

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1229 Session of
2015

INTRODUCED BY VOGEL, RAFFERTY AND HUGHES, MAY 6, 2016

AS REPORTED FROM COMMITTEE ON AGRICULTURE AND RURAL AFFAIRS,
HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 27, 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 AMENDING TITLE 3 (AGRICULTURE) OF THE PENNSYLVANIA CONSOLIDATED <--
27 STATUTES, MAKING EDITORIAL CHANGES; CONSOLIDATING AN ARTICLE
28 OF THE ADMINISTRATIVE CODE OF 1929 RELATING TO RACE HORSE
29 INDUSTRY REFORM; FURTHER PROVIDING FOR PENNSYLVANIA BREEDING
30 FUND; AND MAKING A RELATED REPEAL.

31 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 ~~Section 1. Section 2836 D of the act of April 9, 1929~~ <--
3 ~~(P.L.177, No.175), known as The Administrative Code of 1929,~~
4 ~~added February 23, 2016 (P.L.15, No.7), is amended to read:~~
5 ~~Section 2836 D. Pennsylvania Breeding Fund.~~

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

11 ~~(b) Awards from the Pennsylvania Breeding Fund. The~~
12 ~~commission shall distribute money from the Pennsylvania Breeding~~
13 ~~Fund as follows:~~

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

27 ~~(2) An award of 10% of the purse earned by any~~
28 ~~Pennsylvania bred registered thoroughbred racing horse sired~~
29 ~~in this Commonwealth which finishes first, second or third in~~
30 ~~any race conducted by a licensed racing entity under this~~

1 ~~article shall be paid to the owner of the registered~~
2 ~~Pennsylvania sire which regularly stood in Pennsylvania at~~
3 ~~the time of conception of the Pennsylvania bred thoroughbred~~
4 ~~racing horse sired in this Commonwealth. A single award under~~
5 ~~this paragraph may not exceed 0.5% of the total annual fund~~
6 ~~money.~~

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

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

30 ~~(d) Remaining funds. The Pennsylvania Breeding Fund money~~

1 ~~remaining following disbursements as directed in subsections (b)~~
2 ~~(1), (2) and (3) and (c) shall be divided among the licensed~~
3 ~~racing entities that conduct thoroughbred horse race meetings in~~
4 ~~direct proportion to the rate by which each licensed racing~~
5 ~~entity generated the fund money during the previous year to be~~
6 ~~used for purses as follows:~~

7 ~~(1) Claiming and nonclaiming Pennsylvania Breeding Fund~~
8 ~~races which restrict entry to Pennsylvania bred registered~~
9 ~~thoroughbred racing horses [sired] in this Commonwealth.~~

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

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

25 ~~(e.1) Committee. There is hereby established the~~
26 ~~Pennsylvania Breeding Fund Advisory Committee within the~~
27 ~~commission. The committee shall consist of five individuals, who~~
28 ~~are residents of this Commonwealth, to be appointed by the~~
29 ~~commission by June 1 of each year based on the recommendation of~~
30 ~~the groups identified in this subsection. If a member other than~~

1 ~~a commissioner has not been recommended by June 1 of each year,~~
2 ~~the commission shall make an appointment for the organization~~
3 ~~failing to so recommend a member of the committee. The committee~~
4 ~~shall assist and advise the commission on the regulation of~~
5 ~~horse racing breeding issues under this article but shall have~~
6 ~~no power in administering the fund. Members of the advisory~~
7 ~~committee shall not receive compensation or reimbursements for~~
8 ~~participation on the committee. The committee shall consist of~~
9 ~~the following members:~~

10 ~~(1) Two members representing the Pennsylvania Horse~~
11 ~~Breeders' Association.~~

12 ~~(2) One member representing licensed racing entities.~~

13 ~~(3) One member representing the association representing~~
14 ~~horsemen racing in Pennsylvania.~~

15 ~~(4) One member of the commission.~~

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

1 ~~development of the Pennsylvania Breeding Fund Program. The~~
2 ~~commission shall reimburse the Pennsylvania Horse Breeders'~~
3 ~~Association for those expenses actually incurred in the~~
4 ~~administration and development of the Pennsylvania Breeding Fund~~
5 ~~Program from the Pennsylvania Breeding Fund, no more than on a~~
6 ~~quarterly basis.~~

7 ~~Section 2. The amendment of section 2836 D of the act shall~~
8 ~~apply retroactively to January 1, 2016.~~

9 ~~Section 3. This act shall take effect immediately.~~

10 SECTION 1. THE HEADING OF PART VIII OF TITLE 3 OF THE
11 PENNSYLVANIA CONSOLIDATED STATUTES IS RENUMBERED TO READ:

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12 PART [VIII] C
13 MISCELLANEOUS PROVISIONS

14 SECTION 2. THE HEADING OF CHAPTER 81 OF TITLE 3 IS
15 RENUMBERED TO READ:

16 CHAPTER [81] 999
17 MISCELLANEOUS PROVISIONS

18 SECTION 3. SECTION 8101 OF TITLE 3 IS RENUMBERED TO READ:
19 § [8101] 99901. (RESERVED).

20 SECTION 4. TITLE 3 IS AMENDED BY ADDING A PART TO READ:

21 PART VIII
22 HORSE RACING

23 CHAPTER

24 91. PRELIMINARY PROVISIONS (RESERVED)

25 93. RACE HORSE INDUSTRY REFORM

26 CHAPTER 91

27 PRELIMINARY PROVISIONS

28 CHAPTER 93

29 RACE HORSE INDUSTRY REFORM

30 SUBCHAPTER

- 1 A. PRELIMINARY PROVISIONS
- 2 B. RACING OVERSIGHT
- 3 C. ADDITIONAL LICENSING REQUIREMENTS FOR LICENSED RACING
- 4 ENTITY, SECONDARY PARI-MUTUEL ORGANIZATION, TOTALISATOR
- 5 AND RACING VENDORS
- 6 D. COMPLIANCE
- 7 E. MEDICATION RULES AND ENFORCEMENT PROVISIONS

8 SUBCHAPTER A

9 PRELIMINARY PROVISIONS

10 SEC.

11 9301. DEFINITIONS.

12 § 9301. DEFINITIONS.

13 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
14 SHALL HAVE, UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE, THE
15 MEANINGS GIVEN TO THEM IN THIS SECTION:

16 "ACCOUNT." AN ACCOUNT FOR ACCOUNT WAGERING WITH A SPECIFIC
17 IDENTIFIABLE RECORD OF DEPOSITS, WAGERS AND WITHDRAWALS
18 ESTABLISHED BY AN ACCOUNT HOLDER AND MANAGED BY THE LICENSED
19 RACING ENTITY OR SECONDARY PARI-MUTUEL ORGANIZATION.

20 "ACCOUNT HOLDER." AN INDIVIDUAL WHO SUCCESSFULLY COMPLETED
21 AN APPLICATION AND FOR WHOM THE LICENSED RACING ENTITY OR
22 SECONDARY PARI-MUTUEL ORGANIZATION HAS OPENED AN ACCOUNT.

23 "ADVANCE DEPOSIT ACCOUNT WAGERING SYSTEM." A SYSTEM BY WHICH
24 WAGERS ARE DEBITED AND PAYOUTS ARE CREDITED TO AN ADVANCE
25 DEPOSIT ACCOUNT HELD BY A LICENSED RACING ENTITY OR SECONDARY
26 PARI-MUTUEL ORGANIZATION ON BEHALF OF A PERSON.

27 "APPLICANT." A PERSON WHO, ON HIS OWN BEHALF OR ON BEHALF OF
28 ANOTHER, IS APPLYING FOR PERMISSION TO ENGAGE IN AN ACT OR
29 ACTIVITY WHICH IS REGULATED UNDER THE PROVISIONS OF THIS
30 CHAPTER. IF THE APPLICANT IS A PERSON OTHER THAN AN INDIVIDUAL,

1 THE COMMISSION SHALL DETERMINE THE ASSOCIATED PERSONS WHOSE
2 QUALIFICATIONS ARE NECESSARY AS A PRECONDITION TO THE LICENSING
3 OF THE APPLICANT.

4 "BACKSIDE AREA." AN AREA OF THE RACETRACK ENCLOSURE THAT IS
5 NOT GENERALLY ACCESSIBLE TO THE PUBLIC AND WHICH INCLUDES, BUT
6 IS NOT LIMITED TO, A FACILITY COMMONLY REFERRED TO AS A BARN,
7 Paddock ENCLOSURE, TRACK KITCHEN, RECREATION HALL, BACKSIDE
8 EMPLOYEE QUARTERS AND TRAINING TRACK, AND ROADWAYS PROVIDING
9 ACCESS TO THE AREA. THE TERM DOES NOT INCLUDE AN AREA OF THE
10 RACETRACK ENCLOSURE WHICH IS GENERALLY ACCESSIBLE TO THE PUBLIC,
11 INCLUDING THE VARIOUS BUILDINGS COMMONLY REFERRED TO AS THE
12 GRANDSTAND OR THE RACING SURFACE AND WALKING RING.

13 "BREAKAGE." THE ODD CENTS OF REDISTRIBUTIONS TO BE MADE ON
14 CONTRIBUTIONS TO PARI-MUTUEL POOLS EXCEEDING A SUM EQUAL TO THE
15 NEXT LOWEST MULTIPLE OF 10.

16 "CLEAN LETTER OF CREDIT." A LETTER OF CREDIT WHICH IS
17 AVAILABLE TO THE BENEFICIARY AGAINST PRESENTATION OF ONLY A
18 DRAFT OR RECEIPT.

19 "COMMISSION." THE STATE HORSE RACING COMMISSION.

20 "COMMISSIONER." AN INDIVIDUAL APPOINTED TO AND SWORN IN AS A
21 MEMBER OF THE COMMISSION IN ACCORDANCE WITH SECTION 9311(B)
22 (RELATING TO STATE HORSE RACING COMMISSION).

23 "CONVICTION." A FINDING OF GUILT OR A PLEA OF GUILTY OR NOLO
24 CONTENDERE, WHETHER OR NOT A JUDGMENT OF SENTENCE HAS BEEN
25 IMPOSED AS DETERMINED BY THE LAW OF THE JURISDICTION IN WHICH
26 THE PROSECUTION WAS HELD. THE TERM DOES NOT INCLUDE A CONVICTION
27 THAT HAS BEEN EXPUNGED OR OVERTURNED OR FOR WHICH AN INDIVIDUAL
28 HAS BEEN PARDONED OR AN ORDER OF ACCELERATED REHABILITATIVE
29 DISPOSITION.

30 "ELECTRONIC WAGERING." A METHOD OF PLACING OR TRANSMITTING A

1 LEGAL WAGER BY AN INDIVIDUAL IN THIS COMMONWEALTH THROUGH
2 TELEPHONE, ELECTROMECHANICAL, COMPUTERIZED SYSTEM OR ANY OTHER
3 FORM OF ELECTRONIC MEDIA APPROVED BY THE COMMISSION AND ACCEPTED
4 BY A SECONDARY PARI-MUTUEL ORGANIZATION OR A LICENSED RACING
5 ENTITY OR THE LICENSED RACING ENTITY'S APPROVED OFF-TRACK
6 BETTING SYSTEM LOCATED IN THIS COMMONWEALTH.

7 "EVERGREEN CLAUSE." A TERM IN A LETTER OF CREDIT PROVIDING
8 FOR AUTOMATIC RENEWAL OF THE LETTER OF CREDIT.

9 "EX PARTE COMMUNICATION." AN OFF-THE-RECORD COMMUNICATION
10 ENGAGED IN OR RECEIVED BY A COMMISSIONER OF THE COMMISSION
11 REGARDING THE MERITS OF, OR ANY FACT IN ISSUE RELATING TO, A
12 PENDING MATTER BEFORE THE COMMISSION OR WHICH MAY REASONABLY BE
13 EXPECTED TO COME BEFORE THE COMMISSION IN A CONTESTED ON-THE-
14 RECORD PROCEEDING. THE TERM SHALL NOT INCLUDE:

15 (1) AN OFF-THE-RECORD COMMUNICATION BY A COMMISSIONER,
16 THE DEPARTMENT OF REVENUE, PENNSYLVANIA STATE POLICE,
17 ATTORNEY GENERAL OR OTHER LAW ENFORCEMENT OFFICIAL, PRIOR TO
18 THE BEGINNING OF THE PROCEEDING SOLELY FOR THE PURPOSE OF
19 SEEKING CLARIFICATION OR CORRECTION TO EVIDENTIARY MATERIALS
20 INTENDED FOR USE IN THE PROCEEDINGS.

21 (2) A COMMUNICATION BETWEEN THE COMMISSION OR A
22 COMMISSIONER AND LEGAL COUNSEL.

23 "FELONY." AN OFFENSE UNDER THE LAWS OF THIS COMMONWEALTH OR
24 THE LAWS OF ANOTHER JURISDICTION, PUNISHABLE BY IMPRISONMENT FOR
25 MORE THAN FIVE YEARS.

26 "FINANCIAL INTEREST." AN OWNERSHIP, PROPERTY, LEASEHOLD OR
27 OTHER BENEFICIAL INTEREST IN AN ENTITY. THE TERM SHALL NOT
28 INCLUDE AN INTEREST WHICH IS HELD OR DEEMED TO BE HELD IN ANY OF
29 THE FOLLOWING:

30 (1) SECURITIES THAT ARE HELD IN A PENSION PLAN, PROFIT-

1 SHARING PLAN, INDIVIDUAL RETIREMENT ACCOUNT, TAX-SHELTERED
2 ANNUITY, A PLAN ESTABLISHED UNDER SECTION 457 OF THE INTERNAL
3 REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 457), OR
4 ANY SUCCESSOR PROVISION, DEFERRED COMPENSATION PLAN WHETHER
5 QUALIFIED OR NOT QUALIFIED UNDER THE INTERNAL REVENUE CODE OF
6 1986, OR ANY SUCCESSOR PROVISION OR OTHER RETIREMENT PLAN
7 THAT:

8 (I) IS NOT SELF-DIRECTED BY THE INDIVIDUAL.

9 (II) IS ADVISED BY AN INDEPENDENT INVESTMENT ADVISER
10 WHO HAS SOLE AUTHORITY TO MAKE INVESTMENT DECISIONS WITH
11 RESPECT TO CONTRIBUTIONS MADE BY THE INDIVIDUAL TO THESE
12 PLANS.

13 (2) A TUITION ACCOUNT PLAN ORGANIZED AND OPERATED UNDER
14 SECTION 529 OF THE INTERNAL REVENUE CODE OF 1986 THAT IS NOT
15 SELF-DIRECTED BY THE INDIVIDUAL.

16 (3) A MUTUAL FUND WHERE THE INTEREST OWNED BY THE MUTUAL
17 FUND IN A LICENSED RACING ENTITY DOES NOT CONSTITUTE A
18 CONTROLLING INTEREST AS DEFINED IN 4 PA.C.S. § 1103 (RELATING
19 TO DEFINITIONS).

20 "HORSE RACE MEETING." A SPECIFIED PERIOD AND DATES EACH YEAR
21 DURING WHICH A LICENSED RACING ENTITY IS AUTHORIZED TO CONDUCT
22 LIVE RACING OR PARI-MUTUEL WAGERING AS APPROVED BY THE
23 COMMISSION.

24 "HORSE RACING." STANDARD BRED HORSE RACING AND THOROUGHBRED
25 HORSE RACING.

26 "HORSEMEN'S ORGANIZATION." A TRADE ASSOCIATION WHICH
27 REPRESENTS THE MAJORITY OF OWNERS AND TRAINERS WHO OWN AND RACE
28 HORSES AT A RACETRACK.

29 "IMMEDIATE FAMILY." A SPOUSE, PARENT, BROTHER, SISTER OR
30 CHILD.

1 "IRREVOCABLE CLEAN LETTER OF CREDIT." A CLEAN LETTER OF
2 CREDIT WHICH CANNOT BE CANCELED OR AMENDED UNLESS THERE IS AN
3 AGREEMENT TO CANCEL OR AMEND AMONG ALL PARTIES TO THE LETTER OF
4 CREDIT.

5 "LAND MILE." A UNIT OF DISTANCE EQUAL TO 1,609.3 METERS OR
6 5,280 FEET, AS MEASURED IN A STRAIGHT LINE.

7 "LICENSED RACING ENTITY." ANY PERSON THAT HAS OBTAINED A
8 LICENSE TO CONDUCT LIVE THOROUGHBRED OR HARNESS HORSE RACE
9 MEETINGS RESPECTIVELY WITH PARI-MUTUEL WAGERING FROM THE
10 COMMISSION.

11 "LICENSEE." THE HOLDER OF A LICENSE ISSUED UNDER THIS
12 CHAPTER.

13 "NOMINAL CHANGE IN OWNERSHIP." THE SALE, PLEDGE,
14 ENCUMBRANCE, EXECUTION OF AN OPTION AGREEMENT OR OTHER TRANSFER
15 OF LESS THAN 5% OF THE EQUITY SECURITIES OR OTHER OWNERSHIP
16 INTEREST OF A PERSON WHOSE PERCENTAGE OWNERSHIP DOES NOT AFFECT
17 THE DECISIONS OF THE LICENSED RACING ENTITY.

18 "NONPRIMARY LOCATION." ANY FACILITY IN WHICH PARI-MUTUEL
19 WAGERING IS CONDUCTED BY A LICENSED RACING ENTITY PURSUANT TO
20 THIS CHAPTER OTHER THAN THE RACETRACK WHERE LIVE RACING IS
21 CONDUCTED.

22 "OWNERSHIP INTEREST." OWNING OR HOLDING, OR BEING DEEMED TO
23 HOLD, DEBT OR EQUITY SECURITIES OR OTHER OWNERSHIP INTEREST OR
24 PROFIT INTEREST.

25 "PARI-MUTUEL WAGERING." A FORM OF WAGERING, INCLUDING
26 MANUAL, ELECTRONIC, COMPUTERIZED AND OTHER FORMS AS APPROVED BY
27 THE COMMISSION, ON THE OUTCOME OF A HORSE RACING EVENT IN WHICH
28 ALL WAGERS ARE POOLED AND HELD BY A LICENSED RACING ENTITY OR
29 SECONDARY PARI-MUTUEL ORGANIZATION FOR DISTRIBUTION OF THE TOTAL
30 AMOUNT, LESS THE DEDUCTIONS AUTHORIZED BY LAW, TO HOLDERS OF

1 WINNING TICKETS.

2 "PERSON." ANY NATURAL PERSON, CORPORATION, FOUNDATION,
3 ORGANIZATION, BUSINESS TRUST, ESTATE, LIMITED LIABILITY COMPANY,
4 LICENSE CORPORATION, TRUST, PARTNERSHIP, LIMITED LIABILITY
5 PARTNERSHIP, ASSOCIATION OR ANY OTHER FORM OF LEGAL BUSINESS
6 ENTITY.

7 "PRIMARY MARKET AREA OF A RACETRACK." THE LAND AREA INCLUDED
8 IN A CIRCLE DRAWN WITH THE RACETRACK AS THE CENTER AND A RADIUS
9 OF 35 LAND MILES.

10 "PRINCIPAL." ANY OF THE FOLLOWING INDIVIDUALS ASSOCIATED
11 WITH A PARTNERSHIP, TRUST ASSOCIATION, LIMITED LIABILITY COMPANY
12 OR CORPORATION:

13 (1) THE CHAIRMAN AND EACH MEMBER OF THE BOARD OF
14 DIRECTORS OF A CORPORATION.

15 (2) EACH PARTNER OF A PARTNERSHIP AND EACH PARTICIPATING
16 MEMBER OF A LIMITED LIABILITY COMPANY.

17 (3) EACH TRUSTEE AND TRUST BENEFICIARY OF AN
18 ASSOCIATION.

19 (4) THE PRESIDENT OR CHIEF EXECUTIVE OFFICER AND EACH
20 OTHER OFFICER, MANAGER AND EMPLOYEE WHO HAS POLICY-MAKING OR
21 FIDUCIARY RESPONSIBILITY WITHIN THE ORGANIZATION.

