeeper who is~~ INDIVIDUALS authorized to receive <--
6 and disburse funds from the Horsemen's Account. ~~The bookkeeper~~ <--
7 ~~must~~ INDIVIDUALS DESIGNATED UNDER THIS SUBSECTION SHALL be <--
8 bonded to provide indemnity for malfeasance, nonfeasance and
9 misfeasance. A certified copy of the bond shall be filed with
10 the board.

11 (e) Examination, access and records.--The Horsemen's Account
12 and the investment and deposit schedules relating to the account
13 are subject to examination, at reasonable times, by a designee
14 of the organization which represents a majority of the owners
15 and trainers racing with the licensed business entity and by the
16 board. ~~The bookkeeper~~ INDIVIDUAL DESIGNATED UNDER SUBSECTION (D) <--
17 shall provide each owner with access, at reasonable times during
18 a racing day, to the amount of funds in the Horsemen's Account
19 credited to that owner. At the close of a horse racing meeting,
20 ~~the bookkeeper~~ DESIGNATED INDIVIDUAL shall mail to each owner a <--
21 record of deposits, withdrawals and transfers affecting the
22 amount of funds in the Horsemen's Account credited to that
23 owner.

24 (f) Auditing and monthly statements.--The Horsemen's Account
25 shall be audited annually and at any other time determined by
26 the board. Monthly statements shall be provided to the designee
27 of the organization which represents a majority of the owners
28 and trainers racing with the licensed business entity AND THE <--
29 BOARD.

30 (g) Interest.--Fifty percent of the money earned as interest

1 on funds in the Horsemen's Account shall be paid to the
2 organization that represents a majority of the owners and
3 trainers racing with the licensed business entity on a weekly
4 basis. The amount is for the benefit of the horsemen as
5 determined by the organization that represents the majority of
6 the owners and trainers racing with the licensed business
7 entity. The remaining 50% of the interest earned is for the
8 benefit of the licensed business entity that has the
9 responsibility to fund the costs associated with the
10 administration of the fund. Interest each month must be earned
11 in an amount equal to the Federal Reserve Discount Rate on the
12 first day of the month.

13 Section 236-A. ~~Harness~~ STANDARDBRED horse racing purse money. <--

14 A licensed ~~harness horse racing association~~ BUSINESS ENTITY <--
15 must place on deposit with the board by March 1 of each year an
16 irrevocable letter of credit equivalent to its average weekly
17 purse total from the immediate prior year. The board shall hold
18 the letter of credit in trust for the ~~harness~~ STANDARDBRED <--
19 horsemen racing at that licensed business entity's horse race
20 meeting if the purse checks are not issued or insufficient funds
21 are available to cover the purse checks.

22 Section 237 A. (Reserved). <--

23 Section 238 A. ~~Agricultural society~~ horse racing.

24 The Department of Agriculture shall promulgate regulations to
25 oversee horse racing conducted by a county agricultural society
26 or an independent agricultural society, as provided for under
27 section 5(1)(iii) and (iv) of the act of July 8, 1986 (P.L.437,
28 No.92), known as the Pennsylvania Agricultural Fair Act.

29 Section 4. Section 301 of the act is amended to read:
30 Section 301. Mandatory requirements for medication rules.

1 (a) [The commissions shall have in effect at all times when]
2 When a licensed [corporation] business entity conducts a horse
3 racing meeting with pari-mutuel wagering the board shall have in
4 effect rules or regulations to control the use and
5 administration of any medication and the use and administration
6 of any device that affects the performance of a race horse. The
7 ~~[commissions] board may~~ [COMMISSIONS MAY establish permitted <--
8 tolerance levels and therapeutic dose allowances for all
9 medication to be used or administered to a race horse.] BOARD <--
10 SHALL ADOPT A COMPREHENSIVE SCHEDULE OF EQUINE DRUGS,
11 MEDICATIONS, THERAPEUTIC SUBSTANCES OR METABOLIC DERIVATIVES
12 WHICH ARE AUTHORIZED TO BE ADMINISTERED TO RACE HORSES,
13 INCLUDING TOLERANCE LEVELS AND THERAPEUTIC DOSE ALLOWANCES. THE
14 BOARD SHALL CONSULT WITH THE PENNSYLVANIA BOARD OF VETERINARY
15 MEDICINE, ACADEMIC INSTITUTES IN OTHER STATES AND EXPERTS AS
16 NECESSARY TO DEVELOP THE APPROVED SCHEDULE.

17 (b) The [commissions] board shall establish in their rules
18 or regulations penalty provisions for the violation of these
19 rules or regulations.

