

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILLNo. **1229** Session of
2015

INTRODUCED BY VOGEL AND RAFFERTY, MAY 6, 2016

SENATOR VOGEL, AGRICULTURE AND RURAL AFFAIRS, AS AMENDED,
MAY 9, 2016

AN ACT

1 Amending the act of April 9, 1929 (P.L.177, No.175), entitled
2 "An act providing for and reorganizing the conduct of the
3 executive and administrative work of the Commonwealth by the
4 Executive Department thereof and the administrative
5 departments, boards, commissions, and officers thereof,
6 including the boards of trustees of State Normal Schools, or
7 Teachers Colleges; abolishing, creating, reorganizing or
8 authorizing the reorganization of certain administrative
9 departments, boards, and commissions; defining the powers and
10 duties of the Governor and other executive and administrative
11 officers, and of the several administrative departments,
12 boards, commissions, and officers; fixing the salaries of the
13 Governor, Lieutenant Governor, and certain other executive
14 and administrative officers; providing for the appointment of
15 certain administrative officers, and of all deputies and
16 other assistants and employes in certain departments, boards,
17 and commissions; providing for the regulation of pari-mutuel
18 thoroughbred horse racing and harness horse racing
19 activities, imposing certain taxes and providing for the
20 disposition of funds from pari-mutuel tickets; and
21 prescribing the manner in which the number and compensation
22 of the deputies and all other assistants and employes of
23 certain departments, boards and commissions shall be
24 determined," in horse race industry reform, further providing
25 for Pennsylvania Breeding Fund.

26 The General Assembly of the Commonwealth of Pennsylvania
27 hereby enacts as follows:

28 Section 1. Section 2836-D of the act of April 9, 1929
29 (P.L.177, No.175), known as The Administrative Code of 1929,

1 added February 23, 2016 (P.L.15, No.7), is amended to read:

2 Section 2836-D. Pennsylvania Breeding Fund.

3 (a) Establishment.--There is hereby created a restricted
4 account in the State Racing Fund to be known as the Pennsylvania
5 Breeding Fund which shall consist of the money deposited under
6 section 2834-D and any provision of 4 Pa.C.S. Pt. II (relating
7 to gaming) and which shall be distributed by the commission.

8 (b) Awards from the Pennsylvania Breeding Fund.--The
9 commission shall distribute money from the Pennsylvania Breeding
10 Fund as follows:

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

24 (2) An award of 10% of the purse earned by any
25 Pennsylvania-bred registered thoroughbred racing horse sired
26 in this Commonwealth which finishes first, second or third in
27 any race conducted by a licensed racing entity under this
28 article shall be paid to the owner of the registered
29 Pennsylvania sire which regularly stood in Pennsylvania at
30 the time of conception of the Pennsylvania-bred thoroughbred

1 racing horse sired in this Commonwealth. A single award under
2 this paragraph may not exceed 0.5% of the total annual fund
3 money.

4 (3) An award of 10% of the purse earned by any
5 Pennsylvania-bred registered thoroughbred racing horse
6 [sired] in this Commonwealth which finishes first in any race
7 conducted by a licensed racing entity under this article not
8 restricting entry to a Pennsylvania-bred registered
9 [thoroughbreds] thoroughbred racing horse [sired] in this
10 Commonwealth shall be paid to the licensed owner of said
11 Pennsylvania-bred registered thoroughbred horse [sired] in
12 this Commonwealth at the time of winning. A single award
13 under this paragraph may not exceed 0.5% of the total annual
14 fund money.

15 (c) Purses from Pennsylvania Breeding Fund.--Up to one-fifth
16 of the total of the estimated Pennsylvania Breeding Fund money
17 remaining each year after the deduction of expenses related to
18 the administration and development of the Pennsylvania Breeding
19 Fund program and the payment of breeder, stallion and owner
20 awards, shall be divided among the licensed racing entities that
21 conduct thoroughbred horse race meetings in direct proportion to
22 the rate by which each licensed racing entity generated the fund
23 money during the previous year to be used solely for purses for
24 Pennsylvania Breeding Fund stakes races which restrict entry to
25 a Pennsylvania-bred registered thoroughbred racing horse [sired]
26 in this Commonwealth.