22 (5) EACH STOCKHOLDER OR OTHER INDIVIDUAL WHO OWNS, HOLDS
23 OR CONTROLS, EITHER DIRECTLY OR INDIRECTLY, 5% OR MORE OF
24 STOCK OR FINANCIAL INTEREST IN THE COLLECTIVE ORGANIZATION.

25 (6) ANY OTHER EMPLOYEE, AGENT, GUARDIAN, PERSONAL
26 REPRESENTATIVE, LENDER OR HOLDER OF INDEBTEDNESS WHO HAS THE
27 POWER TO EXERCISE A SIGNIFICANT INFLUENCE OVER THE
28 APPLICANT'S OR LICENSEE'S OPERATION.

29 "RACETRACK." THE PHYSICAL FACILITY WHERE A LICENSED RACING
30 ENTITY CONDUCTS THOROUGHBRED OR STANDARD BRED HORSE RACE MEETINGS

1 RESPECTIVELY WITH PARI-MUTUEL WAGERING.

2 "RACETRACK ENCLOSURE." FOR PURPOSES OF THIS CHAPTER, THE
3 TERM "RACETRACK ENCLOSURE," WITH RESPECT TO EACH LICENSED RACING
4 ENTITY, SHALL BE DEEMED TO INCLUDE AT LEAST ONE PRIMARY
5 RACETRACK LOCATION AT WHICH HORSE RACE MEETINGS AUTHORIZED TO BE
6 HELD BY THE LICENSED RACING ENTITIES ARE CONDUCTED, INCLUDING
7 THE GRANDSTAND, FRONTSIDE AND BACKSIDE FACILITIES AND ALL
8 PRIMARY, NONPRIMARY, CONTIGUOUS AND NONCONTIGUOUS LOCATIONS OF
9 THE LICENSED RACING ENTITY WHICH ARE SPECIFICALLY APPROVED BY
10 THE COMMISSION FOR CONDUCTING THE PARI-MUTUEL SYSTEM OF WAGERING
11 ON THE RESULTS OF HORSE RACING HELD AT SUCH MEETINGS OR RACE
12 MEETINGS CONDUCTED BY ANOTHER LICENSED RACING ENTITY OR
13 TRANSMITTED TO SUCH LOCATIONS BY SIMULCASTING.

14 "RACING VENDOR." A PERSON WHO PROVIDES GOODS OR SERVICES TO
15 A LICENSED RACING ENTITY DIRECTLY RELATED TO RACING OR THE
16 RACING PRODUCT, AS DETERMINED BY THE COMMISSION.

17 "SECONDARY MARKET AREA OF A RACETRACK." THE LAND AREA
18 INCLUDED IN A CIRCLE DRAWN WITH THE RACETRACK AS THE CENTER AND
19 A RADIUS OF 50 LAND MILES, NOT INCLUDING THE PRIMARY MARKET AREA
20 OF THE RACETRACK.

21 "SECONDARY PARI-MUTUEL ORGANIZATION." A LICENSED ENTITY,
22 OTHER THAN A LICENSED RACING ENTITY, THAT OFFERS AND ACCEPTS
23 PARI-MUTUEL WAGERS. A PERSON OR ENTITY THAT PROVIDES TO A
24 LICENSED RACING ENTITY HARDWARE, SOFTWARE, EQUIPMENT, CONTENT OR
25 SERVICES USED TO MANAGE, CONDUCT, OPERATE OR RECORD PARI-MUTUEL
26 WAGERING ACTIVITY BY OR FROM RESIDENTS OF THIS COMMONWEALTH
27 SHALL NOT BE DEEMED TO BE A SECONDARY PARI-MUTUEL ORGANIZATION
28 SOLELY BY VIRTUE OF THE PROVISION OF THE ASSETS OR SERVICES.

29 "SIMULCAST." LIVE VIDEO AND AUDIO TRANSMISSION OF A RACE AND
30 PARI-MUTUEL INFORMATION FOR THE PURPOSE OF PARI-MUTUEL WAGERING

1 AT LOCATIONS OTHER THAN THE RACETRACK WHERE THE RACE IS RUN.

2 "STANDARD BRED HORSE RACING" OR "HARNESS RACING." A FORM OF
3 HORSE RACING IN WHICH THE HORSES PARTICIPATING ARE ATTACHED "IN
4 HARNESS" TO A SULKY OR OTHER SIMILAR VEHICLE, AT A SPECIFIC
5 GAIT, EITHER A TROT OR PACE.

6 "SUBSTANTIAL CHANGE IN OWNERSHIP." THE SALE, PLEDGE,
7 ENCUMBRANCE, EXECUTION OF AN OPTION AGREEMENT OR ANOTHER
8 TRANSFER OF 5% OR MORE OF THE EQUITY SECURITIES OR OTHER
9 OWNERSHIP INTEREST OF A PERSON WHOSE PERCENTAGE OWNERSHIP
10 AFFECTS THE DECISIONS OF THE LICENSED RACING ENTITY.

11 "THOROUGHBRED HORSE RACING." THE FORM OF HORSE RACING IN
12 WHICH EACH PARTICIPATING HORSE IS MOUNTED BY A JOCKEY, IS DULY
13 REGISTERED WITH THE JOCKEY CLUB OF NEW YORK AND ENGAGES IN HORSE
14 RACING ON THE FLAT, WHICH MAY INCLUDE A STEEPLECHASE OR HURDLE
15 RACE.

16 "TOTALISATOR." A COMPUTER SYSTEM USED TO POOL WAGERS, RECORD
17 SALES, CALCULATE PAYOFFS AND DISPLAY WAGERING DATA ON A DISPLAY
18 DEVICE THAT IS LOCATED AT A PARI-MUTUEL FACILITY OR NONPRIMARY
19 LOCATION.

20 SUBCHAPTER B

21 RACING OVERSIGHT

22 SEC.

23 9311. STATE HORSE RACING COMMISSION.

24 9312. ADDITIONAL POWERS OF COMMISSION.

25 9313. BUDGET.

26 9314. LOCATION.

27 9315. NUMBER OF LICENSED RACING ENTITIES.

28 9316. DEPARTMENT OF REVENUE.

29 9317. ALLOCATION OF RACING DAYS.

30 9318. LICENSES FOR HORSE RACE MEETINGS.

1 9319. CODE OF CONDUCT.
2 9320. FINANCIAL INTERESTS.
3 9321. OFFICIALS AT HORSE RACE MEETINGS.
4 9322. SECONDARY PARI-MUTUEL ORGANIZATION.
5 9323. OCCUPATIONAL LICENSES FOR INDIVIDUALS.
6 9324. (RESERVED).
7 9325. POWER OF COMMISSION TO IMPOSE FINES.
8 9326. ADMISSION TO RACETRACK.
9 9327. SECURITY PERSONNEL.
10 9328. (RESERVED).
11 9329. INTERSTATE SIMULCASTING.
12 9330. PLACE AND MANNER OF CONDUCTING PARI-MUTUELWAGERING AT
13 RACETRACK ENCLOSURE.
14 9331. PARI-MUTUEL WAGERING AT NONPRIMARY LOCATIONS.
15 9332. BOOKS AND RECORDS OF PARI-MUTUEL WAGERING.
16 9333. FILING OF CERTAIN AGREEMENTS WITH COMMISSION.
17 9334. STATE RACING FUND AND TAX RATE.
18 9335. PARI-MUTUEL POOL DISTRIBUTION.
19 9336. PENNSYLVANIA BREEDING FUND.
20 9337. PENNSYLVANIA SIRE STAKES FUND.
21 9338. FAIR FUND PROCEEDS.
22 9339. HEARING.
23 9340. PROHIBITION OF WAGERING.
24 9341. VETERINARIANS AND STATE STEWARDS.
25 9342. PROMOTIONS AND DISCOUNTS.
26 9343. MONITORING OF WAGERING ON VIDEO SCREENS.
27 9344. INTRASTATE SIMULCASTING.
28 9345. COMMINGLING.
29 9346. STANDARD BRED HORSE RACING PURSE MONEY.
30 § 9311. STATE HORSE RACING COMMISSION.

1 (A) ESTABLISHMENT.--THE STATE HORSE RACING COMMISSION IS
2 ESTABLISHED AS A COMMISSION WITHIN THE DEPARTMENT OF AGRICULTURE
3 TO INDEPENDENTLY REGULATE THE OPERATIONS OF HORSE RACING, THE
4 CONDUCT OF PARI-MUTUEL WAGERING AND THE PROMOTION AND MARKETING
5 OF HORSE RACING IN THIS COMMONWEALTH IN ACCORDANCE WITH THIS
6 CHAPTER.

7 (B) MEMBERSHIP.--THE COMMISSION SHALL CONSIST OF THE
8 FOLLOWING MEMBERS:

9 (1) FOUR MEMBERS APPOINTED BY THE GOVERNOR AS FOLLOWS:

10 (I) ONE INDIVIDUAL REPRESENTING THE THOROUGHBRED
11 HORSEMEN'S ORGANIZATIONS IN THIS COMMONWEALTH, SELECTED
12 FROM A LIST OF AT LEAST 10 QUALIFIED INDIVIDUALS
13 SUBMITTED BY THE THOROUGHBRED HORSEMEN'S ORGANIZATIONS.

14 (II) ONE INDIVIDUAL REPRESENTING A THOROUGHBRED
15 BREEDER ORGANIZATION IN THIS COMMONWEALTH, SELECTED FROM
16 A LIST OF AT LEAST 10 QUALIFIED INDIVIDUALS SUBMITTED BY
17 A THOROUGHBRED BREEDER ORGANIZATION.

18 (III) ONE INDIVIDUAL REPRESENTING THE STANDARDBRED
19 HORSEMEN'S ORGANIZATIONS IN THIS COMMONWEALTH, SELECTED
20 FROM A LIST OF AT LEAST 10 QUALIFIED INDIVIDUALS
21 SUBMITTED BY THE STANDARDBRED HORSEMEN'S ORGANIZATIONS.

22 (IV) ONE INDIVIDUAL REPRESENTING A STANDARDBRED
23 BREEDER ORGANIZATION IN THIS COMMONWEALTH, SELECTED FROM
24 A LIST OF AT LEAST 10 QUALIFIED INDIVIDUALS SUBMITTED BY
25 A STANDARDBRED BREEDER ORGANIZATION.

26 (2) ONE MEMBER APPOINTED BY EACH OF THE FOLLOWING, NONE
27 OF WHOM SHALL BE A MEMBER OF A HORSEMEN'S ORGANIZATION OR
28 BREEDER ORGANIZATION:

29 (I) THE PRESIDENT PRO TEMPORE OF THE SENATE.

30 (II) THE MINORITY LEADER OF THE SENATE.

1 (III) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

2 (IV) THE MINORITY LEADER OF THE HOUSE OF
3 REPRESENTATIVES.

4 (3) THE SECRETARY OF AGRICULTURE OR THE SECRETARY'S
5 DESIGNEE, WHO SHALL BE A NONVOTING EX OFFICIO MEMBER.

6 (4) ONE INDIVIDUAL WHO IS A LICENSED DOCTOR OF
7 VETERINARY MEDICINE IN THIS COMMONWEALTH, WHO SHALL NOT BE A
8 MEMBER OF A HORSEMEN'S ORGANIZATION OR A BREEDER
9 ORGANIZATION, APPOINTED BY THE GOVERNOR.

10 (5) EACH APPOINTING AUTHORITY SHALL MAKE ITS
11 APPOINTMENTS WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS
12 SECTION. APPOINTMENTS TO FILL A VACANCY SHALL BE MADE WITHIN
13 10 DAYS OF THE CREATION OF THE VACANCY. AN APPOINTMENT SHALL
14 NOT BE FINAL UNTIL RECEIPT BY THE APPOINTING AUTHORITY OF A
15 BACKGROUND INVESTIGATION OF THE APPOINTEE BY THE PENNSYLVANIA
16 STATE POLICE, WHICH SHALL BE COMPLETED WITHIN 30 DAYS OF THE
17 APPOINTMENT. A PERSON WHO HAS BEEN CONVICTED IN A DOMESTIC OR
18 FOREIGN JURISDICTION OF A FELONY, INFAMOUS CRIME, GAMBLING
19 OFFENSE OR AN OFFENSE RELATED TO FIXING HORSE RACES OR ANIMAL
20 CRUELTY MAY NOT BE APPOINTED TO THE COMMISSION.

21 (6) THE FOLLOWING SHALL APPLY TO APPOINTEES,
22 COMMISSIONERS, EMPLOYEES AND INDEPENDENT CONTRACTORS:

23 (I) EACH COMMISSIONER AT THE TIME OF APPOINTMENT
24 MUST BE AT LEAST 25 YEARS OF AGE AND MUST HAVE BEEN A
25 RESIDENT OF THIS COMMONWEALTH FOR A PERIOD OF AT LEAST
26 ONE YEAR IMMEDIATELY PRECEDING APPOINTMENT. EACH
27 COMMISSIONER MUST REMAIN A RESIDENT OF THIS COMMONWEALTH
28 DURING THE TERM OF MEMBERSHIP ON THE COMMISSION.

29 (II) EXCEPT FOR THE COMMISSIONER APPOINTED UNDER
30 PARAGRAPH (3), A PERSON MAY NOT BE APPOINTED A

1 COMMISSIONER IF THE PERSON IS A PUBLIC OFFICIAL OR PARTY
2 OFFICER AS DEFINED IN 4 PA.C.S. § 1512 (RELATING TO
3 FINANCIAL AND EMPLOYMENT INTERESTS) IN THIS COMMONWEALTH
4 OR ANY OF ITS POLITICAL SUBDIVISIONS.

5 (III) EACH COMMISSIONER, EMPLOYEE AND INDEPENDENT
6 CONTRACTOR OF THE COMMISSION MUST SIGN AN AGREEMENT NOT
7 TO DISCLOSE CONFIDENTIAL INFORMATION.

8 (IV) EXCEPT FOR A COMMISSIONER APPOINTED UNDER
9 PARAGRAPH (1), A COMMISSIONER, EMPLOYEE OR INDEPENDENT
10 CONTRACTOR OF THE COMMISSION OR OTHER AGENCY HAVING
11 REGULATORY AUTHORITY OVER HORSE RACING UNDER THIS CHAPTER
12 MAY NOT BE EMPLOYED, HOLD AN OFFICE OR POSITION OR BE
13 ENGAGED IN AN ACTIVITY WHICH IS INCOMPATIBLE WITH THE
14 POSITION, EMPLOYMENT OR CONTRACT.

15 (V) A COMMISSIONER MAY NOT BE PAID OR RECEIVE A FEE
16 OR OTHER COMPENSATION FOR ANY ACTIVITY RELATED TO THE
17 DUTIES OR AUTHORITY OF THE COMMISSION OTHER THAN
18 COMPENSATION AND EXPENSES PROVIDED BY LAW.

19 (VI) A COMMISSIONER, EMPLOYEE OR INDEPENDENT
20 CONTRACTOR OF THE COMMISSION MAY NOT PARTICIPATE IN A
21 HEARING, PROCEEDING OR OTHER MATTER IN WHICH THE MEMBER,
22 EMPLOYEE OR INDEPENDENT CONTRACTOR, OR THE IMMEDIATE
23 FAMILY THEREOF, HAS A FINANCIAL INTEREST IN THE SUBJECT
24 MATTER OF THE HEARING OR PROCEEDING OR OTHER INTEREST
25 THAT COULD BE SUBSTANTIALLY AFFECTED BY THE OUTCOME OF
26 THE HEARING OR PROCEEDING WITHOUT FIRST FULLY DISCLOSING
27 THE NATURE OF THE INTEREST TO THE COMMISSION AND OTHER
28 PERSONS PARTICIPATING IN THE HEARING OR PROCEEDING. THE
29 COMMISSION SHALL DETERMINE IF THE INTEREST IS A
30 DISQUALIFYING INTEREST THAT REQUIRES THE DISQUALIFICATION

1 OR NONPARTICIPATION OF A COMMISSIONER, AN EMPLOYEE OR
2 INDEPENDENT CONTRACTOR.

3 (VII) AT THE TIME OF APPOINTMENT AND ANNUALLY
4 THEREAFTER, EACH COMMISSIONER SHALL DISCLOSE THE
5 EXISTENCE OF ANY FINANCIAL INTEREST IN ANY APPLICANT OR
6 LICENSED RACING ENTITY AND IN AN AFFILIATE, INTERMEDIARY,
7 SUBSIDIARY OR HOLDING COMPANY THEREOF HELD BY THE
8 COMMISSIONER OR KNOWN TO BE HELD BY A COMMISSIONER'S
9 IMMEDIATE FAMILY. THE DISCLOSURE STATEMENT SHALL BE FILED
10 WITH EACH DIRECTOR ESTABLISHED UNDER SUBSECTION (D) (2)
11 AND WITH THE APPOINTING AUTHORITY FOR SUCH COMMISSIONER
12 AND SHALL BE OPEN TO INSPECTION BY THE PUBLIC AT THE
13 OFFICE OF THE COMMISSION DURING THE NORMAL BUSINESS HOURS
14 OF THE COMMISSION AND POSTED ON THE COMMISSION'S INTERNET
15 WEBSITE FOR THE DURATION OF A COMMISSIONER'S TERM AND FOR
16 TWO YEARS AFTER A COMMISSIONER LEAVES OFFICE.

17 (VIII) (RESERVED).

18 (IX) A COMMISSIONER, EMPLOYEE OR BUREAU DIRECTOR OF
19 THE COMMISSION MAY NOT DIRECTLY OR INDIRECTLY SOLICIT,
20 REQUEST, SUGGEST OR RECOMMEND TO ANY APPLICANT, LICENSED
21 RACING ENTITY OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY
22 OR HOLDING COMPANY THEREOF OR TO AN EMPLOYEE OR AGENT
23 THEREOF, THE APPOINTMENT OR EMPLOYMENT OF ANY PERSON IN
24 ANY CAPACITY BY THE APPLICANT, LICENSED RACING ENTITY OR
25 AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY
26 THEREOF DURING THE TERM OF OFFICE OR EMPLOYMENT WITH THE
27 COMMISSION.

28 (X) EXCEPT FOR A COMMISSIONER APPOINTED UNDER
29 PARAGRAPH (1), A COMMISSIONER MAY NOT ACCEPT EMPLOYMENT
30 WITH AN APPLICANT FOR A HORSE RACING LICENSE, A LICENSED

1 RACING ENTITY, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY
2 OR HOLDING COMPANY THEREOF, FOR A PERIOD OF TWO YEARS
3 FROM THE TERMINATION OF TERM OF OFFICE.

4 (XI) A FORMER COMMISSIONER MAY NOT APPEAR BEFORE THE
5 COMMISSION IN ANY HEARING OR PROCEEDING OR PARTICIPATE IN
6 ANY OTHER ACTIVITY ON BEHALF OF ANY APPLICANT FOR A HORSE
7 RACING LICENSE, A LICENSED RACING ENTITY, OR AN
8 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF
9 AN APPLICANT OR LICENSED RACING ENTITY FOR A PERIOD OF
10 TWO YEARS FROM THE TERMINATION OF TERM OF OFFICE.

11 (XII) A COMMISSIONER OR EMPLOYEE OF THE COMMISSION
12 MAY NOT ACCEPT A COMPLIMENTARY SERVICE, PLACE A WAGER OR
13 BE PAID ANY PRIZE FROM ANY WAGER ON A HORSE RACE AT A
14 RACETRACK OR NONPRIMARY LOCATION WITHIN THIS COMMONWEALTH
15 OR AT ANY OTHER RACETRACK OR NONPRIMARY LOCATION OUTSIDE
16 THIS COMMONWEALTH WHICH IS OWNED OR OPERATED BY A
17 LICENSED RACING ENTITY OR ANY OF ITS AFFILIATES,
18 INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES FOR THE
19 DURATION OF THE COMMISSIONER'S OR EMPLOYEE'S TERM OF
20 OFFICE OR EMPLOYMENT. NOTHING IN THIS SECTION SHALL BE
21 CONSTRUED TO PROHIBIT A COMMISSIONER APPOINTED UNDER
22 PARAGRAPH (1) FROM BEING AWARDED A PURSE OR BREEDERS'
23 AWARD FOR THE COMMISSIONER'S PARTICIPATION IN HORSE
24 RACING.