20 Section 5. Section 302(a) and (c) of the act, amended May
21 16, 1986 (P.L.205, No.63), are amended to read:

22 Section 302. Establishment of the Pennsylvania Race Horse
23 Testing Program.

24 (a) There is hereby established the Pennsylvania Race Horse
25 Testing Program. The program shall be administered by [a
26 management committee composed of the two chairpersons of the
27 commissions, the Secretary of Agriculture and two persons
28 appointed by the Governor. One person appointed by the Governor
29 must be a doctor of veterinary medicine or a veterinary medical
30 doctor and a member of the faculty of a school of veterinary

1 medicine located within this Commonwealth and the other person
2 must be employed within the private sector and have a background
3 in biological and/or chemical laboratory management. The program
4 is placed in and made a part of the Department of Agriculture]
5 the board. All costs of the program shall be paid by the
6 [commissions] fees collected under section 304. [Subject to all
7 provisions of the act of April 9, 1929 (P.L.177, No.175), known
8 as "The Administrative Code of 1929," that apply to the
9 department, the management committee shall appoint and direct
10 all personnel as necessary, establish a facility or contract for
11 the provision of testing services, acquire all necessary
12 equipment and supplies and adopt all necessary procedures.]

13 * * *

14 [(c) In order to evaluate the effectiveness of testing
15 services performed by personnel of the Department of Agriculture
16 and determine whether the manner in which these services are
17 provided, the tests utilized and tolerance levels permitted
18 should be modified, the commissions shall equally fund a
19 contracted evaluation of existing laboratory services to be
20 conducted by a nongovernmental entity with documented expertise
21 to accurately evaluate existing laboratory services and
22 formulate recommendations for improvement of the testing
23 program. Upon review of the evaluation results, the department
24 may implement in consultation with the management committee a
25 program to improve laboratory services, including, if necessary
26 and appropriate, the selection of a contractor or contractors to
27 provide testing services. This study shall be completed on or
28 before January 1, 1987, and copies provided to the Governor, the
29 President pro tempore of the Senate, the Speaker of the House of
30 Representatives and the members of the State Government

1 Committees of the Senate and the House of Representatives within
2 15 working days.]

3 Section 6. Section 304 of the act is amended to read:

4 Section 304. Costs of the enforcement of the medication rules
5 or regulations.

6 [All costs for the collection and testing samples for any
7 manner of medication shall be paid by the commissions.] The
8 board shall establish a fee schedule to be charged to horse
9 owners for the actual costs of the collections and testing for
10 medication. The costs of collections and testing shall include
11 the cost of equipment, supplies and facilities, except holding
12 barns or stables, to be located at race horse meeting
13 facilities, grounds or enclosures or at other locations
14 designated by the board, which. THE FEE SCHEDULE shall be <--
15 published in the Pennsylvania Bulletin and shall be in effect 60
16 days after being published.

17 SECTION 6.1. THE FOLLOWING SHALL APPLY: <--

18 (1) NOTWITHSTANDING ANY OTHER LAW, NO LATER THAN 180
19 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE STATE
20 HORSE RACING COMMISSION AND THE STATE HARNESS RACING
21 COMMISSION SHALL CEASE TO EXIST AND THE POWERS AND DUTIES OF
22 THE STATE HORSE RACING COMMISSION AND THE STATE HARNESS
23 RACING COMMISSION SHALL BE TRANSFERRED TO THE PENNSYLVANIA
24 GAMING CONTROL BOARD. NOTIFICATION OF THE DATE OF THE
25 TRANSFER OF THE POWERS AND DUTIES OF THE STATE HORSE RACING
26 COMMISSION AND STATE HARNESS RACING COMMISSION TO THE
27 PENNSYLVANIA GAMING CONTROL BOARD SHALL BE SUBMITTED BY THE
28 PENNSYLVANIA GAMING CONTROL BOARD FOR PUBLICATION IN THE
29 PENNSYLVANIA BULLETIN.

30 (2) UPON THE TRANSFER OF THE POWERS AND DUTIES OF THE

1 STATE HORSE RACING COMMISSION AND THE STATE HARNESS RACING
2 COMMISSION TO THE PENNSYLVANIA GAMING CONTROL BOARD, THE
3 FOLLOWING SHALL APPLY:

4 (I) THE FOLLOWING SHALL BE TRANSFERRED TO AND SHALL
5 BECOME EMPLOYEES OF THE PENNSYLVANIA GAMING CONTROL BOARD
6 AND THEIR STATUS AS AN EMPLOYEE OF THE DEPARTMENT OF
7 AGRICULTURE SHALL CEASE:

8 (A) AN INDIVIDUAL WHO IS EMPLOYED BY THE
9 DEPARTMENT OF AGRICULTURE AND ASSIGNED TO THE STATE
10 HORSE RACING COMMISSION OR THE STATE HARNESS RACING
11 COMMISSION.