27 (d) Remaining funds.--The Pennsylvania Breeding Fund money
28 remaining following disbursements as directed in subsections (b)
29 (1), (2) and (3) and (c) shall be divided among the licensed
30 racing entities that conduct thoroughbred horse race meetings in

1 direct proportion to the rate by which each licensed racing
2 entity generated the fund money during the previous year to be
3 used for purses as follows:

4 (1) Claiming and nonclaiming Pennsylvania Breeding Fund
5 races which restrict entry to Pennsylvania-bred registered
6 thoroughbred racing horses [sired] in this Commonwealth.

7 (2) Claiming and nonclaiming Pennsylvania Breeding Fund
8 races which prefer Pennsylvania-bred registered thoroughbred
9 racing horses [sired] in this Commonwealth as starters. In
10 these races, should eight or more Pennsylvania-bred
11 registered thoroughbred racing horses [sired] in this
12 Commonwealth pass the entry box, the race shall be considered
13 closed to horses other than Pennsylvania-bred registered
14 thoroughbred racing horses [sired] in this Commonwealth.

15 (e) Funds not expended.--Pennsylvania Breeding Fund money
16 due to licensed racing entities, as outlined in subsections (c)
17 and (d), but not expended during the calendar year may be
18 carried forth in the fund on the accounts of the licensed racing
19 entities to be expended during the succeeding year in addition
20 to the racing entities' fund money annually due to them for
21 purses.

22 (e.1) Committee.--There is hereby established the
23 Pennsylvania Breeding Fund Advisory Committee within the
24 commission. The committee shall consist of five individuals, who
25 are residents of this Commonwealth, to be appointed by the
26 commission by June 1 of each year based on the recommendation of
27 the groups identified in this subsection. If a member other than
28 a commissioner has not been recommended by June 1 of each year,
29 the commission shall make an appointment for the organization
30 failing to so recommend a member of the committee. The committee

1 shall assist and advise the commission on the regulation of
2 horse racing breeding issues under this article but shall have
3 no power in administering the fund. Members of the advisory
4 committee shall not receive compensation or reimbursements for
5 participation on the committee. The committee shall consist of
6 the following members:

7 (1) Two members representing the Pennsylvania Horse
8 Breeders' Association.

9 (2) One member representing licensed racing entities.

10 (3) One member representing the association representing
11 horsemen racing in Pennsylvania.

12 (4) One member of the commission.

13 (f) Pennsylvania Horse Breeders' Association.--The
14 commission shall contract with the Pennsylvania Horse Breeders'
15 Association as the organization responsible for the registration
16 and records of Pennsylvania-bred thoroughbred racing horses
17 [sired] in this Commonwealth. The Pennsylvania Horse Breeders'
18 Association shall advise the commission when called upon and
19 shall determine the qualifications for Pennsylvania-bred
20 thoroughbred racing horses [sired] in this Commonwealth and
21 Pennsylvania sires. Registration and records of the association
22 shall be official records of the Commonwealth and shall be
23 subject to the act of February 14, 2008 (P.L.6, No.3), known as
24 the Right-to-Know Law. At the close of each calendar year, the
25 Pennsylvania Horse Breeders' Association shall submit to the
26 commission for its approval an itemized budget of projected
27 expenses for the ensuing year relating to the administration and
28 development of the Pennsylvania Breeding Fund Program. The
29 commission shall reimburse the Pennsylvania Horse Breeders'
30 Association for those expenses actually incurred in the

1 administration and development of the Pennsylvania Breeding Fund
2 Program from the Pennsylvania Breeding Fund, no more than on a
3 quarterly basis.

4 Section 2. The amendment of section 2836-D of the act shall
5 apply retroactively to January 1, 2016.

6 Section 3. This act shall take effect ~~in 60 days~~ <--
7 IMMEDIATELY. <--