25 (XIII) A COMMISSIONER WHO HAS BEEN CONVICTED DURING
26 HIS TERM OF OFFICE IN A DOMESTIC OR FOREIGN JURISDICTION
27 OF A FELONY, INFAMOUS CRIME, OFFENSE RELATED TO FIXING OR
28 RIGGING HORSE RACES OR GAMBLING OFFENSE SHALL, UPON
29 CONVICTION, BE AUTOMATICALLY REMOVED FROM THE COMMISSION
30 AND SHALL BE INELIGIBLE TO BECOME A COMMISSIONER IN THE

1 FUTURE.

2 (XIV) THE FOLLOWING SHALL APPLY TO AN EMPLOYEE OF
3 THE COMMISSION, WHO IS NOT SUBJECT TO A COLLECTIVE
4 BARGAINING AGREEMENT, WHOSE DUTIES SUBSTANTIALLY INVOLVE
5 LICENSING, ENFORCEMENT, DEVELOPMENT OF LAW, PROMULGATION
6 OF REGULATIONS OR DEVELOPMENT OF POLICY, RELATING TO
7 HORSE RACING UNDER THIS CHAPTER OR WHO HAS OTHER
8 DISCRETIONARY AUTHORITY WHICH MAY AFFECT OR INFLUENCE THE
9 OUTCOME OF AN ACTION, PROCEEDING OR DECISION UNDER THIS
10 CHAPTER, INCLUDING THE DIRECTOR OF A BUREAU:

11 (A) THE INDIVIDUAL MAY NOT, FOR A PERIOD OF TWO
12 YEARS FOLLOWING TERMINATION OF EMPLOYMENT, ACCEPT
13 EMPLOYMENT WITH OR BE RETAINED BY AN APPLICANT FOR A
14 HORSE RACING LICENSE OR A LICENSED RACING ENTITY OR
15 BY AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
16 COMPANY OF AN APPLICANT OR A LICENSED RACING ENTITY.

17 (B) THE INDIVIDUAL MAY NOT, FOR A PERIOD OF TWO
18 YEARS FOLLOWING TERMINATION OF EMPLOYMENT, APPEAR
19 BEFORE THE COMMISSION IN A HEARING OR PROCEEDING OR
20 PARTICIPATE IN ACTIVITY ON BEHALF OF ANY APPLICANT,
21 LICENSEE OR LICENSED RACING ENTITY OR ON BEHALF OF AN
22 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
23 COMPANY OF ANY APPLICANT, LICENSEE OR LICENSED RACING
24 ENTITY.

25 (C) THIS SUBPARAGRAPH SHALL NOT APPLY TO AN
26 EMPLOYEE SUBJECT TO THE JURISDICTION OF THE
27 PENNSYLVANIA SUPREME COURT UNDER SECTION 10(C) OF
28 ARTICLE V OF THE CONSTITUTION OF PENNSYLVANIA.

29 (XV) NOTHING UNDER SUBPARAGRAPH (XIV) SHALL PREVENT
30 A CURRENT OR FORMER EMPLOYEE OF THE COMMISSION FROM

1 APPEARING BEFORE THE COMMISSION IN A HEARING OR
2 PROCEEDING AS A WITNESS OR TESTIFYING AS TO A FACT OR
3 INFORMATION.

4 (XVI) THE STATE ETHICS COMMISSION SHALL ISSUE A
5 WRITTEN DETERMINATION OF WHETHER A PERSON IS SUBJECT TO
6 SUBPARAGRAPH (XIV) UPON THE WRITTEN REQUEST OF THE PERSON
7 OR THE PERSON'S EMPLOYER OR POTENTIAL EMPLOYER. A PERSON
8 THAT RELIES IN GOOD FAITH ON A DETERMINATION ISSUED UNDER
9 THIS PARAGRAPH SHALL NOT BE SUBJECT TO ANY PENALTY FOR AN
10 ACTION TAKEN, IF ALL MATERIAL FACTS SET FORTH IN THE
11 REQUEST FOR THE DETERMINATION ARE CORRECT.

12 (XVII) THE STATE ETHICS COMMISSION SHALL PUBLISH A
13 LIST OF ALL EMPLOYMENT POSITIONS WITHIN THE COMMISSION
14 WHOSE DUTIES WOULD SUBJECT THE INDIVIDUALS IN THOSE
15 POSITIONS TO THE PROVISIONS OF SUBPARAGRAPH (XIV). THE
16 COMMISSION SHALL ASSIST THE STATE ETHICS COMMISSION IN
17 THE DEVELOPMENT OF THE LIST, WHICH SHALL BE PUBLISHED BY
18 THE STATE ETHICS COMMISSION IN THE PENNSYLVANIA BULLETIN
19 BIENNIALLY AND POSTED BY THE COMMISSION ON THE
20 COMMISSION'S INTERNET WEBSITE. UPON REQUEST, EMPLOYEES OF
21 THE COMMISSION SHALL HAVE A DUTY TO PROVIDE THE STATE
22 ETHICS COMMISSION WITH ADEQUATE INFORMATION TO ACCURATELY
23 DEVELOP AND MAINTAIN THE LIST. THE STATE ETHICS
24 COMMISSION MAY IMPOSE A CIVIL PENALTY UNDER 65 PA.C.S. §
25 1109(F) (RELATING TO PENALTIES) UPON AN INDIVIDUAL WHO
26 FAILS TO COOPERATE WITH THE STATE ETHICS COMMISSION UNDER
27 THIS SUBPARAGRAPH. AN INDIVIDUAL WHO RELIES IN GOOD FAITH
28 ON THE LIST PUBLISHED BY THE STATE ETHICS COMMISSION
29 SHALL NOT BE SUBJECT TO ANY PENALTY FOR A VIOLATION OF
30 SUBPARAGRAPH (XIV).

1 (XVIII) A COMMISSIONER MAY NOT SOLICIT, REQUEST,
2 SUGGEST OR RECOMMEND THE EMPLOYMENT BY THE COMMISSION OF
3 AN IMMEDIATE FAMILY MEMBER.

4 (XIX) IF A COMMISSIONER VIOLATES ANY PROVISION OF
5 THIS SECTION, THE APPOINTING AUTHORITY MAY REMOVE THE
6 PERSON FROM THE COMMISSION. A COMMISSIONER REMOVED UNDER
7 THIS PARAGRAPH SHALL, FOR A PERIOD OF FIVE YEARS
8 FOLLOWING REMOVAL, BE PROHIBITED FROM FUTURE APPOINTMENT
9 TO THE COMMISSION AND SHALL BE PROHIBITED FROM APPLYING
10 FOR A LICENSE OR OTHER AUTHORIZATION UNDER THIS CHAPTER
11 AND FROM BECOMING AN INDEPENDENT CONTRACTOR WITH THE
12 COMMISSION.

13 (XX) EXCEPT FOR A COMMISSIONER APPOINTED UNDER
14 PARAGRAPH (1), A COMMISSIONER OR EMPLOYEE OF THE
15 COMMISSION MAY NOT DIRECTLY OR INDIRECTLY HAVE AN
16 OWNERSHIP INTEREST IN A RACE HORSE WHICH IS ENTERED IN A
17 HORSE RACE MEETING IN THIS COMMONWEALTH.

18 (7) A COMMISSIONER SHALL NOT BE PERSONALLY LIABLE FOR
19 ANY OF THE FOLLOWING:

20 (I) OBLIGATIONS OF THE COMMISSION.

21 (II) ACTIONS WHICH WERE WITHIN THE SCOPE OF THEIR
22 OFFICE AND MADE IN GOOD FAITH.

23 (B.1) INITIAL APPOINTMENTS TO COMMISSION.--

24 (1) APPOINTEES INITIALLY APPOINTED UNDER SUBSECTION (B)
25 SHALL SERVE AN INITIAL TERM OF TWO YEARS AND UNTIL THEIR
26 SUCCESSORS ARE APPOINTED AND QUALIFIED.

27 (2) AN APPOINTMENT TO FILL A VACANCY CREATED BY A
28 COMMISSIONER APPOINTED IN ACCORDANCE WITH PARAGRAPH (1) SHALL
29 BE FOR THE REMAINDER OF THE UNEXPIRED TERM.

30 (B.2) TERMS OF OFFICE.--UPON THE EXPIRATION OF A TERM OF A

1 COMMISSIONER APPOINTED UNDER SUBSECTIONS (B) AND (B.1), THE
2 FOLLOWING SHALL APPLY:

3 (1) THE TERM OF OFFICE OF A GUBERNATORIAL APPOINTEE
4 SHALL BE THREE YEARS AND UNTIL A SUCCESSOR IS APPOINTED AND
5 QUALIFIED.

6 (2) THE TERM OF OFFICE OF A LEGISLATIVE APPOINTEE SHALL
7 BE TWO YEARS AND UNTIL A SUCCESSOR IS APPOINTED AND
8 QUALIFIED.

9 (3) A LEGISLATIVE APPOINTEE SHALL SERVE NO MORE THAN
10 THREE FULL CONSECUTIVE TERMS.

11 (4) A GUBERNATORIAL APPOINTEE SHALL SERVE NO MORE THAN
12 TWO FULL CONSECUTIVE TERMS.

13 (5) AN APPOINTMENT TO FILL A VACANCY SHALL BE FOR THE
14 REMAINDER OF THE UNEXPIRED TERM.

15 (6) A COMMISSIONER APPOINTED TO FILL A VACANCY UNDER
16 PARAGRAPH (3) MAY SERVE THREE FULL TERMS FOLLOWING THE
17 EXPIRATION OF THE TERM RELATED TO THE VACANCY.

18 (7) A COMMISSIONER APPOINTED TO FILL A VACANCY UNDER
19 PARAGRAPH (4) MAY SERVE TWO FULL TERMS FOLLOWING THE
20 EXPIRATION OF THE TERM RELATED TO THE VACANCY.

21 (C) CHAIRPERSON.--THE GOVERNOR SHALL APPOINT THE CHAIRPERSON
22 OF THE COMMISSION.

23 (C.1) COMPENSATION.--COMMISSIONERS SHALL BE REIMBURSED FOR
24 DOCUMENTED EXPENSES INCURRED IN THE PERFORMANCE OF THEIR
25 OFFICIAL DUTIES AND EXCEPT FOR COMMISSIONERS APPOINTED UNDER
26 SUBSECTION (B) (3), COMMISSIONERS SHALL BE PAID \$150 PER DIEM.

27 (C.2) MEETINGS.--THE COMMISSION SHALL MEET AT LEAST ONCE A
28 MONTH AND AT OTHER TIMES AS THE COMMISSION CHAIRPERSON DEEMS
29 NECESSARY. PUBLIC NOTICE OF THE TIME AND PLACE OF MEETINGS OF
30 THE COMMISSION SHALL BE GIVEN IN ACCORDANCE WITH 65 PA.C.S. CH.

1 7 (RELATING TO OPEN MEETINGS).

2 (D) OFFICE OF HORSE RACING.--THERE IS HEREBY ESTABLISHED
3 WITHIN THE COMMISSION AN OFFICE OF HORSE RACING.

4 (1) THE OFFICE SHALL BE COMPRISED OF THE FOLLOWING:

5 (I) THE BUREAU OF THOROUGHBRED HORSE RACING SHALL
6 HAVE OVERSIGHT OVER THE CONDUCT OF THOROUGHBRED HORSE
7 RACING IN THIS COMMONWEALTH.

8 (II) THE BUREAU OF STANDARDBRED HORSE RACING SHALL
9 HAVE OVERSIGHT OVER THE CONDUCT OF STANDARDBRED HORSE
10 RACING IN THIS COMMONWEALTH.

11 (2) THERE SHALL BE A DIRECTOR OF THE BUREAU OF
12 THOROUGHBRED HORSE RACING AND A DIRECTOR OF THE BUREAU OF
13 STANDARDBRED HORSE RACING TO SERVE AND REPORT TO THE
14 COMMISSION. THE DIRECTOR OF EACH BUREAU SHALL NOT BE
15 SUPERVISED BY THE DEPARTMENT OF AGRICULTURE. THE COMMISSION
16 SHALL ASSIGN THE DIRECTORS DUTIES AND RESPONSIBILITIES AS
17 REQUIRED TO FULFILL THE COMMISSION'S OBLIGATIONS UNDER THIS
18 CHAPTER OR ANY OTHER ACT. THE COMMISSION MAY, BY ORDER,
19 DELEGATE DUTIES AND RESPONSIBILITIES TO THE BUREAU DIRECTOR
20 AS THE COMMISSION DETERMINES NECESSARY TO DISCHARGE THE DAY-
21 TO-DAY LICENSING, ENFORCEMENT AND ADMINISTRATIVE OPERATIONS
22 OF THE COMMISSION. THE DIRECTOR OF EACH BUREAU ESTABLISHED IN
23 THIS SECTION MUST MEET ALL OF THE FOLLOWING REQUIREMENTS:

24 (I) HAS EITHER:

25 (A) BEEN CERTIFIED AS A RACING OFFICIAL; OR

26 (B) HAS AT LEAST FIVE YEARS' EXPERIENCE IN THE
27 MANAGEMENT OF A LICENSED RACING ENTITY OR EQUIVALENT
28 RACING EXPERIENCE.

29 (II) ANY OTHER CRITERIA ESTABLISHED BY THE
30 COMMISSION.

1 (3) EACH BUREAU ESTABLISHED UNDER THIS SUBSECTION SHALL
2 HAVE THE FOLLOWING POWERS AND DUTIES:

3 (I) EVALUATE AND REVIEW ALL APPLICANTS AND
4 APPLICATIONS FOR A THOROUGHBRED HORSE RACING OR
5 STANDARD BRED HORSE RACING LICENSE. A BUREAU UNDER THIS
6 SECTION SHALL BE PROHIBITED FROM DISCLOSING ANY PORTION
7 OF AN EVALUATION TO A COMMISSIONER PRIOR TO THE DECISION
8 RELATING TO THE APPLICANT'S SUITABILITY FOR LICENSURE BY
9 THE COMMISSION.

10 (II) INSPECT AND MONITOR LICENSEES AND OTHER PERSONS
11 REGULATED UNDER THIS CHAPTER FOR NONCRIMINAL VIOLATIONS,
12 INCLUDING POTENTIAL VIOLATIONS REFERRED TO EITHER BUREAU
13 BY THE COMMISSION OR OTHER PERSON.

14 (III) MONITOR HORSE RACING OPERATIONS TO ENSURE
15 COMPLIANCE WITH THIS CHAPTER.

16 (IV) INSPECT AND EXAMINE LICENSED RACING ENTITIES
17 AND RACETRACK FACILITIES.

18 (A) INSPECTIONS MAY INCLUDE THE REVIEW AND
19 REPRODUCTION OF ANY DOCUMENT OR RECORD.

20 (B) EXAMINATIONS MAY INCLUDE THE REVIEW OF
21 ACCOUNTING, ADMINISTRATIVE AND FINANCIAL RECORDS,
22 MANAGEMENT CONTROL SYSTEMS, PROCEDURES AND OTHER
23 RECORDS.

24 (V) REFER POSSIBLE CRIMINAL VIOLATION TO LAW
25 ENFORCEMENT.

26 (VI) COOPERATE IN THE INVESTIGATION AND PROSECUTION
27 OF ANY CRIMINAL VIOLATION.

28 (VII) ISSUE ADMINISTRATIVE SUBPOENAS TO EFFECTUATE
29 AN INSPECTION AND REVIEW UNDER THIS PARAGRAPH, ADMINISTER
30 OATHS AND TAKE TESTIMONY AS NECESSARY FOR THE

1 ADMINISTRATION OF THIS CHAPTER.

2 (E) JURISDICTION.--THE COMMISSION SHALL HAVE JURISDICTION
3 AND REGULATORY AUTHORITY OVER THE FOLLOWING:

4 (1) PARI-MUTUEL WAGERING AND OTHER HORSE RACING
5 ACTIVITIES IN THIS COMMONWEALTH.

6 (2) A LICENSED PERSON ENGAGED IN PARI-MUTUEL HORSE
7 RACING ACTIVITIES.

8 (3) OUT-OF-COMPETITION DRUG TESTING, WHICH SHALL INCLUDE
9 THE RANDOM DRUG TESTING OF ANY HORSE ENTERED IN A RACE,
10 NOTWITHSTANDING THE PHYSICAL LOCATION OF THE HORSE, STABLED
11 ON THE GROUNDS OR SHIPPED INTO A LICENSED RACING ENTITY'S
12 FACILITY.

13 (4) THE CONDUCT OF HORSE RACING IN THIS COMMONWEALTH.

14 (F) VOTING.--

15 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,
16 ACTIONS OF THE COMMISSION SHALL BE SUBJECT TO A SIMPLE
17 MAJORITY VOTE OF THE COMMISSION.

18 (2) A QUALIFIED MAJORITY VOTE CONSISTING OF THE TWO
19 COMMISSIONERS APPOINTED UNDER SUBSECTION (B) (1) (I) AND (II)
20 AND AS MANY VOTES OF THE REMAINING VOTING COMMISSIONERS AS
21 NECESSARY TO CONSTITUTE A MAJORITY OF THOSE COMMISSIONERS
22 VOTING SHALL BE REQUIRED TO:

23 (I) APPROVE, ISSUE, DENY OR CONDITION A LICENSE TO
24 CONDUCT THOROUGHBRED HORSE RACE MEETINGS UNDER SECTION
25 9318 (RELATING TO LICENSES FOR HORSE RACE MEETINGS).

26 (II) ADOPT REGULATIONS GOVERNING THOROUGHBRED HORSE
27 RACE MEETINGS UNDER THIS SECTION.

28 (III) EMPLOY A DIRECTOR OF THE BUREAU OF
29 THOROUGHBRED HORSE RACING UNDER SUBSECTION (D) (2).

30 (3) A QUALIFIED MAJORITY VOTE CONSISTING OF THE TWO

1 COMMISSIONERS APPOINTED UNDER SUBSECTION (B) (1) (III) AND (IV)
2 AND AS MANY VOTES OF THE REMAINING VOTING COMMISSIONERS AS
3 NECESSARY TO CONSTITUTE A MAJORITY OF THOSE COMMISSIONERS
4 VOTING SHALL BE REQUIRED TO:

5 (I) APPROVE, ISSUE, DENY OR CONDITION A LICENSE TO
6 CONDUCT STANDARDBRED HORSE RACE MEETINGS UNDER SECTION
7 9318.

8 (II) ADOPT RULES AND REGULATIONS GOVERNING
9 STANDARDBRED HORSE RACE MEETINGS UNDER THIS SECTION.

10 (III) EMPLOY A DIRECTOR OF THE BUREAU OF
11 STANDARDBRED HORSE RACING UNDER SUBSECTION (D) (2).

12 (4) COMMISSIONERS APPOINTED UNDER SUBSECTION (B) (1) (I)
13 AND (II) SHALL BE DISQUALIFIED AND MUST ABSTAIN FROM VOTING
14 ON ANY MATTER UNDER PARAGRAPH (3).

15 (5) COMMISSIONERS APPOINTED UNDER SUBSECTION (B) (1) (III)
16 AND (IV) SHALL BE DISQUALIFIED AND MUST ABSTAIN FROM VOTING
17 ON ANY MATTER UNDER PARAGRAPH (2).