12 (B) AN INDIVIDUAL WHO IS EMPLOYED BY THE
13 DEPARTMENT OF AGRICULTURE AND WHOSE DUTIES
14 SUBSTANTIALLY INVOLVE LICENSING OR ENFORCEMENT, THE
15 DEVELOPMENT OF LAWS OR THE DEVELOPMENT OR ADOPTION OF
16 REGULATIONS OR POLICY RELATED TO HORSE RACING UNDER
17 THE ACT OR WHO HAVE OTHER DISCRETIONARY AUTHORITY
18 WHICH MAY AFFECT THE OUTCOME OF AN ACTION, PROCEEDING
19 OR DECISION UNDER THE ACT.

20 (II) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPHS
21 (XII), (XIII) AND (XIV), THE PENNSYLVANIA GAMING CONTROL
22 BOARD SHALL ESTABLISH SALARIES AND OTHER COMPENSATION FOR
23 AN INDIVIDUAL TRANSFERRED UNDER SUBPARAGRAPH (I) IN
24 ACCORDANCE WITH THE EXISTING POLICIES OF THE PENNSYLVANIA
25 GAMING CONTROL BOARD.

26 (III) AN INDIVIDUAL TRANSFERRED UNDER SUBPARAGRAPH
27 (I) SHALL REMAIN A STATE EMPLOYEE FOR PURPOSES OF 71
28 PA.C.S. PT. XXV AND THE INDIVIDUAL'S SERVICE SHALL BE
29 CONSIDERED CONTINUAL AND UNINTERRUPTED.

30 (IV) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPHS

1 (XII), (XIII) AND (XIV), ON AND AFTER THE DATE OF
2 TRANSFER TO THE PENNSYLVANIA GAMING CONTROL BOARD, A
3 TRANSFERRED EMPLOYEE SHALL BE ELIGIBLE FOR PAID HOLIDAYS
4 AND THE ACCRUAL OF SICK AND ANNUAL LEAVE AND ANY OTHER
5 LEAVE IN ACCORDANCE WITH THE POLICIES OF THE PENNSYLVANIA
6 GAMING CONTROL BOARD.

7 (V) SICK AND ANNUAL LEAVE ACCRUED BY A TRANSFERRED
8 EMPLOYEE PRIOR TO THE DATE OF TRANSFER SHALL BE
9 TRANSFERRED BASED UPON THE ACCRUED SICK AND ANNUAL LEAVE
10 BALANCES CREDITED TO THE TRANSFERRED EMPLOYEE BY THE
11 DEPARTMENT OF AGRICULTURE AS OF THE DAY IMMEDIATELY
12 PRECEDING THE TRANSFERRED EMPLOYEE'S DATE OF TRANSFER.

13 (VI) THE DEPARTMENT OF AGRICULTURE SHALL PROVIDE
14 PAYMENT TO THE PENNSYLVANIA GAMING CONTROL BOARD FOR THE
15 ACCRUED SICK AND ANNUAL LEAVE TIME TRANSFERRED UNDER
16 SUBPARAGRAPH (V). WITHIN 30 DAYS OF THE TRANSFER OF
17 EMPLOYEES, THE DEPARTMENT OF AGRICULTURE SHALL PROVIDE IN
18 WRITING TO THE PENNSYLVANIA GAMING CONTROL BOARD ALL
19 LEAVE INFORMATION REQUESTED BY THE PENNSYLVANIA GAMING
20 CONTROL BOARD FOR EMPLOYEES TRANSFERRED UNDER
21 SUBPARAGRAPH (I).

22 (VII) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPHS
23 (XII), (XIII) AND (XIV), ACCRUED SICK OR ANNUAL LEAVE
24 WHICH EXCEEDS THE MAXIMUM ALLOWED BY THE POLICIES OF THE
25 PENNSYLVANIA GAMING CONTROL BOARD IN EFFECT ON THE DAY
26 IMMEDIATELY PRECEDING THE DATE OF TRANSFER AND ANY OTHER
27 LEAVE MAY NOT BE TRANSFERRED AND CREDITED. THE DEPARTMENT
28 OF AGRICULTURE SHALL PROVIDE A LUMP SUM PAYMENT TO AN
29 INDIVIDUAL TRANSFERRED UNDER SUBPARAGRAPH (I) FOR SICK OR
30 ANNUAL LEAVE AND ANY OTHER LEAVE WHICH IS NOT TRANSFERRED

1 AND CREDITED UNDER THIS PARAGRAPH.

2 (VIII) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPHS
3 (XII), (XIII) AND (XIV), TRANSFERRED EMPLOYEES AND THEIR
4 DEPENDENTS SHALL CONTINUE TO BE ELIGIBLE TO RECEIVE
5 MEDICAL PLAN BENEFITS, SUPPLEMENTAL BENEFITS AND OTHER
6 BENEFITS AS DETERMINED BY THE TRUSTEES OF THE
7 PENNSYLVANIA EMPLOYEES BENEFITS TRUST FUND.