18 (6) IF ONE OR MORE APPOINTEES UNDER SUBSECTION (B) (1) IS
19 NOT PARTICIPATING IN VOTING ON ANY MATTER UPON WHICH THEY ARE
20 OTHERWISE ELIGIBLE TO VOTE UNDER PARAGRAPH (2) OR (3), THE
21 QUALIFIED MAJORITY SHALL CONSIST OF THE REMAINING APPOINTEE
22 UNDER THE RESPECTIVE SUBPARAGRAPH OF SUBSECTION (B) (1)
23 PURSUANT TO WHICH THE NONPARTICIPATING COMMISSIONER HAS BEEN
24 APPOINTED, IF ANY, AND AS MANY COMMISSIONERS AS NECESSARY TO
25 CONSTITUTE A MAJORITY OF THOSE COMMISSIONERS VOTING.

26 (G) RECORDS.--THE COMMISSION SHALL MAINTAIN AT ITS OFFICE
27 THE FOLLOWING:

28 (1) ALL DOCUMENTS, DIGITAL OR NONDIGITAL, PROVIDED TO OR
29 FILED WITH THE COMMISSION RELATING TO THE REGULATION OF HORSE
30 RACING AND PARI-MUTUEL WAGERING UNDER THIS CHAPTER. THE

1 COMMISSION MAY ACCEPT DIGITAL SIGNATURES ON DOCUMENTS
2 PROVIDED OR FILED AND DOCUMENTS MAY BE DESIGNATED AS
3 CONFIDENTIAL IN ACCORDANCE WITH COMMISSION POLICY.

4 (2) A DOCKET SETTING FORTH THE NAMES OF ALL STOCKHOLDERS
5 IN A LICENSED RACING ENTITY. THE DOCKET SHALL BE AVAILABLE
6 FOR PUBLIC INSPECTION DURING NORMAL BUSINESS HOURS OF THE
7 COMMISSION.

8 (3) THE NUMBER OF SHARES HELD BY EACH STOCKHOLDER.

9 (4) A COMPLETE RECORD OF PROCEEDINGS OF THE COMMISSION
10 RELATING TO HORSE RACING AND PARI-MUTUEL WAGERING.

11 (H) RULES AND REGULATIONS.--THE FOLLOWING SHALL APPLY:

12 (1) ALL RULES AND REGULATIONS PROMULGATED UNDER THE
13 FORMER ACT OF DECEMBER 11, 1967 (P.L.707, NO.331), REFERRED
14 TO AS THE PENNSYLVANIA THOROUGHBRED HORSE RACING LAW, OR THE
15 FORMER ACT OF DECEMBER 22, 1959 (P.L.1978, NO.728), REFERRED
16 TO AS THE PENNSYLVANIA HARNESS RACING LAW, SHALL REMAIN IN
17 EFFECT EXCEPT TO THE EXTENT THAT THEY ARE IN DIRECT CONFLICT
18 WITH THIS CHAPTER. THE COMMISSION MAY ADOPT, AMEND, REVISE OR
19 ALTER THE RULES AND REGULATIONS AS THE COMMISSION DEEMS
20 NECESSARY.

21 (2) THE COMMISSION SHALL PROMULGATE RULES AND
22 REGULATIONS NECESSARY FOR THE ADMINISTRATION AND ENFORCEMENT
23 OF THIS CHAPTER. EXCEPT AS PROVIDED IN THIS PARAGRAPH AND
24 PARAGRAPH (3), REGULATIONS SHALL BE PROMULGATED IN ACCORDANCE
25 WITH LAW.

26 (3) IN ORDER TO FACILITATE THE PROMPT IMPLEMENTATION OF
27 THIS CHAPTER, REGULATIONS PROMULGATED BY THE COMMISSION SHALL
28 BE DEEMED TEMPORARY REGULATIONS WHICH SHALL NOT EXPIRE FOR A
29 PERIOD OF THREE YEARS FOLLOWING PUBLICATION. TEMPORARY
30 REGULATIONS SHALL NOT BE SUBJECT TO:

1 (I) SECTIONS 201, 202, 203, 204 AND 205 OF THE ACT
2 OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
3 COMMONWEALTH DOCUMENTS LAW.

4 (II) SECTIONS 204(B) AND 301(10) OF THE ACT OF
5 OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE
6 COMMONWEALTH ATTORNEYS ACT.

7 (III) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181),
8 KNOWN AS THE REGULATORY REVIEW ACT.

9 (4) THE COMMISSION'S AUTHORITY TO PROMULGATE TEMPORARY
10 REGULATIONS UNDER PARAGRAPH (3) SHALL EXPIRE THREE YEARS
11 AFTER THE EFFECTIVE DATE OF THIS SECTION. REGULATIONS ADOPTED
12 AFTER THIS PERIOD SHALL BE PROMULGATED AS PROVIDED BY LAW.

13 (I) APPLICATION.--THE COMMISSION SHALL DEVELOP AN
14 APPLICATION FOR APPLICANTS SEEKING A LICENSE TO CONDUCT HORSE
15 RACING PURSUANT TO THIS CHAPTER.

16 (J) LICENSES.--EACH LICENSE TO CONDUCT HORSE RACING OR ANY
17 OTHER ACTIVITY UNDER THIS CHAPTER ISSUED PRIOR TO JANUARY 1,
18 2017, SHALL REMAIN IN EFFECT FOR THE REMAINDER OF THE TERM FOR
19 WHICH THE LICENSE WAS ISSUED UNLESS REVOKED OR SUSPENDED.
20 BEGINNING JANUARY 1, 2017, A LICENSE SHALL BE RENEWED OR A NEW
21 LICENSE SHALL BE ISSUED IN ACCORDANCE WITH THIS CHAPTER.

22 (K) REPORT OF COMMISSION.--TWELVE MONTHS AFTER THE EFFECTIVE
23 DATE OF THIS SECTION AND EVERY YEAR ON THAT DATE THEREAFTER, THE
24 COMMISSION, THROUGH THE DEPARTMENT OF AGRICULTURE, SHALL ISSUE A
25 REPORT TO THE GOVERNOR AND EACH MEMBER OF THE GENERAL ASSEMBLY
26 ON THE GENERAL OPERATION OF THE COMMISSION AND EACH LICENSEE'S
27 PERFORMANCE, INCLUDING NUMBER AND WIN PER RACE AND TOTAL GROSS
28 REVENUE AT EACH FACILITY OF A LICENSED RACING ENTITY DURING THE
29 PREVIOUS YEAR, ALL TAXES, FEES, FINES AND OTHER REVENUES
30 COLLECTED AND, WHERE APPROPRIATE, DISBURSED, THE COSTS OF

1 OPERATION OF THE COMMISSION, ALL HEARINGS CONDUCTED AND THE
2 RESULTS OF THE HEARINGS AND OTHER INFORMATION THAT THE
3 COMMISSION DEEMS NECESSARY AND APPROPRIATE. NOTWITHSTANDING ANY
4 OTHER REPORTING REQUIREMENTS IN 4 PA.C.S. § 1211 (RELATING TO
5 REPORTS OF BOARD), THE PENNSYLVANIA GAMING CONTROL BOARD AND THE
6 DEPARTMENT OF AGRICULTURE MUST JOINTLY SUBMIT THE REPORT UNDER
7 THIS SUBSECTION RELATING TO RACING ON AN ANNUAL BASIS.

8 (L) RECORD OF PROCEEDINGS.--THE COMMISSION SHALL CAUSE TO BE
9 MADE AND KEPT A RECORD OF ALL PROCEEDINGS HELD AT PUBLIC
10 MEETINGS OF THE COMMISSION. A VERBATIM TRANSCRIPT OF THOSE
11 PROCEEDINGS SHALL BE PREPARED BY THE COMMISSION UPON THE REQUEST
12 OF ANY PERSON AND THE PAYMENT BY THAT PERSON OF THE COSTS OF
13 PREPARATION.

14 (M) PUBLIC RECORDS.--THE COMMISSION SHALL ANNUALLY POST ON
15 ITS INTERNET WEBSITE A LIST OF ALL THE ITEMIZED EXPENSES OF
16 EMPLOYEES AND COMMISSIONERS THAT WERE OR ARE TO BE REIMBURSED
17 FROM THE STATE RACING FUND. THE LIST SHALL IDENTIFY THE NATURE
18 OF THE EXPENSE, THE EMPLOYEE, MEMBER OR THE AGENCY AND EMPLOYEE
19 OF THE AGENCY TO WHICH AN EXPENSE IS ATTRIBUTABLE. BY OCTOBER 1
20 OF EACH YEAR, A FINAL REPORT OF ALL EXPENSES DESCRIBED IN THIS
21 SUBSECTION FOR THE PRECEDING FISCAL YEAR SHALL BE POSTED ON THE
22 COMMISSION'S INTERNET WEBSITE AND SHALL BE SUBMITTED TO THE
23 APPROPRIATIONS COMMITTEE OF THE SENATE, THE AGRICULTURE AND
24 RURAL AFFAIRS COMMITTEE OF THE SENATE, THE APPROPRIATIONS
25 COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE AGRICULTURE
26 AND RURAL AFFAIRS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.
27 INFORMATION POSTED ON THE INTERNET WEBSITE PURSUANT TO THIS
28 SUBSECTION SHALL BE FINANCIAL RECORDS FOR THE PURPOSES OF AND
29 SUBJECT TO REDACTION UNDER THE RIGHT-TO-KNOW LAW.

30 (N) REIMBURSEMENT.--THE DEPARTMENT OF AGRICULTURE'S

1 PROVISION OF SHARED ADMINISTRATIVE SERVICES, SHARED STAFF AND
2 SHARED FACILITIES TO THE COMMISSION MUST BE REIMBURSED FROM THE
3 STATE RACING FUND AND SHALL BE LIMITED TO ACTUAL COSTS OF
4 PROVIDING THE SERVICES, STAFF AND FACILITIES, INCLUDING
5 SALARIES, BENEFITS AND EXPENSES OF EMPLOYEES PROVIDING THE
6 SHARED ADMINISTRATIVE SERVICES. THE DEPARTMENT OF AGRICULTURE
7 MUST RETAIN RECORDS REGARDING ADMINISTRATIVE SHARED SERVICES
8 PROVIDED TO THE COMMISSION BY A DEPARTMENT OF AGRICULTURE'S
9 EMPLOYEE.

10 § 9312. ADDITIONAL POWERS OF COMMISSION.

11 THE COMMISSION SHALL REGULATE HORSE RACING AT WHICH PARI-
12 MUTUEL WAGERING IS CONDUCTED AND APPROVE THE NUMBER OF RACING
13 DAYS ALLOCATED TO EACH LICENSED RACING ENTITY. IN ADDITION TO
14 ANY OTHER POWERS OF THE COMMISSION:

15 (1) THE COMMISSION SHALL PROMULGATE REGULATIONS
16 REGARDING MEDICATION RULES AS REQUIRED UNDER SUBCHAPTER E
17 (RELATING TO MEDICATION RULES AND ENFORCEMENT PROVISIONS).

18 (2) THE FOLLOWING SHALL APPLY:

19 (I) THE COMMISSION SHALL REQUIRE AN APPLICANT UNDER
20 THIS CHAPTER TO SUBMIT TO FINGERPRINTING FOR A REPORT OF
21 FEDERAL CRIMINAL HISTORY RECORD INFORMATION.

22 (II) THE APPLICANT MUST SUBMIT A FULL SET OF
23 FINGERPRINTS TO THE PENNSYLVANIA STATE POLICE OR THE
24 PENNSYLVANIA STATE POLICE'S AUTHORIZED AGENT FOR THE
25 PURPOSE OR A RECORD CHECK. THE PENNSYLVANIA STATE POLICE
26 OR THE PENNSYLVANIA STATE POLICE'S AUTHORIZED AGENT MUST
27 THEN SUBMIT THE FINGERPRINTS TO THE FEDERAL BUREAU OF
28 INVESTIGATION FOR THE PURPOSE OF VERIFYING THE IDENTITY
29 OF THE APPLICANT AND OBTAINING A CURRENT RECORD OF ANY
30 CRIMINAL ARRESTS AND CONVICTIONS.

1 (III) THE COMMISSION SHALL CONSIDER INFORMATION
2 OBTAINED PURSUANT TO THIS PARAGRAPH FOR THE PURPOSE OF
3 SCREENING APPLICANTS FOR FITNESS FOR LICENSURE IN
4 ACCORDANCE WITH THE PROVISIONS OF THIS CHAPTER.

5 (IV) NATIONAL CRIMINAL HISTORY RECORD INFORMATION
6 RECEIVED BY THE COMMISSION SHALL BE HANDLED AND
7 MAINTAINED IN ACCORDANCE WITH FEDERAL BUREAU OF
8 INVESTIGATION POLICY.

9 (V) FINGERPRINTS OBTAINED UNDER THIS PARAGRAPH MAY
10 BE MAINTAINED BY THE COMMISSION AND PENNSYLVANIA STATE
11 POLICE TO ENFORCE THIS CHAPTER AND FOR GENERAL LAW
12 ENFORCEMENT PURPOSES.

13 (VI) IN ADDITION TO ANY OTHER FEE OR COST ASSESSED
14 BY THE COMMISSION, AN APPLICANT MUST PAY FOR THE COST OF
15 THE FINGERPRINT PROCESS.

16 (VII) THE COMMISSION MAY EXEMPT APPLICANTS FOR
17 POSITIONS NOT RELATED TO THE CARE OR TRAINING OF HORSES,
18 RACING, WAGERING, SECURITY OR THE MANAGEMENT OF A
19 LICENSED RACING ENTITY, FROM THE PROVISIONS OF THIS
20 CHAPTER.

21 (3) WITHIN 90 DAYS OF THE EFFECTIVE DATE OF THIS
22 SECTION, THE COMMISSION MUST ADOPT AND PUBLISH A
23 COMPREHENSIVE FEE SCHEDULE IN THE PENNSYLVANIA BULLETIN. TWO
24 YEARS FOLLOWING THE EFFECTIVE DATE OF THIS SECTION, THE
25 COMMISSION MAY ADOPT REGULATIONS TO ANNUALLY INCREASE ANY
26 FEE, CHARGE OR COST AUTHORIZED UNDER THIS CHAPTER.

27 (4) THE COMMISSION OR DESIGNATED EMPLOYEE OF THE
28 COMMISSION SHALL HAVE THE POWER TO ADMINISTER OATHS AND
29 EXAMINE WITNESSES AND MAY ISSUE SUBPOENAS TO COMPEL
30 ATTENDANCE OF WITNESSES AND PRODUCTION OF ALL RELEVANT AND

1 MATERIAL REPORTS, BOOKS, PAPERS, DOCUMENTS, CORRESPONDENCE
2 AND OTHER EVIDENCE RELATED TO REGULATION AND ENFORCEMENT OF
3 HORSE RACING UNDER THIS CHAPTER.

4 (5) THE COMMISSION'S CONSIDERATION AND RESOLUTION OF ALL
5 LICENSE OR OTHER REGULATORY ADMINISTRATIVE ACTIONS SHALL BE
6 CONDUCTED IN ACCORDANCE WITH 2 PA.C.S. (RELATING TO
7 ADMINISTRATIVE LAW AND PROCEDURE) OR WITH PROCEDURES ADOPTED
8 BY ORDER OF THE COMMISSION. NOTWITHSTANDING 2 PA.C.S. §§ 504
9 (RELATING TO HEARING AND RECORD) AND 505 (RELATING TO
10 EVIDENCE AND CROSS-EXAMINATION), THE COMMISSION MAY ADOPT
11 PROCEDURES TO PROVIDE PARTIES BEFORE IT WITH A DOCUMENTARY
12 HEARING AND MAY RESOLVE DISPUTED MATERIAL FACTS WITHOUT
13 CONDUCTING AN ORAL HEARING WHERE CONSTITUTIONALLY
14 PERMISSIBLE.

15 (6) THE COMMISSION MAY ADOPT NATIONAL STANDARDS FROM
16 OTHER RACING JURISDICTIONS OR COMMISSION-APPROVED TRADE
17 ORGANIZATIONS TO ESTABLISH:

18 (I) UNIFORM DRUG THRESHOLD LEVELS;

19 (II) CONSISTENT SANCTIONS FOR DRUG TESTING
20 VIOLATIONS; AND

21 (III) A SYSTEM TO MONITOR ADVANCED DEPOSIT WAGERING
22 AND ONLINE PARI-MUTUEL WAGERING COMPANY ACTIVITIES.

23 (7) THE COMMISSION MAY ISSUE GRANTS FROM THE ANNUAL
24 APPROPRIATIONS TO RACE HORSE RESCUE AND REHABILITATION
25 PROGRAMS OPERATING WITHIN THIS COMMONWEALTH.

26 (8) THE COMMISSION SHALL DIRECT AND OVERSEE THAT EACH
27 LICENSED RACING ENTITY'S RACETRACK SURFACE IS MAINTAINED IN
28 SUCH A WAY AS TO MAXIMIZE THE SAFETY OF THE HORSE, JOCKEY OR
29 DRIVER. THE COMMISSION MAY DEVELOP GUIDELINES TO CARRY OUT
30 THIS PARAGRAPH AND MAY CONTRACT WITH, HIRE OR OTHERWISE

1 CONSULT WITH RACETRACK SURFACE EXPERTS TO CARRY OUT THE
2 PROVISIONS OF THIS SECTION.

3 (9) THE STATE HORSE RACING COMMISSION SHALL HAVE
4 JURISDICTION OVER AND SHALL PROMULGATE REGULATIONS AS
5 NECESSARY FOR THE PROPER ADMINISTRATION OF ALL RACING
6 CONDUCTED BY A COUNTY AGRICULTURAL SOCIETY OR AN INDEPENDENT
7 AGRICULTURAL SOCIETY AS PROVIDED IN THE ACT OF JULY 8, 1986
8 (P.L.437, NO.92), KNOWN AS THE PENNSYLVANIA AGRICULTURAL FAIR
9 ACT.

10 § 9313. BUDGET.

11 BEGINNING JULY 1, 2016, THE COMMISSION AND THE DEPARTMENT OF
12 AGRICULTURE SHALL ANNUALLY SUBMIT A BUDGET REQUEST TO THE
13 SECRETARY OF THE BUDGET IN ACCORDANCE WITH THE PROVISIONS
14 CONTAINED IN SECTION 610, CONSISTING OF AMOUNTS TO BE
15 APPROPRIATED FROM THE STATE RACING FUND, THE PENNSYLVANIA RACE
16 HORSE DEVELOPMENT FUND AND THE GENERAL FUND TO ADMINISTER AND
17 ENFORCE THIS CHAPTER AND FOR THE PROMOTION OF HORSE RACING.
18 BEGINNING JULY 1, 2016, AND ANNUALLY THEREAFTER, 1% OF THE
19 PREVIOUS FISCAL YEAR'S DEPOSITS INTO THE PENNSYLVANIA RACE HORSE
20 DEVELOPMENT FUND SHALL BE TRANSFERRED FROM THE PENNSYLVANIA RACE
21 HORSE DEVELOPMENT FUND TO THE STATE RACING FUND TO PROVIDE FOR
22 THE PROMOTION OF HORSE RACING.

23 § 9314. LOCATION.

24 AFTER JANUARY 1, 2017, A LICENSED RACING ENTITY SHALL CONDUCT
25 A HORSE RACE MEETING AT THE LOCATION DESIGNATED AND APPROVED BY
26 THE COMMISSION.

27 § 9315. NUMBER OF LICENSED RACING ENTITIES.

28 (A) STANDARDBRED HORSE RACING.--NO MORE THAN FIVE PERSONS
29 SHALL BE LICENSED TO CONDUCT A HORSE RACE MEETING. NO PERSON
30 LICENSED UNDER THIS CHAPTER TO CONDUCT STANDARDBRED HORSE RACING

1 WITH PARI-MUTUEL WAGERING SHALL BE LICENSED TO CONDUCT
2 THOROUGHBRED HORSE RACING WITH PARI-MUTUEL WAGERING.

3 (B) THOROUGHBRED HORSE RACING.--NO MORE THAN SIX PERSONS
4 SHALL BE LICENSED BY THE COMMISSION TO CONDUCT A HORSE RACE
5 MEETING. NO PERSON LICENSED UNDER THIS CHAPTER TO CONDUCT
6 THOROUGHBRED HORSE RACING WITH PARI-MUTUEL WAGERING SHALL BE
7 LICENSED TO CONDUCT STANDARD BRED HORSE RACING WITH PARI-MUTUEL
8 WAGERING.

9 § 9316. DEPARTMENT OF REVENUE.

10 THE DEPARTMENT OF REVENUE SHALL PROVIDE FINANCIAL
11 ADMINISTRATION OF PARI-MUTUEL WAGERING UNDER THIS CHAPTER IN
12 ACCORDANCE WITH DEPARTMENT OF REVENUE REGULATIONS AND
13 REGULATIONS OF THE COMMISSION. THE DEPARTMENT OF REVENUE SHALL
14 PRESCRIBE THE FORM AND SYSTEM OF ACCOUNTING TO BE USED BY
15 LICENSED RACING ENTITIES AND MAY ACCESS AND EXAMINE RECORDS,
16 EQUIPMENT AND OTHER INFORMATION RELATING TO PARI-MUTUEL
17 WAGERING.

18 § 9317. ALLOCATION OF RACING DAYS.

19 (A) GENERAL RULE.--

20 (1) HORSE RACING SHALL BE CONDUCTED CONSISTENT WITH 4
21 PA.C.S. § 1303 (RELATING TO ADDITIONAL CATEGORY 1 SLOT
22 MACHINE LICENSE REQUIREMENTS).

23 (2) THE REQUIRED RACING DAYS UNDER THIS SECTION AND 4
24 PA.C.S. § 1303(A) (2) AND (B) MAY BE WAIVED OR MODIFIED BY THE
25 COMMISSION IF THE WAIVER OR MODIFICATION HAS BEEN AGREED TO
26 BY THE HORSEMEN'S ORGANIZATION AND THE LICENSED RACING ENTITY
27 AT THE RACETRACK WHERE THE RACING DAYS ARE TO BE SCHEDULED OR
28 RACED.

29 (3) THE PROVISIONS OF 4 PA.C.S. § 1303(D) SHALL NOT
30 APPLY IF THE REASON FOR NONCOMPLIANCE WITH THAT SECTION BY A

1 LICENSED RACING ENTITY IS THE CANCELLATION OF RACING DAYS DUE
2 TO THE COMMISSION'S INABILITY TO PROPERLY REGULATE AND
3 OVERSEE THE CONDUCT OF HORSE RACING IN THIS COMMONWEALTH DUE
4 TO INADEQUATE FUNDING.

5 (B) CERTIFICATION.--THE COMMISSION SHALL SUBMIT TO THE
6 SECRETARY OF REVENUE THE APPROVED NUMBER OF RACING DAYS FOR EACH
7 LICENSED RACING ENTITY, INCLUDING THE FOLLOWING INFORMATION:

8 (1) THE NAMES AND ADDRESSES OF THE LICENSED RACING
9 ENTITY;

10 (2) THE NAMES AND ADDRESSES OF THE OWNERS, OFFICERS AND
11 GENERAL MANAGERS OF THE LICENSED RACING ENTITY; AND

12 (3) ANY OTHER INFORMATION THE COMMISSION DEEMS
13 APPROPRIATE.

14 (C) CANCELLATION.--

15 (1) IF A RACING DAY IS CANCELED BY A LICENSED RACING
16 ENTITY FOR REASONS BEYOND THE LICENSED RACING ENTITY'S
17 CONTROL, THE COMMISSION SHALL GRANT THE LICENSED RACING
18 ENTITY THE RIGHT TO CONDUCT THAT RACING DAY IN THE SAME OR
19 THE NEXT ENSUING CALENDAR YEAR, IF SCHEDULES PERMIT.

20 (2) A DIRECTOR OF A BUREAU ESTABLISHED UNDER SECTION
21 9311 (RELATING TO STATE HORSE RACING COMMISSION), AFTER
22 CONSULTATION WITH THE LICENSED RACING ENTITY AND THE
23 HORSEMEN'S ORGANIZATION AT THE RACETRACK, MAY CANCEL A RACE
24 IF IT IS DETERMINED THAT FEWER THAN SIX HORSES HAVE ENTERED
25 THE RACE.

26 § 9318. LICENSES FOR HORSE RACE MEETINGS.

27 (A) PROCEDURE AND TERMS.--

28 (1) AFTER JANUARY 1, 2017, A PERSON SEEKING A LICENSE TO
29 CONDUCT HORSE RACE MEETINGS AT WHICH PARI-MUTUEL WAGERING IS
30 PERMITTED OR SEEKING TO RENEW THE LICENSE SHALL FILE AN

1 APPLICATION OR RENEWAL APPLICATION WITH THE COMMISSION IN THE
2 MANNER PRESCRIBED BY THE COMMISSION. A LICENSE TO CONDUCT
3 HORSE RACE MEETINGS SHALL BE ISSUED FOR A PERIOD OF THREE
4 YEARS.

5 (2) A LICENSED RACING ENTITY SHALL HAVE THE PRIVILEGE TO
6 CONDUCT A HORSE RACE MEETING AT WHICH PARI-MUTUEL WAGERING IS
7 PERMITTED. A LICENSE TO CONDUCT A HORSE RACE MEETING SHALL
8 NOT BE A PROPERTY RIGHT AND MAY NOT BE USED AS COLLATERAL OR
9 BE ENCUMBERED.

10 (3) THE COMMISSION MAY REVOKE OR SUSPEND THE LICENSE OF
11 A LICENSED RACING ENTITY IF THE COMMISSION FINDS THAT THE
12 LICENSED RACING ENTITY, OR ITS OWNERS, OFFICERS, MANAGERS OR
13 AGENTS, HAVE NOT COMPLIED WITH THIS CHAPTER AND REGULATIONS
14 PROMULGATED IN ACCORDANCE WITH THIS CHAPTER.

15 (4) A LICENSED RACING ENTITY MAY NOT TRANSFER A LICENSE
16 WITHOUT THE APPROVAL OF THE COMMISSION.

17 (B) CONDITIONS.--EACH HORSE RACING LICENSE SHALL BE ISSUED
18 AND REMAIN IN EFFECT IF THE LICENSED RACING ENTITY COMPLIES WITH
19 EACH CONDITION, RULE AND REGULATION OF THE COMMISSION AND THE
20 PROVISIONS OF THIS CHAPTER, INCLUDING THE FOLLOWING CONDITIONS:

21 (1) A HORSE RACE MEETING AT WHICH PARI-MUTUEL WAGERING
22 IS CONDUCTED SHALL BE REGULATED BY THE COMMISSION.

23 (2) THE CONDUCT OF PARI-MUTUEL WAGERING SHALL ALSO BE
24 REGULATED BY THE DEPARTMENT OF REVENUE.

25 (3) THE LICENSED RACING ENTITY SHALL PRINT IN ITS RACING
26 PROGRAMS THE PROCEDURE FOR FILING A COMPLAINT WITH THE
27 COMMISSION.

28 (C) APPLICATIONS.--APPLICATIONS TO CONDUCT HORSE RACE
29 MEETINGS SHALL BE IN THE FORM PRESCRIBED BY THE COMMISSION AND
30 SHALL CONTAIN INFORMATION AS THE COMMISSION MAY REQUIRE.

1 (D) FEE.--AN APPLICANT OR LICENSEE SEEKING TO CONDUCT A
2 HORSE RACE MEETING OR SEEKING RENEWAL OF A LICENSE SHALL PAY TO
3 THE COMMISSION A FEE OF \$50,000. NOTWITHSTANDING THE FOREGOING,
4 A LICENSED RACING ENTITY THAT HOLDS MORE THAN ONE HORSE RACE
5 MEETING LICENSE SHALL PAY NO MORE THAN \$50,000 UPON RENEWAL OF
6 THE LICENSES. THE LICENSE OR RENEWAL FEE SHALL BE DEPOSITED INTO
7 THE STATE RACING FUND.

8 (E) ACTION ON LICENSES.--THE FOLLOWING SHALL APPLY:

9 (1) THE COMMISSION SHALL BE PROHIBITED FROM ISSUING A
10 LICENSE TO CONDUCT A HORSE RACE MEETING AT WHICH PARI-MUTUEL
11 WAGERING IS PERMITTED TO AN INDIVIDUAL OR APPLICANT OR AN
12 OWNER, OFFICER, DIRECTOR OR MANAGER OF THE APPLICANT WHO HAS
13 BEEN CONVICTED OF:

14 (I) A FELONY IN ANY JURISDICTION.

15 (II) A MISDEMEANOR GAMBLING OFFENSE IN ANY
16 JURISDICTION, UNLESS 15 YEARS HAS ELAPSED FROM THE DATE
17 OF CONVICTION.

18 (III) FRAUD OR MISREPRESENTATION IN ANY JURISDICTION
19 RELATED TO HORSE RACING OR HORSE BREEDING, UNLESS 15
20 YEARS HAS ELAPSED FROM THE DATE OF CONVICTION.

21 (IV) AN OFFENSE UNDER 18 PA.C.S. § 5511 (RELATING TO
22 CRUELTY TO ANIMALS).

23 (V) AN OFFENSE RELATED TO FIXING OR RIGGING HORSE
24 RACES, INCLUDING 18 PA.C.S. § 4109 (RELATING TO RIGGING
25 PUBLICLY EXHIBITED CONTEST) OR 7102 (RELATING TO
26 ADMINISTERING DRUGS TO RACE HORSES), OR ANY SIMILAR CRIME
27 IN ANOTHER JURISDICTION, UNLESS THE CONVICTION HAS BEEN
28 OVERTURNED ON APPEAL UNDER THE LAWS OF THE JURISDICTION
29 OF THE ORIGINAL FINDING OR A PARDON HAS BEEN ISSUED.

30 (2) FOLLOWING EXPIRATION OF ANY PERIOD APPLICABLE TO AN

1 APPLICANT UNDER PARAGRAPH (1) (II) OR (III), IN DETERMINING
2 WHETHER TO ISSUE A HORSE RACING LICENSE TO AN APPLICANT, THE
3 COMMISSION SHALL CONSIDER THE FOLLOWING FACTORS:

4 (I) THE INDIVIDUAL OR A PRINCIPAL OF THE APPLICANT'S
5 POSITION WITH THE APPLICANT.

6 (II) THE NATURE AND SERIOUSNESS OF THE OFFENSE OR
7 CONDUCT.

8 (III) THE CIRCUMSTANCES UNDER WHICH THE OFFENSE OR
9 CONDUCT OCCURRED.

10 (IV) THE AGE OF THE APPLICANT WHEN THE OFFENSE OR
11 CONDUCT OCCURRED.

12 (V) WHETHER THE OFFENSE OR CONDUCT WAS AN ISOLATED
13 OR A REPEATED INCIDENT.

14 (VI) ANY EVIDENCE OF REHABILITATION, INCLUDING GOOD
15 CONDUCT IN THE COMMUNITY, COUNSELING OR PSYCHIATRIC
16 TREATMENT RECEIVED AND THE RECOMMENDATIONS OF PERSONS WHO
17 HAVE SUBSTANTIAL CONTACT WITH THE APPLICANT.

18 (3) IF, IN THE JUDGMENT OF THE COMMISSION, THE APPLICANT
19 HAS DEMONSTRATED BY CLEAR AND CONVINCING EVIDENCE THAT THE
20 PARTICIPATION OF THE APPLICANT IN HORSE RACING OR RELATED
21 ACTIVITIES IS NOT:

22 (I) INCONSISTENT WITH THE PUBLIC INTEREST OR BEST
23 INTERESTS OF HORSE RACING;

24 (II) INTERFERING WITH THE EFFECTIVE REGULATION OF
25 HORSE RACING; OR

26 (III) CREATING OR ENHANCING THE DANGER OF
27 UNSUITABLE, UNFAIR OR ILLEGAL PRACTICES, METHODS OR
28 ACTIVITIES IN THE CONDUCT OF HORSE RACING.

29 (F) DENIAL, SUSPENSION OR REVOCATION.--THE COMMISSION MAY
30 DENY AN APPLICATION FOR A LICENSE OR REVOKE, SUSPEND OR FAIL TO

1 RENEW THE LICENSE OF ANY APPLICANT OR LICENSED RACING ENTITY, IF
2 THE COMMISSION FINDS BY A PREPONDERANCE OF THE EVIDENCE THAT:

3 (1) THE APPLICANT OR LICENSED RACING ENTITY, OR ANY OF
4 ITS OWNERS, OFFICERS, DIRECTOR, MANAGERS, EMPLOYEES OR
5 AGENTS:

6 (I) HAS NOT COMPLIED WITH THE CONDITIONS, RULES,
7 REGULATIONS AND PROVISIONS OF THIS CHAPTER AND THAT IT
8 WOULD BE IN THE PUBLIC INTEREST, CONVENIENCE OR NECESSITY
9 TO DENY, REVOKE, SUSPEND OR NOT RENEW THE LICENSE.

10 (II) HAS BEEN CONVICTED OF A VIOLATION OR ATTEMPT TO
11 VIOLATE A HORSE RACING LAW, RULE OR REGULATION OF A HORSE
12 RACING JURISDICTION.

13 (III) HAS FURNISHED THE COMMISSION WITH FALSE OR
14 MISLEADING INFORMATION RELATING TO THE APPLICATION OR
15 LICENSE RENEWAL.

16 (IV) HAS BEEN CONVICTED OF A CRIME INVOLVING MORAL
17 TURPITUDE.

18 (V) HAS BEEN CONVICTED OF A MISDEMEANOR GAMBLING
19 OFFENSE IN ANY JURISDICTION.

20 (VI) HAS BEEN CONVICTED IN ANY JURISDICTION OF FRAUD
21 OR MISREPRESENTATION RELATED TO HORSE RACING OR HORSE
22 BREEDING.

23 (2) THE APPLICANT OR LICENSED RACING ENTITY DOES NOT
24 HAVE THE USE OF A RACETRACK OR RACETRACK ENCLOSURE IN
25 ACCORDANCE WITH THE PROVISIONS OF 4 PA.C.S. PT. II (RELATING
26 TO GAMING).

27 (3) THE LICENSED RACING ENTITY HAS COMMINGLED HORSEMEN'S
28 ORGANIZATION FUNDS IN VIOLATION OF SECTION 9345(C) (RELATING
29 TO COMMINGLING) OR HAS REFUSED TO PLACE ON DEPOSIT A LETTER
30 OF CREDIT UNDER SECTION 9346 (RELATING TO STANDARDBRED HORSE

1 RACING PURSE MONEY).

2 (4) THE COMMISSION DETERMINES THAT THE LICENSED RACING
3 ENTITY HAS FAILED TO PROPERLY MAINTAIN ITS RACETRACK AND
4 RACETRACK ENCLOSURE IN GOOD CONDITION PURSUANT TO THIS
5 CHAPTER OR TO PROVIDE ADEQUATE CAPITAL IMPROVEMENTS TO THE
6 RACETRACK AND RACETRACK ENCLOSURE AS REQUIRED UNDER THIS
7 CHAPTER AND 4 PA.C.S. § 1404 (RELATING TO DISTRIBUTIONS FROM
8 LICENSEE'S REVENUE RECEIPTS).

9 (5) THE LICENSEE HAS BEEN CONVICTED IN ANY JURISDICTION
10 OF AN OFFENSE RELATED TO FIXING OR RIGGING HORSE RACES,
11 INCLUDING 18 PA.C.S. § 4109 OR 7102, OR ANY SIMILAR CRIME IN
12 ANOTHER JURISDICTION, UNLESS THE CONVICTION HAS BEEN
13 OVERTURNED ON APPEAL UNDER THE LAWS OF THE JURISDICTION OF
14 THE ORIGINAL FINDING OR A PARDON HAS BEEN ISSUED.

15 (G) CESSATION.--IF A REVOCATION OR FAILURE TO RENEW A
16 LICENSE UNDER SUBSECTION (E) OCCURS, THE LICENSEE'S
17 AUTHORIZATION TO CONDUCT PREVIOUSLY APPROVED ACTIVITY SHALL
18 IMMEDIATELY CEASE, SUBJECT TO 2 PA.C.S. (RELATING TO
19 ADMINISTRATIVE LAW AND PROCEDURE). IN THE CASE OF A SUSPENSION,
20 THE LICENSEE'S AUTHORIZATION TO CONDUCT PREVIOUSLY APPROVED
21 ACTIVITY SHALL IMMEDIATELY CEASE UNTIL THE COMMISSION HAS
22 NOTIFIED THE LICENSEE THAT THE SUSPENSION IS NO LONGER IN
23 EFFECT. AFTER REQUEST FOR A HEARING BY A LICENSEE, THE
24 COMMISSION MAY GRANT A SUPERSEDEAS, PENDING THE FINAL
25 DETERMINATION OF THE SUSPENSION.

26 (H) RENEWAL.--A HORSE RACE MEETING LICENSE SHALL BE RENEWED
27 EVERY THREE YEARS UPON APPLICATION AND, EXCEPT AS PROVIDED FOR
28 UNDER SUBSECTION (A) (4), SHALL NOT BE TRANSFERRED. RENEWALS OF
29 HORSE RACE MEETING LICENSES SHALL NOT BE GRANTED AUTOMATICALLY.

30 (I) CONDITIONAL LICENSES.--PENDING A FINAL DETERMINATION

1 UNDER THIS SECTION, THE COMMISSION MAY ISSUE A CONDITIONAL
2 LICENSE UPON THE TERMS AND CONDITIONS AS ARE NECESSARY TO
3 EFFECTUATE THE PROVISIONS OF THIS CHAPTER.

4 (J) COMPLIANCE.--NOTHING IN THIS SECTION SHALL BE CONSTRUED
5 TO RELIEVE A LICENSED RACING ENTITY OF ITS DUTY TO COMPLY WITH
6 THE REQUIREMENTS OF 4 PA.C.S. PT. II.
7 § 9319. CODE OF CONDUCT.

8 (A) SCOPE.--THE COMMISSION MAY ADOPT A COMPREHENSIVE CODE OF
9 CONDUCT APPLICABLE TO COMMISSIONERS, EMPLOYEES OF THE
10 COMMISSION, INDEPENDENT CONTRACTORS AND THE IMMEDIATE FAMILY OF
11 THE COMMISSIONERS, EMPLOYEES AND INDEPENDENT CONTRACTORS TO
12 ENABLE THEM TO AVOID ANY PERCEIVED OR ACTUAL CONFLICT OF
13 INTEREST AND TO PROMOTE PUBLIC CONFIDENCE IN THE INTEGRITY AND
14 IMPARTIALITY OF THE COMMISSION.

15 (B) RESTRICTIONS.--IN ADDITION TO THE OTHER PROHIBITIONS
16 CONTAINED IN THIS CHAPTER, A COMMISSIONER SHALL:

17 (1) NOT ACCEPT ANY DISCOUNT, GIFT, GRATUITY,
18 COMPENSATION, TRAVEL, LODGING OR OTHER THING OF VALUE,
19 DIRECTLY OR INDIRECTLY, FROM ANY APPLICANT, LICENSED RACING
20 ENTITY, AFFILIATE, SUBSIDIARY OR INTERMEDIARY OF AN APPLICANT
21 OR OTHER LICENSEE.

22 (2) DISCLOSE A CONFLICT OF INTEREST AND RECUSE HIMSELF
23 FROM ANY HEARING OR OTHER PROCEEDING IN WHICH THE
24 COMMISSIONER'S OBJECTIVITY, IMPARTIALITY, INTEGRITY OR
25 INDEPENDENCE OF JUDGMENT MAY BE REASONABLY QUESTIONED DUE TO
26 THE COMMISSIONER'S RELATIONSHIP OR ASSOCIATION WITH A PARTY
27 CONNECTED TO ANY HEARING OR PROCEEDING OR A PERSON APPEARING
28 BEFORE THE COMMISSION.