8 (IX) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPHS
9 (XII), (XIII) AND (XIV), TRANSFERRED EMPLOYEES AND THEIR
10 DEPENDENTS SHALL CONTINUE TO BE ELIGIBLE TO ELECT
11 COVERAGE UPON RETIREMENT UNDER THE RETIRED EMPLOYEES
12 HEALTH PROGRAM.

13 (X) THE DEPARTMENT OF AGRICULTURE SHALL BE OBLIGATED
14 AND REQUIRED TO PROVIDE A LUMP SUM PAYMENT TO THE
15 PENNSYLVANIA GAMING CONTROL BOARD TO UNDERWRITE OR OFFSET
16 THE COST OF ACCRUED RETIRED EMPLOYEES HEALTH PROGRAM AND
17 PENSION BENEFITS.

18 (XI) THE PENNSYLVANIA GAMING CONTROL BOARD SHALL
19 SUBMIT A REPORT TO THE CHAIRMAN AND MINORITY CHAIRMAN OF
20 THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE
21 CHAIRMAN AND MINORITY CHAIRMAN OF THE APPROPRIATIONS
22 COMMITTEE OF THE HOUSE OF REPRESENTATIVES CONTAINING THE
23 EXPENDITURES FOR COMPENSATION AND RELATED EXPENDITURES
24 FOR INDIVIDUALS WHO ARE TRANSFERRED UNDER THIS SECTION.

25 (XII) ALL COLLECTIVE BARGAINING AGREEMENTS AND
26 MEMORANDA OF UNDERSTANDING, INCLUDING ANY SIDE LETTERS
27 ATTENDANT TO A COLLECTIVE BARGAINING AGREEMENT AND
28 MEMORANDA OF UNDERSTANDING, BETWEEN THE COMMONWEALTH AND
29 AN EMPLOYEE ORGANIZATION COVERING EMPLOYEES TRANSFERRED
30 UNDER SUBPARAGRAPH (I) SHALL REMAIN IN FORCE AND EFFECT.

1 THE PENNSYLVANIA GAMING CONTROL BOARD SHALL BECOME A
2 SIGNATORY TO THE COLLECTIVE BARGAINING AGREEMENTS AND
3 MEMORANDA OF UNDERSTANDING.

4 (XIII) AN EMPLOYEE TRANSFERRED UNDER SUBPARAGRAPH
5 (I) SHALL RETAIN THE RIGHT TO UNION REPRESENTATION AND
6 COLLECTIVE BARGAINING AS AN EMPLOYEE OF THE PENNSYLVANIA
7 GAMING CONTROL BOARD.

8 (XIV) WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF
9 THIS SECTION, THE PENNSYLVANIA GAMING CONTROL BOARD AND
10 THE EMPLOYEE ORGANIZATION REPRESENTING TRANSFERRED
11 EMPLOYEES SHALL ENTER INTO NEGOTIATIONS FOR PURPOSES OF
12 NEGOTIATING TERMS SPECIFIC TO THE TRANSFERRED EMPLOYEES,
13 INCLUDING PROMOTIONS, TRANSFERS, SENIORITY AND OTHER
14 NECESSARY ITEMS.

15 (XV) NOTHING UNDER THIS ACT SHALL BE CONSTRUED TO
16 REQUIRE AN EMPLOYEE TRANSFERRED TO THE PENNSYLVANIA
17 GAMING CONTROL BOARD UNDER SUBPARAGRAPH (I) TO OBTAIN A
18 LICENSE OR PERMIT UNDER THIS ACT OR 4 PA.C.S. PT. II AS A
19 CONDITION OF EMPLOYMENT WITH THE PENNSYLVANIA GAMING
20 CONTROL BOARD.

21 ~~Section 7. This act shall take effect in 60 days.~~ <--

22 SECTION 7. WHEN THE PENNSYLVANIA GAMING CONTROL BOARD IS <--
23 PREPARED TO IMPLEMENT THIS ACT, IT SHALL TRANSMIT NOTICE TO THE
24 LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION IN THE PENNSYLVANIA
25 BULLETIN.

26 SECTION 8. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

27 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT
28 IMMEDIATELY:

29 (I) SECTION 7 OF THIS ACT.

30 (II) THIS SECTION.

1 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT UPON THE
2 EARLIER OF THE FOLLOWING:
3 (I) THE DATE OF PUBLICATION OF THE NOTICE UNDER
4 SECTION 7 OF THIS ACT.
5 (II) IN 180 DAYS.