29 (3) REFRAIN FROM ANY FINANCIAL OR BUSINESS DEALING WHICH
30 WOULD TEND TO REFLECT ADVERSELY ON THE COMMISSIONER'S

1 OBJECTIVITY, IMPARTIALITY OR INDEPENDENCE OF JUDGMENT.

2 (4) AVOID IMPROPRIETY AND THE APPEARANCE OF IMPROPRIETY
3 AT ALL TIMES AND OBSERVE STANDARDS AND CONDUCT THAT PROMOTE
4 PUBLIC CONFIDENCE IN THE OVERSIGHT OF HORSE RACING.

5 (5) COMPLY WITH ANY OTHER LAWS, RULES OR REGULATIONS
6 RELATING TO THE CONDUCT OF A COMMISSIONER.

7 (6) EXCEPT FOR A COMMISSIONER APPOINTED UNDER SECTION
8 9311(B)(3) (RELATING TO STATE HORSE RACING COMMISSION), NOT
9 HOLD OR CAMPAIGN FOR PUBLIC OFFICE, HOLD AN OFFICE IN ANY
10 POLITICAL PARTY OR POLITICAL COMMITTEE AS DEFINED IN 4
11 PA.C.S. § 1513(D) (RELATING TO POLITICAL INFLUENCE),
12 CONTRIBUTE TO OR SOLICIT CONTRIBUTIONS TO A POLITICAL
13 CAMPAIGN, POLITICAL PARTY, POLITICAL COMMITTEE OR CANDIDATE,
14 PUBLICLY ENDORSE A CANDIDATE OR ACTIVELY PARTICIPATE IN A
15 POLITICAL CAMPAIGN.

16 (C) (RESERVED).

17 (D) EX PARTE COMMUNICATIONS.--

18 (1) A COMMISSIONER MAY NOT ENGAGE IN ANY EX PARTE
19 COMMUNICATION WITH ANY PERSON.

20 (2) IF A COMMISSIONER RECEIVED OR ENGAGED IN AN EX PARTE
21 COMMUNICATION, A COMMISSIONER SHALL INFORM THE DIRECTOR OF
22 THE APPROPRIATE BUREAU WHO SHALL NOTIFY ALL PARTIES DIRECTLY
23 AFFECTED BY THE ANTICIPATED VOTE OR ACTION OF THE
24 COMMISSIONER RELATED TO THE EX PARTE COMMUNICATION OF THE
25 SUBSTANCE OF THE COMMUNICATION AND PROVIDE THE PARTIES WITH
26 AN OPPORTUNITY TO RESPOND.

27 (3) A COMMISSIONER WHO ENGAGED IN OR RECEIVED AN EX
28 PARTE COMMUNICATION SHALL DISQUALIFY HIMSELF FROM THE HEARING
29 OR PROCEEDING RELATED TO THE EX PARTE COMMUNICATION IF THE
30 CONTEXT AND SUBSTANCE OF THE COMMUNICATION CREATES

1 SUBSTANTIAL REASONABLE DOUBT AS TO A COMMISSIONER'S ABILITY
2 TO ACT OBJECTIVELY, INDEPENDENTLY OR IMPARTIALLY.

3 (4) A COMMISSIONER WHO ENGAGED IN OR RECEIVED AN EX
4 PARTE COMMUNICATION AND ELECTS NOT TO DISQUALIFY HIMSELF FROM
5 THE HEARING OR PROCEEDING SHALL STATE THE REASONS FOR NOT
6 DISQUALIFYING HIMSELF ON THE RECORD PRIOR TO THE COMMENCEMENT
7 OF THE HEARING OR PROCEEDING.

8 (5) IF A COMMISSIONER DISQUALIFIES HIMSELF UNDER THIS
9 SUBSECTION, A QUALIFIED MAJORITY VOTE UNDER THIS CHAPTER
10 SHALL CONSIST OF THE REMAINING COMMISSIONERS.

11 (6) FAILURE OF A COMMISSIONER WHO RECEIVED OR ENGAGED IN
12 AN EX PARTE COMMUNICATION TO DISQUALIFY HIMSELF UNDER THIS
13 SUBSECTION SHALL BE GROUNDS FOR APPEAL TO A COURT OF
14 COMPETENT JURISDICTION IF THE COMMISSION ACTION BEING
15 APPEALED COULD NOT HAVE OCCURRED WITHOUT THE PARTICIPATION OF
16 THE COMMISSIONER.

17 (7) THIS SUBSECTION SHALL NOT PRECLUDE A COMMISSIONER
18 FROM CONSULTING WITH OTHER COMMISSIONERS INDIVIDUALLY IF THE
19 CONSULTATION COMPLIES WITH 65 PA.C.S. CH. 7 (RELATING TO OPEN
20 MEETINGS) OR WITH COMMISSION EMPLOYEES OR INDEPENDENT
21 CONTRACTORS WHOSE FUNCTIONS ARE TO ASSIST THE COMMISSION IN
22 CARRYING OUT ITS ADJUDICATIVE FUNCTIONS.

23 § 9320. FINANCIAL INTERESTS.

24 NO DIRECTOR, OWNER, OFFICER, MANAGER OR EMPLOYEE OF AN
25 APPLICANT OR LICENSED RACING ENTITY OR THEIR IMMEDIATE FAMILY
26 SHALL ACCEPT GIFTS FROM BREEDERS, OWNERS, TRAINERS OR OTHER
27 INDIVIDUALS WHO PARTICIPATE IN THE CONDUCT OF HORSE RACING IN
28 THIS COMMONWEALTH.

29 § 9321. OFFICIALS AT HORSE RACE MEETINGS.

30 (A) RACETRACK RACING OFFICIAL.--THE COMMISSION SHALL APPROVE

1 EACH RACETRACK EMPLOYEE WHOSE DUTIES INCLUDE THE ENFORCEMENT OF
2 PARI-MUTUEL RACING ACTIVITIES WHICH DIRECTLY OR INDIRECTLY
3 AFFECT THE RACING PRODUCT. COMPENSATION FOR AN OFFICIAL UNDER
4 THIS SUBSECTION SHALL BE PAID BY THE LICENSED RACING ENTITY.

5 (B) COMMISSION RACING OFFICIAL.--THE COMMISSION SHALL EMPLOY
6 INDIVIDUALS WHO SHALL BE DESIGNATED AS COMMISSION RACING
7 OFFICIALS AND WHOSE DUTIES SHALL INCLUDE THE OVERSIGHT AND
8 ENFORCEMENT OF THIS CHAPTER, REGULATIONS AND COMMISSION POLICIES
9 RELATED TO PRERACE ACTIVITIES, THE CONDUCT OF LIVE RACING AND
10 PARI-MUTUEL WAGERING. THE COMMISSION, BY REGULATION, SHALL
11 ESTABLISH THE DUTIES AND RESPONSIBILITIES FOR A COMMISSION
12 RACING OFFICIAL. THE COST FOR AND COMPENSATION OF A COMMISSION
13 RACING OFFICIAL SHALL BE PAID BY THE COMMISSION.

14 § 9322. SECONDARY PARI-MUTUEL ORGANIZATION.

15 (A) REQUIREMENTS.--THE FOLLOWING SHALL APPLY TO A SECONDARY
16 PARI-MUTUEL ORGANIZATION:

17 (1) A SECONDARY PARI-MUTUEL ORGANIZATION OFFERING AND
18 ACCEPTING PARI-MUTUEL WAGERS WITHIN THIS COMMONWEALTH MUST BE
19 PROPERLY LICENSED BY THE COMMISSION. EACH SECONDARY PARI-
20 MUTUEL ORGANIZATION EMPLOYEE DIRECTLY OR INDIRECTLY
21 RESPONSIBLE FOR THE ACCEPTANCE OF WAGERS ON HORSE RACES OR
22 THE TRANSMITTAL OF WAGERING INFORMATION TO AND FROM THE
23 COMMONWEALTH MUST BE PROPERLY LICENSED.

24 (2) A SECONDARY PARI-MUTUEL ORGANIZATION MUST COMPLY
25 WITH EACH RULE AND REGULATION OF THE COMMISSION.

26 (3) AS A CONDITION OF LICENSING AND ANNUAL LICENSE
27 RENEWAL, A LICENSE APPLICATION OF A SECONDARY PARI-MUTUEL
28 ORGANIZATION MUST INCLUDE ALL OF THE FOLLOWING:

29 (I) DISCLOSURE OF EACH OFFICER, DIRECTOR, PARTNER
30 AND SHARE HOLDER WITH A 5% OR GREATER SHARE OF OWNERSHIP

1 OR BENEFICIAL INTEREST.

2 (II) A LIST OF PERSONNEL ASSIGNED TO WORK IN THIS
3 COMMONWEALTH.

4 (III) CERTIFICATION OF COMPLIANCE WITH TOTALISATOR
5 STANDARDS AND LICENSING REQUIREMENTS ADOPTED BY THE
6 COMMISSION.

7 (IV) A TYPE II SAS 70 REPORT, OR OTHER INDEPENDENT
8 REPORT IN A FORM ACCEPTABLE TO THE COMMISSION, COMPLETED
9 WITHIN THE PRECEDING 12 MONTHS, TO ASSURE ADEQUATE
10 FINANCIAL CONTROLS ARE IN PLACE IN THE SECONDARY PARI-
11 MUTUEL ORGANIZATION.

12 (V) AN AGREEMENT TO ALLOW THE COMMISSION TO INSPECT
13 AND MONITOR EACH FACILITY USED BY THE SECONDARY PARI-
14 MUTUEL ORGANIZATION FOR ACCEPTING, RECORDING OR
15 PROCESSING PARI-MUTUEL WAGERS ACCEPTED IN THIS
16 COMMONWEALTH.

17 (VI) CERTIFICATION OF THE USE OF A PARI-MUTUEL
18 SYSTEM WHICH MEETS ALL REQUIREMENTS FOR A PARI-MUTUEL
19 SYSTEM UTILIZED BY A LICENSED RACING ENTITY IN THIS
20 COMMONWEALTH.

21 (4) FITNESS AND EXPERIENCE OF A SECONDARY PARI-MUTUEL
22 ORGANIZATION MUST BE CONSISTENT WITH THE PUBLIC INTEREST,
23 CONVENIENCE AND NECESSITY AND THE BEST INTERESTS OF RACING
24 GENERALLY, INCLUDING, BUT NOT LIMITED TO, ALL OF THE
25 FOLLOWING:

26 (I) MEETING GENERAL INDUSTRY STANDARDS FOR BUSINESS
27 AND FINANCIAL PRACTICES, PROCEDURES AND CONTROLS.

28 (II) POSSESSION OF A WAGERING SYSTEM THAT ENSURES
29 THAT ALL WAGERING INFORMATION IS TRANSMITTED TO AND
30 CALCULATED IN THE APPROPRIATE HOST TRACK POOL.

1 (III) UTILIZATION OF A TOTALISATOR SYSTEM THAT MEETS
2 WAGERING-INDUSTRY STANDARDS AND CERTIFICATION CRITERIA.

3 (IV) MEETING GENERAL INDUSTRY STANDARDS FOR PHYSICAL
4 SECURITY OF COMPUTERIZED WAGERING SYSTEMS, BUSINESS
5 RECORDS, FACILITIES AND PATRONS.

6 (V) HAVING NO INDICATIONS OF IMPROPER MANIPULATION
7 OF A SECONDARY PARI-MUTUEL ORGANIZATION'S WAGERING
8 SYSTEM, INCLUDING SOFTWARE.

9 (VI) HAVING POLICIES AND PROCEDURES THAT ENSURE A
10 SECONDARY PARI-MUTUEL ORGANIZATION'S KEY INDIVIDUALS HAVE
11 APPLIED AND ARE ELIGIBLE FOR ALL REQUIRED OCCUPATIONAL
12 LICENSES.

13 (VII) HAVING AN ANNUAL INDEPENDENT AUDIT WITH NO
14 AUDIT OPINION QUALIFICATIONS THAT REFLECT ADVERSELY ON
15 INTEGRITY.

16 (VIII) HAVING A SYSTEM THAT VERIFIES THE IDENTITY OF
17 EACH PERSON PLACING A WAGER AND REQUIRES THE PERSON
18 PLACING A WAGER TO DISCLOSE EACH BENEFICIAL INTEREST IN A
19 WAGER THE SECONDARY PARI-MUTUEL ORGANIZATION ACCEPTS.

20 (IX) HAVING A REAL-TIME INDEPENDENT MONITORING
21 SYSTEM TO MONITOR WAGERING ACTIVITY TO DETECT SUSPICIOUS
22 PATTERNS INCLUDING ANY THAT MIGHT INDICATE CRIMINAL
23 ACTIVITY OR REGULATORY VIOLATIONS. THE SYSTEM MUST VERIFY
24 EACH TRANSACTION PERFORMED BY THE TOTALISATOR SYSTEM AND
25 PROVIDE EXPEDITIOUS NOTICE OF ANY DISCREPANCIES OR
26 SUSPICIOUS ACTIVITY TO THE HOST TRACK, WAGERING SITE, DUE
27 DILIGENCE INVESTIGATING BODY AND ANY AFFECTED REGULATORY
28 AGENCY.

29 (X) HAVING A SATISFACTORY RECORD OF CUSTOMER
30 RELATIONS, INCLUDING NO EXCESSIVE UNRESOLVED PATRON

1 COMPLAINTS CONCERNING THE SECONDARY PARI-MUTUEL
2 ORGANIZATION'S BUSINESS PRACTICES.

3 (XI) HOLDING REQUIRED PERMITS, LICENSES,
4 CERTIFICATIONS OR SIMILAR DOCUMENTS THAT MAY BE REQUIRED
5 BY A RACING, GAMING OR OTHER PARI-MUTUEL WAGERING
6 JURISDICTION.

7 (XII) HAVING SUFFICIENT MEASURES TO PROTECT CUSTOMER
8 FUNDS.

9 (XIII) PUBLICIZING AND PROVIDING A SUFFICIENT
10 PROGRAM FOR CUSTOMER SELF-EXCLUSION AND WAGERING
11 LIMITATION.

12 (XIV) HAVING EXPERTISE IN PARI-MUTUEL WAGERING AND
13 BEING TECHNOLOGICALLY CAPABLE OF PARTICIPATING IN
14 SIMULCAST AND WAGERING ACTIVITIES.

15 (5) FINANCIAL RESPONSIBILITY OF A SECONDARY PARI-MUTUEL
16 ORGANIZATION MUST BE CONSISTENT WITH THE PUBLIC INTEREST,
17 CONVENIENCE AND NECESSITY AND THE BEST INTERESTS OF RACING
18 GENERALLY, INCLUDING ALL OF THE FOLLOWING:

19 (I) THE SECONDARY PARI-MUTUEL ORGANIZATION AND THE
20 SECONDARY PARI-MUTUEL ORGANIZATION'S KEY INDIVIDUALS MAY
21 NOT BE IN DEFAULT OR HAVE A HISTORY OF DEFAULTING IN THE
22 PAYMENT OF AN FINANCIAL OBLIGATION, INCLUDING THE PAYMENT
23 OF TAXES DUE TO A TAXING JURISDICTION OR ON THE PAYMENT
24 OF GAMING, WAGERING OR PARI-MUTUEL RACING-RELATED
25 FINANCIAL OBLIGATIONS. A SECONDARY PARI-MUTUEL
26 ORGANIZATION'S KEY INDIVIDUALS MAY NOT BE FOUR OR MORE
27 MONTHS IN ARREARS FOR CHILD SUPPORT THAT IS ORDERED OR
28 APPROVED BY A COURT IN ANY JURISDICTION WITHIN THE UNITED
29 STATES.

30 (II) THE SECONDARY PARI-MUTUEL ORGANIZATION AND THE

1 SECONDARY PARI-MUTUEL ORGANIZATION'S OWNERS AND SOURCES
2 OF FUNDS MUST HAVE SUFFICIENT FINANCIAL MEANS TO
3 PARTICIPATE IN SIMULCAST AND WAGERING ACTIVITIES,
4 INCLUDING SUFFICIENT ASSETS AND MEANS TO PAY INDUSTRY-
5 RELATED DEBTS AND OBLIGATIONS AND TO FUND THE OPERATIONS
6 OF THE SECONDARY PARI-MUTUEL ORGANIZATION.

7 (6) THE SECONDARY PARI-MUTUEL ORGANIZATION MUST BE FULLY
8 COOPERATIVE AND ACT IN GOOD FAITH WITH ALL DISCLOSURE AND
9 OTHER DUTIES INVOLVED IN A DUE DILIGENCE INVESTIGATION,
10 VOLUNTARILY SUBMIT TO REGULATORY AND INVESTIGATING BODY
11 OVERSIGHT, PERMIT INSPECTION OF EACH BUSINESS RECORD UPON
12 REQUEST BY A REGULATORY AUTHORITY OR INVESTIGATING BODY,
13 PROMPTLY HONOR REGULATORY OR INVESTIGATING BODY REQUESTS FOR
14 WAGERING PATTERNS OR OTHER INFORMATION AND, AFTER REASONABLE
15 NOTICE, PERMIT FULL ACCESS TO EACH FACILITY AND PROPERTY BY A
16 REGULATORY AUTHORITY OR INVESTIGATING BODY.

17 (B) WAIVER.--

18 (1) A DUE DILIGENCE INVESTIGATION MAY RELY ON AN
19 INVESTIGATION AND OVERSIGHT CONDUCTED BY A COMMISSION-
20 APPROVED ENTITY.

21 (2) THE COMMISSION MAY NOT CONSENT TO THE ACCEPTANCE OF
22 AN INTERSTATE OFF-TRACK WAGER BY A SECONDARY PARI-MUTUEL
23 ORGANIZATION THAT HAS NOT BEEN DETERMINED TO BE SUITABLE
24 UNDER THIS SECTION.

25 § 9323. OCCUPATIONAL LICENSES FOR INDIVIDUALS.

26 (A) GENERAL RULE.--THE COMMISSION SHALL DEVELOP A LICENSING
27 OR OTHER CLASSIFICATION SYSTEM FOR THE REGULATION OF RACING
28 VENDORS, TRAINERS, JOCKEYS, DRIVERS, HORSE OWNERS, BACKSIDE AREA
29 EMPLOYEES AND OTHER INDIVIDUALS PARTICIPATING IN HORSE RACING
30 AND ALL OTHER PERSONS REQUIRED TO BE LICENSED AS DETERMINED BY

1 THE COMMISSION. THE LICENSE SHALL NOT BE A PROPERTY RIGHT.

2 (B) FEE.--THE COMMISSION SHALL FIX AND MAY ESTABLISH CLASSES
3 FOR APPLICATION FEES TO BE PAID BY INDIVIDUALS. A LICENSE FEE
4 SHALL NOT EXCEED \$500. ALL FEES SHALL BE PAID TO THE COMMISSION
5 AND DEPOSITED INTO THE STATE RACING FUND.

6 (C) APPLICATION.--THE APPLICATION FOR A LICENSE SHALL BE IN
7 THE FORM AND CONTAIN THE INFORMATION AS THE COMMISSION MAY
8 REQUIRE.

9 (D) RENEWAL.--ALL LICENSES SHALL BE SUBJECT TO RENEWAL EVERY
10 THREE YEARS UPON APPLICATION AND REVIEW. NOTHING IN THIS CHAPTER
11 SHALL BE CONSTRUED TO RELIEVE A LICENSEE OF THE AFFIRMATIVE DUTY
12 TO NOTIFY THE COMMISSION OF ANY CHANGES RELATING TO THE STATUS
13 OF ITS LICENSE OR TO ANY OTHER INFORMATION CONTAINED IN THE
14 APPLICATION MATERIALS ON FILE WITH THE COMMISSION. THE
15 APPLICATION FOR RENEWAL SHALL BE SUBMITTED AT LEAST 60 DAYS
16 PRIOR TO EXPIRATION OF THE LICENSE AND SHALL INCLUDE AN UPDATE
17 OF THE INFORMATION CONTAINED IN THE INITIAL APPLICATION AND ANY
18 PRIOR RENEWAL APPLICATIONS AND THE PAYMENT OF ANY RENEWAL FEE
19 REQUIRED BY THE COMMISSION. A LICENSE FOR WHICH A COMPLETED
20 RENEWAL APPLICATION AND FEE, IF REQUIRED, HAS BEEN RECEIVED BY
21 THE COMMISSION SHALL CONTINUE IN EFFECT UNLESS AND UNTIL THE
22 COMMISSION SENDS WRITTEN NOTIFICATION TO THE HOLDER OF THE
23 LICENSE THAT THE COMMISSION HAS DENIED THE RENEWAL OF THE
24 LICENSE.

25 (E) LICENSES.--THE COMMISSION MAY ISSUE ANY OF THE
26 FOLLOWING:

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

29 (2) A CONDITIONAL LICENSE UPON THE TERMS AND CONDITIONS
30 AS NECESSARY TO ADMINISTER THIS CHAPTER.

1 (F) PROCESSING AND ISSUANCE.--THE COMMISSION SHALL ADOPT
2 REGULATIONS TO FIX THE MANNER BY WHICH LICENSES ARE PROCESSED
3 AND ISSUED.

4 (G) ACTION ON APPLICATIONS.--THE FOLLOWING SHALL APPLY:

5 (1) THE COMMISSION MAY NOT ISSUE A LICENSE UNDER THIS
6 SECTION TO AN INDIVIDUAL WHO HAS BEEN CONVICTED IN A
7 JURISDICTION OF A FELONY OFFENSE, A MISDEMEANOR GAMBLING
8 OFFENSE OR A FRAUD OR MISREPRESENTATION IN CONNECTION WITH
9 HORSE RACING OR BREEDING, UNLESS 15 YEARS HAS PASSED FROM THE
10 DATE OF CONVICTION OF THE OFFENSE.

11 (2) FOLLOWING EXPIRATION OF A PERIOD APPLICABLE TO AN
12 APPLICANT UNDER PARAGRAPH (1), IN DETERMINING WHETHER TO
13 ISSUE A LICENSE TO AN APPLICANT, THE COMMISSION SHALL
14 CONSIDER THE FOLLOWING FACTORS:

15 (I) THE NATURE OF THE APPLICANT'S INVOLVEMENT WITH
16 HORSE RACING.

17 (II) THE NATURE AND SERIOUSNESS OF THE OFFENSE OR
18 CONDUCT.

19 (III) THE CIRCUMSTANCES UNDER WHICH THE OFFENSE OR
20 CONDUCT OCCURRED.

21 (IV) THE AGE OF THE APPLICANT WHEN THE OFFENSE OR
22 CONDUCT OCCURRED.

23 (V) WHETHER THE OFFENSE OR CONDUCT WAS AN ISOLATED
24 OR A REPEATED INCIDENT.

25 (VI) ANY EVIDENCE OF REHABILITATION, INCLUDING GOOD
26 CONDUCT IN THE COMMUNITY, COUNSELING OR PSYCHIATRIC
27 TREATMENT RECEIVED AND THE RECOMMENDATIONS OF PERSONS WHO
28 HAVE SUBSTANTIAL CONTACT WITH THE APPLICANT.

29 (G.1) DENIAL.--THE COMMISSION MAY DENY AN APPLICATION FOR A
30 LICENSE OR SUSPEND, REVOKE OR REFUSE TO RENEW A LICENSE ISSUED

1 UNDER THIS SECTION IF IT DETERMINES THAT THE APPLICANT OR
2 LICENSEE MEETS ANY OF THE FOLLOWING:

3 (1) (RESERVED).

4 (2) HAS BEEN CONVICTED OF ANY VIOLATION OR ATTEMPTS TO
5 VIOLATE ANY LAW, RULE OR REGULATION OF HORSE RACING IN ANY
6 JURISDICTION.

7 (3) HAS BEEN CONVICTED OF AN OFFENSE UNDER 18 PA.C.S. §
8 5511 (RELATING TO CRUELTY TO ANIMALS).

9 (4) HAS VIOLATED A RULE, REGULATION OR ORDER OF THE
10 COMMISSION.

11 (5) HAS BEEN CONVICTED IN ANY JURISDICTION OF AN OFFENSE
12 RELATED TO FIXING OR RIGGING HORSE RACES, INCLUDING 18
13 PA.C.S. § 4109 (RELATING TO RIGGING PUBLICLY EXHIBITED
14 CONTEST) OR 7102 (RELATING TO ADMINISTERING DRUGS TO RACE
15 HORSES), OR ANY SIMILAR CRIME IN ANY OTHER JURISDICTION,
16 UNLESS THE CONVICTION HAS BEEN OVERTURNED ON APPEAL UNDER THE
17 LAWS OF THE JURISDICTION OF THE ORIGINAL FINDING OR A PARDON
18 HAS BEEN ISSUED.

19 (6) HAS NOT DEMONSTRATED BY CLEAR AND CONVINCING
20 EVIDENCE THAT THE APPLICANT OR LICENSEE:

21 (I) IS A PERSON OF GOOD CHARACTER, HONESTY AND
22 INTEGRITY.

23 (II) IS A PERSON WHOSE PRIOR ACTIVITIES, CRIMINAL
24 RECORD, IF ANY, REPUTATION, HABITS AND ASSOCIATIONS:

25 (A) DO NOT POSE A THREAT TO THE PUBLIC INTEREST
26 OR THE EFFECTIVE REGULATION AND CONTROL OF HORSE
27 RACING.

28 (B) DO NOT CREATE OR ENHANCE THE DANGER OF
29 UNSUITABLE, UNFAIR OR ILLEGAL PRACTICES, METHODS AND
30 ACTIVITIES IN THE CONDUCT OF HORSE RACING OR THE

1 CARRYING ON OF THE BUSINESS AND FINANCIAL
2 ARRANGEMENTS INCIDENTAL TO THE CONDUCT OF HORSE
3 RACING.

4 (H) INSPECTION.--THE COMMISSION SHALL HAVE THE RIGHT TO
5 INSPECT ALL CONTRACTS DIRECTLY AFFECTING THE ADMINISTRATION OF
6 THE RACING PRODUCT AND WAGERING ACTIVITIES BETWEEN A SECONDARY
7 PARI-MUTUEL ORGANIZATION, LICENSED RACING ENTITIES AND RACING
8 VENDORS FOR GOODS AND SERVICES. THE COMMISSION SHALL ADOPT
9 REGULATIONS TO REQUIRE RACING VENDORS TO DISCLOSE ALL PRINCIPAL
10 OWNERS AND OFFICERS AND A DESCRIPTION OF THEIR INTERESTS IN THE
11 VENDORS' BUSINESSES. FAILURE TO DISCLOSE THIS INFORMATION SHALL
12 CONSTITUTE GROUNDS TO DENY, TO REVOKE OR TO SUSPEND ANY RACING
13 VENDOR'S LICENSE ISSUED UNDER THIS CHAPTER.

14 (I) REVOCATION OR FAILURE TO RENEW.--IN THE EVENT OF A
15 REVOCATION OR FAILURE TO RENEW, THE LICENSEE'S AUTHORIZATION TO
16 CONDUCT PREVIOUSLY APPROVED ACTIVITY SHALL IMMEDIATELY CEASE AND
17 ALL FEES PAID IN CONNECTION THEREWITH SHALL BE DEEMED TO BE
18 FORFEITED. IN THE EVENT OF A SUSPENSION, THE APPLICANT'S
19 AUTHORIZATION TO CONDUCT THE PREVIOUSLY APPROVED ACTIVITY SHALL
20 IMMEDIATELY CEASE UNTIL THE COMMISSION HAS NOTIFIED THE
21 APPLICANT THAT THE SUSPENSION IS NO LONGER IN EFFECT.

22 (J) HEARINGS.--THE COMMISSION MAY SUSPEND A LICENSE UNDER
23 SUBSECTION (I) PENDING A HEARING ON THE MATTER, WHICH MUST OCCUR
24 WITHIN 10 DAYS OF THE SUSPENSION. THE COMMISSION OR ITS DIRECTOR
25 MAY GRANT A SUPERSEDEAS, IF REQUESTED, PENDING A FINAL
26 RESOLUTION OF THE MATTER.

27 (K) (RESERVED).

28 (L) CRIMINAL ACTION.--

29 (1) EACH DISTRICT ATTORNEY SHALL HAVE AUTHORITY TO
30 INVESTIGATE AND TO INSTITUTE CRIMINAL PROCEEDINGS FOR A

1 VIOLATION OF THIS CHAPTER.

2 (2) IN ADDITION TO THE AUTHORITY CONFERRED UPON THE
3 ATTORNEY GENERAL UNDER THE ACT OF OCTOBER 15, 1980 (P.L.950,
4 NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT, THE
5 ATTORNEY GENERAL SHALL HAVE THE AUTHORITY TO INVESTIGATE AND,
6 FOLLOWING CONSULTATION WITH THE APPROPRIATE DISTRICT
7 ATTORNEY, TO INSTITUTE CRIMINAL PROCEEDINGS FOR A VIOLATION
8 OF THIS CHAPTER. A PERSON CHARGED WITH A VIOLATION OF THIS
9 CHAPTER BY THE ATTORNEY GENERAL SHALL NOT HAVE STANDING TO
10 CHALLENGE THE AUTHORITY OF THE ATTORNEY GENERAL TO
11 INVESTIGATE OR PROSECUTE THE CASE, AND, IF ANY SUCH CHALLENGE
12 IS MADE, THE CHALLENGE SHALL BE DISMISSED AND NO RELIEF SHALL
13 BE AVAILABLE IN THE COURTS OF THIS COMMONWEALTH TO THE PERSON
14 MAKING THE CHALLENGE.

15 (M) REGULATORY ACTION.--NOTHING CONTAINED IN SUBSECTION (L)
16 SHALL BE CONSTRUED TO LIMIT THE EXISTING REGULATORY OR
17 INVESTIGATIVE AUTHORITY OF AN AGENCY OR THE COMMONWEALTH WHOSE
18 FUNCTIONS RELATE TO PERSONS OR MATTERS WITHIN THE SCOPE OF THIS
19 PART.

20 (N) INSPECTION, SEIZURE AND WARRANTS ON RACETRACK
21 ENCLOSURES.--

22 (1) THE COMMISSION, THE ATTORNEY GENERAL AND THE
23 PENNSYLVANIA STATE POLICE SHALL HAVE THE AUTHORITY WITHOUT
24 NOTICE AND WITHOUT WARRANT TO DO ALL OF THE FOLLOWING IN THE
25 PERFORMANCE OF THEIR DUTIES:

26 (I) INSPECT AND EXAMINE ALL PREMISES WHERE HORSE
27 RACING IS CONDUCTED, OR WHERE RECORDS OF THESE ACTIVITIES
28 ARE PREPARED OR MAINTAINED.

29 (II) INSPECT ALL EQUIPMENT AND SUPPLIES IN, ABOUT,
30 UPON OR AROUND PREMISES REFERRED TO IN SUBPARAGRAPH (I).

1 (III) SEIZE, SUMMARILY REMOVE AND IMPOUND EQUIPMENT
2 AND SUPPLIES FROM PREMISES REFERRED TO IN SUBPARAGRAPH
3 (I) FOR THE PURPOSES OF EXAMINATION AND INSPECTION.

4 (IV) INSPECT, EXAMINE AND AUDIT ALL BOOKS, RECORDS
5 AND DOCUMENTS PERTAINING TO A LICENSEE'S OPERATION.

6 (V) SEIZE, IMPOUND OR ASSUME PHYSICAL CONTROL OF ANY
7 BOOK, RECORD, LEDGER OR DEVICE.

8 (2) THE PROVISIONS OF PARAGRAPH (1) SHALL NOT BE DEEMED
9 TO LIMIT WARRANTLESS INSPECTIONS EXCEPT IN ACCORDANCE WITH
10 CONSTITUTIONAL REQUIREMENTS.

11 § 9324. (RESERVED).

12 § 9325. POWER OF COMMISSION TO IMPOSE FINES.

13 (A) GENERAL RULE.--THE COMMISSION MAY IMPOSE ADMINISTRATIVE
14 FINES UPON ANY LICENSED OR UNLICENSED RACING ENTITY, ASSOCIATION
15 OR PERSON PARTICIPATING IN HORSE RACING AT WHICH PARI-MUTUEL
16 WAGERING IS CONDUCTED, OTHER THAN AS A PATRON, FOR A VIOLATION
17 OF ANY PROVISION OF THIS CHAPTER OR RULE OR REGULATION OF THE
18 COMMISSION, NOT EXCEEDING \$10,000 FOR EACH VIOLATION. EACH DAY
19 MAY BE CONSIDERED A SEPARATE VIOLATION. FINES SHALL BE DEPOSITED
20 IN THE STATE RACING FUND AND MAY BE APPROPRIATED FOR THE
21 ENFORCEMENT OF THIS CHAPTER.

22 (B) INTERESTS.--

23 (1) NO OWNER, OFFICER OR EMPLOYEE OF A LICENSED RACING
24 ENTITY OR THEIR IMMEDIATE FAMILY SHALL HAVE ANY DIRECT OR
25 INDIRECT INTEREST IN A RACE HORSE THAT IS PARTICIPATING IN A
26 HORSE RACE MEETING AT WHICH THE PERSON OR RELATIVE LISTED
27 UNDER THIS PARAGRAPH HOLDS ANY INTEREST IN THE LICENSED
28 RACING ENTITY CONDUCTING THE HORSE RACE MEETING OR IN THE
29 RACETRACK FACILITY.

30 (2) THE COMMISSION MAY IMPOSE A FINE UPON ANY PERSON FOR

1 A VIOLATION OF THIS SUBSECTION IN ACCORDANCE WITH SUBSECTION
2 (A).

3 § 9326. ADMISSION TO RACETRACK.

4 (A) POWER OF LICENSED RACING ENTITY.--EXCEPT AS PROVIDED IN
5 SUBSECTION (B), A LICENSED RACING ENTITY MAY REFUSE ADMISSION TO
6 AND EJECT FROM THE RACETRACK ENCLOSURE OPERATED BY THE LICENSED
7 RACING ENTITY, ANY PERSON LICENSED BY THE COMMISSION UNDER THIS
8 CHAPTER AND EMPLOYED AT AN OCCUPATION AT THE RACETRACK IF THE
9 PERSON'S PRESENCE IS DEEMED DETRIMENTAL TO THE BEST INTERESTS OF
10 HORSE RACING AND AFTER CITING THE REASONS FOR THE DETERMINATION
11 IN WRITING. THE ACTION OF THE LICENSED RACING ENTITY REFUSING
12 THE PERSON ADMISSION TO OR EJECTING THE PERSON FROM A HORSE RACE
13 MEETING GROUND OR RACETRACK ENCLOSURE SHALL HAVE IMMEDIATE
14 EFFECT UNLESS A SUPERSEDEAS HAS BEEN GRANTED BY THE BUREAU
15 DIRECTOR. THE PERSON REFUSED ADMISSION OR EJECTED SHALL RECEIVE
16 A HEARING BEFORE THE COMMISSION, IF REQUESTED, PURSUANT TO RULES
17 AND REGULATIONS ADOPTED FOR THAT PURPOSE BY THE COMMISSION AND A
18 DECISION RENDERED FOLLOWING THAT HEARING.

19 (B) ADMISSION.--A LICENSED RACING ENTITY MAY NOT REFUSE
20 ADMISSION TO OR EJECT A LAW ENFORCEMENT OFFICIAL, COMMISSION
21 MEMBER OR EMPLOYEE OR EMPLOYEE OF THE DEPARTMENT OF REVENUE
22 WHILE THE OFFICIAL IS ENGAGED IN THE PERFORMANCE OF THE
23 INDIVIDUAL'S OFFICIAL DUTIES.

24 § 9327. SECURITY PERSONNEL.

25 (A) GENERAL RULE.--THE COMMISSION SHALL REQUIRE LICENSED
26 RACING ENTITIES TO EMPLOY PERSONS AS SECURITY AS DETERMINED BY
27 THE COMMISSION. DESIGNATED SECURITY PERSONNEL:

28 (1) SHALL REFER POSSIBLE VIOLATIONS OF THE CRIMINAL LAWS
29 OF THIS COMMONWEALTH WITHIN THE RACETRACK OR RACETRACK
30 ENCLOSURE TO LAW ENFORCEMENT AGENCIES.

1 (2) MAY NOT EJECT OR EXCLUDE FROM THE RACETRACK OR
2 RACETRACK ENCLOSURE ANY PERSON BECAUSE OF THE RACE, CREED,
3 COLOR, SEX, SEXUAL ORIENTATION, NATIONAL ORIGIN OR RELIGION
4 OF THAT PERSON.

5 (B) PENALTY.--AN INDIVIDUAL FOUND WITHIN A RACETRACK OR
6 RACETRACK ENCLOSURE AFTER HAVING BEEN EJECTED THEREFROM SHALL,
7 UPON CONVICTION, BE GUILTY OF A SUMMARY OFFENSE AND BE SENTENCED
8 TO PAY A FINE OF NOT MORE THAN \$500.

9 § 9328. (RESERVED).

10 § 9329. INTERSTATE SIMULCASTING.

11 (A) HOST LICENSEES.--THE COMMISSION MAY APPROVE THE
12 APPLICATION OF A LICENSED RACING ENTITY OR SECONDARY PARI-MUTUEL
13 ORGANIZATION TO ELECTRONICALLY SIMULCAST HORSE RACES TO AND FROM
14 THIS COMMONWEALTH. UPON REQUEST BY A LICENSED RACING ENTITY OR
15 SECONDARY PARI-MUTUEL ORGANIZATION, THE COMMISSION MAY DESIGNATE
16 THE ENTITY AS A HOST LICENSEE, AUTHORIZED TO MAINTAIN COMMON
17 PARI-MUTUEL POOLS ON INTERNATIONAL AND INTERSTATE RACES
18 TRANSMITTED TO AND FROM THE RACETRACK ENCLOSURES WITHIN THIS
19 COMMONWEALTH. ALL SIMULCASTS OF HORSE RACES SHALL COMPLY WITH
20 THE PROVISIONS OF THE INTERSTATE HORSERACING ACT OF 1978 (PUBLIC
21 LAW 95-515, 15 U.S.C. § 3001 ET SEQ.) AND THE LAWS OF EACH STATE
22 INVOLVED, PLACED OR TRANSMITTED BY AN INDIVIDUAL IN ONE STATE
23 VIA TELEPHONE, INTERNET OR OTHER ELECTRONIC MEDIA AND ACCEPTED
24 AND MAINTAINED IN COMMON PARI-MUTUEL POOLS. THE DESIGNATION AS A
25 HOST LICENSEE FOR INTERNATIONAL AND INTERSTATE SIMULCAST RACES
26 SHALL BE LIMITED TO LICENSED RACING ENTITIES WHICH COMPLY WITH 4
27 PA.C.S. § 1303(D) (RELATING TO ADDITIONAL CATEGORY 1 SLOT
28 MACHINE LICENSE REQUIREMENTS).

29 (B) SIMULCASTS.--THE FOLLOWING APPLY:

30 (1) CROSS SIMULCASTING OF THE RACES DESCRIBED IN

1 SUBSECTION (A) SHALL BE PERMITTED IF ALL AMOUNTS WAGERED ON
2 THE RACES IN THIS COMMONWEALTH ARE INCLUDED IN COMMON PARI-
3 MUTUEL POOLS. A HOST LICENSEE SEEKING PERMISSION TO CROSS
4 SIMULCAST MUST OBTAIN APPROVAL FROM THE COMMISSION.

5 (2) ALL FORMS OF PARI-MUTUEL WAGERING SHALL BE ALLOWED
6 ON HORSE RACES SIMULCASTED. THE COMMISSION MAY PERMIT PARI-
7 MUTUEL POOLS IN THIS COMMONWEALTH TO BE COMBINED WITH PARI-
8 MUTUEL POOLS CREATED UNDER THE LAWS OF ANOTHER JURISDICTION
9 AND MAY PERMIT PARI-MUTUEL POOLS CREATED UNDER THE LAWS OF
10 ANOTHER JURISDICTION TO BE COMBINED WITH PARI-MUTUEL POOLS IN
11 THIS COMMONWEALTH. THE COMMISSION SHALL PROMULGATE
12 REGULATIONS NECESSARY TO REGULATE WAGERING ON TELEVISED
13 SIMULCASTS.

14 (C) TAXATION.--MONEY WAGERED BY PATRONS IN THIS COMMONWEALTH
15 ON HORSE RACES SHALL BE COMPUTED BY THE AMOUNT OF MONEY WAGERED
16 EACH RACING DAY FOR PURPOSES OF TAXATION UNDER SECTION 9334
17 (RELATING TO STATE RACING FUND AND TAX RATE). THOROUGHBRED RACES
18 SHALL BE CONSIDERED A PART OF A THOROUGHBRED HORSE RACE MEETING
19 AND STANDARDBRED HORSE RACES SHALL BE CONSIDERED A PART OF A
20 STANDARDBRED HORSE RACE MEETING.

21 § 9330. PLACE AND MANNER OF CONDUCTING PARI-MUTUEL WAGERING AT
22 RACETRACK ENCLOSURE.

23 (A) WAGERING LOCATION.--A LICENSED RACING ENTITY SHALL
24 PROVIDE A LOCATION DURING A HORSE RACE MEETING WITHIN THE
25 RACETRACK ENCLOSURE WHERE THE LICENSED RACING ENTITY SHALL
26 OPERATE THE PARI-MUTUEL SYSTEM OF WAGERING BY ITS PATRONS ON THE
27 RESULTS OF HORSE RACES HELD AT THE RACETRACK OR TELEVISED TO THE
28 RACETRACK ENCLOSURE BY SIMULCASTING UNDER SECTION 9329 (RELATING
29 TO INTERSTATE SIMULCASTING). THE LICENSED RACING ENTITY SHALL
30 ERECT A SIGN OR BOARD COMPATIBLE WITH THE TOTALISATOR SYSTEMS

1 WHICH SHALL DISPLAY ALL OF THE FOLLOWING:

2 (1) THE APPROXIMATE STRAIGHT ODDS ON EACH HORSE IN ANY
3 RACE.

4 (2) THE VALUE OF A WINNING MUTUEL TICKET, STRAIGHT,
5 PLACE OR SHOW ON THE FIRST THREE HORSES IN THE RACE.

6 (3) THE ELAPSED TIME OF THE RACE.

7 (4) THE VALUE OF A WINNING DAILY DOUBLE TICKET, IF A
8 DAILY DOUBLE IS CONDUCTED, AND ANY OTHER INFORMATION THAT THE
9 COMMISSION DEEMS NECESSARY TO INFORM THE GENERAL PUBLIC.

10 (B) EQUIPMENT.--THE COMMISSION MAY TEST AND EXAMINE THE
11 EQUIPMENT TO BE USED FOR THE DISPLAY OF THE INFORMATION UNDER
12 SUBSECTION (A).

13 (C) ELECTRONIC WAGERING SYSTEM.--IN ADDITION TO OTHER FORMS
14 OF LIVE WAGERING, INCLUDING CASH AT A WINDOW TELLER, A LICENSED
15 RACING ENTITY MAY OPERATE AN ELECTRONIC WAGERING SYSTEM ON HORSE
16 RACING IN ACCORDANCE WITH ALL OF THE FOLLOWING:

17 (1) MESSAGES TO PLACE WAGERS SHALL BE TO A PLACE WITHIN
18 THE RACETRACK ENCLOSURE.

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

22 (C.1) REGULATIONS.--THE COMMISSION MAY PROMULGATE
23 REGULATIONS NECESSARY TO REGULATE ELECTRONIC WAGERING FOR HORSE
24 RACING.

25 (D) TAXATION.--MONEY WAGERED AS A RESULT OF ELECTRONIC
26 WAGERING SHALL BE INCLUDED IN THE AMOUNT WAGERED EACH RACING DAY
27 FOR PURPOSES OF TAXATION UNDER SECTION 9334 (RELATING TO STATE
28 RACING FUND AND TAX RATE) AND SHALL BE INCLUDED IN THE SAME
29 PARI-MUTUEL POOLS FOR EACH POSTED RACE. ELECTRONIC WAGERING
30 SYSTEMS SHALL BE OPERATED BY THE LICENSED RACING ENTITY,

1 SECONDARY PARI-MUTUEL ORGANIZATION OR BY A DULY LICENSED RACING
2 VENDOR.

3 (E) CONDITIONS.--A LICENSED RACING ENTITY SHALL ONLY ACCEPT
4 AND TABULATE A WAGER BY A DIRECT REQUEST VIA ELECTRONIC MEDIA
5 FROM THE HOLDER OF AN ELECTRONIC WAGERING ACCOUNT. ONLY THE
6 HOLDER OF THE ELECTRONIC WAGERING ACCOUNT SHALL PLACE A WAGER.

7 (F) PRIMARY MARKET AREA.--

8 (1) A LICENSED RACING ENTITY OR SECONDARY PARI-MUTUEL
9 ORGANIZATION MAY NOT ACCEPT A WAGER OR ESTABLISH ELECTRONIC
10 WAGERING OR ADVANCED DEPOSIT ACCOUNT WAGERING FOR ANY PERSON
11 LOCATED IN THE PRIMARY MARKET AREA OF A RACETRACK, OTHER THAN
12 THE RACETRACK AT WHICH THE LICENSED RACING ENTITY IS
13 CONDUCTING A HORSE RACE MEETING.

14 (2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
15 PROHIBIT A LICENSED RACING ENTITY FROM ACCEPTING A WAGER FROM
16 OR ESTABLISHING AN ELECTRONIC WAGERING ACCOUNT FOR ANY PERSON
17 LOCATED IN THE PRIMARY MARKET AREA OF THE RACETRACK WHERE THE
18 LICENSED RACING ENTITY IS CONDUCTING A HORSE RACE MEETING. IF
19 TWO TRACKS SHARE THE PRIMARY MARKET AREA, BOTH RACETRACKS
20 SHALL HAVE EQUAL RIGHTS TO THE MARKET IN THE SHARED AREA.

21 § 9331. PARI-MUTUEL WAGERING AT NONPRIMARY LOCATIONS.

22 (A) NONPRIMARY LOCATIONS.--THE FOLLOWING SHALL APPLY:

23 (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER,
24 THE COMMISSION MAY APPROVE A LICENSED RACING ENTITY TO
25 CONTINUE TO OPERATE A NONPRIMARY LOCATION WHERE IT HAS
26 CONDUCTED PARI-MUTUEL WAGERING ON HORSE RACES CONDUCTED BY
27 THE LICENSED RACING ENTITY. THE LICENSED RACING ENTITY MAY
28 CONTINUE TO CONDUCT PARI-MUTUEL WAGERING AT THE LOCATION ON
29 HORSE RACES CONDUCTED BY ANOTHER LICENSED RACING ENTITY,
30 WHICH HORSE RACES MAY BE TELEVISED TO THE LOCATION OR ON

1 HORSE RACES SIMULCAST TO THE LOCATION UNDER SECTION 9326

2 (RELATING TO ADMISSION TO RACETRACK), PROVIDED THAT:

3 (I) A LICENSED RACING ENTITY HAS NOT ESTABLISHED A
4 NONPRIMARY LOCATION WITHIN THE PRIMARY MARKET AREA OF ANY
5 RACETRACK OTHER THAN A RACETRACK WHERE THE LICENSED
6 RACING ENTITY CONDUCTS HORSE RACE MEETINGS. ESTABLISHMENT
7 OF A NONPRIMARY LOCATION BY A LICENSED RACING ENTITY
8 WITHIN THE PRIMARY MARKET AREA OF A RACETRACK WHERE THE
9 LICENSED RACING ENTITY CONDUCTS HORSE RACE MEETINGS SHALL
10 REQUIRE APPROVAL OF THE COMMISSION.

11 (II) A LICENSED RACING ENTITY HAS NOT ESTABLISHED A
12 NONPRIMARY LOCATION WITHIN THE SECONDARY MARKET AREA OF A
13 RACETRACK IF THE NONPRIMARY LOCATION IS APPROVED BY THE
14 COMMISSION.

15 (III) A LICENSED RACING ENTITY HAS NOT ESTABLISHED A
16 NONPRIMARY LOCATION IN AN AREA OUTSIDE THE PRIMARY AND
17 SECONDARY MARKET AREAS OF ANY RACETRACK IF THE LOCATION
18 IS APPROVED BY THE COMMISSION.

19 (2) EXCEPT AS PROVIDED UNDER PARAGRAPH (1), NO
20 ADDITIONAL LICENSES SHALL BE PERMITTED.

21 (3) THE COMMISSION SHALL ANNUALLY CONDUCT INSPECTIONS OF
22 THE PRIMARY FACILITY.

23 (4) THE REGULATORY AUTHORITY OF THE COMMISSION SHALL
24 APPLY TO NONPRIMARY LOCATIONS AND ANY EMPLOYEES OR RACING
25 VENDORS OF THE LICENSED RACING ENTITY ESTABLISHING THE
26 NONPRIMARY LOCATION.

27 (B) TAXATION AND RECORDS.--MONEY WAGERED AT ALL PRIMARY AND
28 NONPRIMARY LOCATIONS UNDER THIS CHAPTER SHALL BE INCLUDED IN
29 COMMON PARI-MUTUEL POOLS. MONEY WAGERED BY PATRONS ON THE RACES
30 SHALL BE COMPUTED BY THE AMOUNT OF MONEY WAGERED EACH RACING DAY

1 FOR PURPOSES OF TAXATION UNDER SECTION 9334 (RELATING TO STATE
2 RACING FUND AND TAX RATE). THE LICENSED RACING ENTITY CONDUCTING
3 THE HORSE RACE MEETING AND MAINTAINING THE PARI-MUTUEL POOLS
4 SHALL MAINTAIN ACCURATE RECORDS OF THE AMOUNT WAGERED IN EACH
5 POOL FROM EVERY PRIMARY AND NONPRIMARY LOCATION.

6 (C) RETENTION.--MONEY RETAINED UNDER SECTION 9334 SHALL BE
7 CALCULATED FOR EACH LOCATION WHERE PARI-MUTUEL WAGERING IS BEING
8 CONDUCTED. IF WAGERING HAS TAKEN PLACE AT A NONPRIMARY LOCATION
9 WHERE THE WAGERING IS CONDUCTED BY A LICENSED RACING ENTITY
10 OTHER THAN THE LICENSED RACING ENTITY CONDUCTING THE HORSE RACE
11 MEETING, THE LICENSED RACING ENTITY CONDUCTING THE HORSE RACE
12 MEETING SHALL RETAIN ANY MONEY TO WHICH IT IS ENTITLED BY
13 AGREEMENT. THE LICENSED RACING ENTITY CONDUCTING THE HORSE RACE
14 MEETING SHALL PAY OVER THE BALANCE OF THE RETAINED MONEY TO THE
15 LICENSED RACING ENTITY CONDUCTING THE WAGERING AT THE NONPRIMARY
16 LOCATION.

17 (D) PAYMENT OF PURSES.--A LICENSED RACING ENTITY CONDUCTING
18 A HORSE RACE MEETING WHERE PARI-MUTUEL WAGERING IS CONDUCTED AT
19 ONE OR MORE NONPRIMARY LOCATIONS SHALL DISTRIBUTE MONEY TO THE
20 HORSEMEN'S ORGANIZATION, OR, IN ACCORDANCE WITH THE PRACTICE OF
21 THE PARTIES, TO BE USED FOR PAYMENT OF PURSES AT THAT RACETRACK,
22 AS FOLLOWS:

23 (1) EXCEPT AS PROVIDED FOR IN PARAGRAPHS (2), (3), (4)
24 AND (5), AN AMOUNT EQUAL TO BUT NOT LESS THAN 6% OF THE DAILY
25 GROSS WAGERING HANDLE ON THE RACES AT A NONPRIMARY LOCATION.

26 (2) WHEN THE GROSS WAGERING HANDLE ON THE RACES AT A
27 NONPRIMARY LOCATION ON A GIVEN DAY IS LESS THAN \$30,000, THE
28 PERCENTAGE MAY NOT BE LESS THAN 3%.

29 (3) WHEN THE GROSS WAGERING HANDLE ON THE RACES AT A
30 NONPRIMARY LOCATION ON A GIVEN DAY IS BETWEEN \$30,000 AND

1 \$75,000, THE PERCENTAGE MAY NOT BE LESS THAN 4.75%.

2 (4) WHENEVER A NONPRIMARY LOCATION IS WITHIN THE PRIMARY
3 MARKET AREA OF A LICENSED RACING ENTITY OTHER THAN THE
4 LICENSED RACING ENTITY CONDUCTING THE RACES, THE APPLICABLE
5 PERCENTAGE SHALL BE DISTRIBUTED ONE-HALF TO THE HORSEMEN'S
6 ORGANIZATION AT THE RACETRACK OR IN ACCORDANCE WITH THE
7 PRACTICE OF THE PARTIES.

8 (5) WHERE THE HORSE RACE MEETING IS BEING CONDUCTED TO
9 BE USED FOR THE PAYMENT OF PURSES AT THE RACETRACK AND ONE-
10 HALF TO THE HORSEMEN'S ORGANIZATION, OR IN ACCORDANCE WITH
11 THE PRACTICE OF THE PARTIES, AT THE RACETRACK WITHIN THE
12 PRIMARY MARKET AREA TO BE USED FOR THE PAYMENT OF PURSES AT
13 THE RACETRACK.

14 NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO PREVENT A
15 LICENSED RACING ENTITY FROM AGREEING TO DISTRIBUTE AMOUNTS
16 GREATER THAN THE PERCENTAGES SET FORTH IN THIS SUBSECTION.
17 HOWEVER, IF NO ALTERNATIVE AGREEMENT HAS BEEN REACHED, THE TOTAL
18 PERCENTAGE FOR PURSES UNDER THIS SUBSECTION SHALL BE PAID IN
19 ACCORDANCE WITH THE MINIMUM PERCENTAGES SET FORTH IN THIS
20 SUBSECTION.

21 (E) OTHER PAYMENTS.--NOTWITHSTANDING ANY OTHER PROVISION OF
22 THIS CHAPTER, A NONPRIMARY LOCATION MAY BE ESTABLISHED WITHIN
23 THE PRIMARY MARKET AREA OF A RACETRACK BY AGREEMENT BETWEEN THE
24 LICENSED RACING ENTITY AND THE HORSEMEN'S ORGANIZATION AT THE
25 RACETRACK SPECIFYING THE TOTAL PERCENTAGE OF HANDLE WAGERED AT
26 THE NONPRIMARY LOCATION TO BE DISTRIBUTED TO THE HORSEMEN'S
27 ORGANIZATION, OR, IN ACCORDANCE WITH THE PRACTICE OF THE
28 PARTIES, TO BE USED FOR THE PAYMENT OF PURSES AT THAT RACETRACK.
29 IF NO AGREEMENT IS REACHED COVERING THE LOCATIONS, THE TOTAL
30 PERCENTAGE TO BE PAID FOR PURSES SHALL BE THE SAME AS THAT

1 APPLIED TO ON-TRACK WAGERING AT THE RACETRACK LOCATED WITHIN THE
2 PRIMARY MARKET AREA.

3 § 9332. BOOKS AND RECORDS OF PARI-MUTUEL WAGERING.

4 EVERY LICENSED RACING ENTITY THAT CONDUCTS A HORSE RACE
5 MEETING AT WHICH PARI-MUTUEL WAGERING IS AUTHORIZED SHALL
6 MAINTAIN BOOKS AND RECORDS THAT CLEARLY SHOW BY SEPARATE RECORD
7 THE TOTAL AMOUNT OF MONEY CONTRIBUTED TO EVERY PARI-MUTUEL POOL.
8 THE DEPARTMENT OF REVENUE OR ITS AUTHORIZED REPRESENTATIVE SHALL
9 HAVE ACCESS TO EXAMINE ALL BOOKS AND RECORDS AND ASCERTAIN
10 WHETHER THE PROPER AMOUNT DUE TO THE STATE IS BEING PAID BY THE
11 LICENSED RACING ENTITY.

12 § 9333. FILING OF CERTAIN AGREEMENTS WITH COMMISSION.

13 A LICENSED RACING ENTITY SHALL PROMPTLY FILE WITH THE
14 COMMISSION ANY LEASE AGREEMENT CONCERNING ANY CONCESSION, LABOR
15 MANAGEMENT RELATION, HIRING OF DESIGNATED CLASSES OF OFFICERS,
16 EMPLOYEES OR CONTRACTORS SPECIFIED BY THE COMMISSION OR ANY
17 OTHER CONTRACT OR AGREEMENT AS THE COMMISSION MAY PRESCRIBE.

18 § 9334. STATE RACING FUND AND TAX RATE.

19 (A) FUND.--THERE IS HEREBY ESTABLISHED IN THE STATE TREASURY
20 THE STATE RACING FUND. FOR FISCAL YEAR 2015-2016, MONEY IN THE
21 FUND IS APPROPRIATED ON A CONTINUING BASIS TO THE DEPARTMENT FOR
22 THE PURPOSES OF ADMINISTERING THIS CHAPTER. BEGINNING ON JULY 1,
23 2016, ALL MONEY DEPOSITED IN THE FUND, EXCEPT MONEY DEPOSITED IN
24 RESTRICTED ACCOUNTS, SHALL BE ANNUALLY APPROPRIATED BY THE
25 GENERAL ASSEMBLY FOR THE ADMINISTRATION AND ENFORCEMENT OF THIS
26 CHAPTER AND FOR THE OVERSIGHT AND PROMOTION OF HORSE RACING IN
27 THIS COMMONWEALTH. A LICENSED RACING ENTITY THAT CONDUCTS HORSE
28 RACE MEETINGS OR A SECONDARY PARI-MUTUEL ORGANIZATION SHALL PAY
29 A TAX TO THE DEPARTMENT OF REVENUE FOR DEPOSIT IN THE STATE
30 RACING FUND.

1 (B) TAX RATE.--THE TAX IMPOSED ON A LICENSED RACING ENTITY
2 OR SECONDARY PARI-MUTUEL ORGANIZATION SHALL BE 1.5% OF THE
3 AMOUNT WAGERED EACH RACING DAY ON WIN, PLACE OR SHOW WAGERS AND
4 2.5% OF THE TOTAL AMOUNT ON AN EXOTIC WAGER, INCLUDING AN
5 EXACTA, DAILY DOUBLE, QUINELLA AND TRIFECTA WAGER.

6 (C) EXPENDITURES.--FUNDS COLLECTED UNDER SUBSECTION (B) AND
7 ANY INTEREST SHALL BE USED AS FOLLOWS:

8 (1) FOR THE ADMINISTRATION AND ENFORCEMENT OF THIS
9 CHAPTER INCLUDING:

10 (I) FUNDS TO THE COMMISSION IN AN AMOUNT
11 APPROPRIATED BY THE GENERAL ASSEMBLY.

12 (II) FUNDS TO THE DEPARTMENT OF REVENUE IN AN AMOUNT
13 APPROPRIATED BY THE GENERAL ASSEMBLY.

14 (2) IF ANNUAL REVENUE UNDER SUBSECTION (B) IS SUFFICIENT
15 TO SATISFY THE REQUIREMENT UNDER PARAGRAPH (1), THE REMAINDER
16 OF THE MONEY SHALL BE DISTRIBUTED AS FOLLOWS:

17 (I) FIFTY PERCENT SHALL REMAIN IN THE STATE RACING
18 FUND AS A CARRY FORWARD BALANCE TO THE NEXT FISCAL YEAR.
19 ANY CARRY FORWARD BALANCE SHALL BE FIRST APPLIED TO THE
20 COST OF EQUINE TESTING UNDER SECTION 9374 (RELATING TO
21 COSTS OF ENFORCEMENT OF MEDICATION RULES OR REGULATIONS)
22 AND, IF ANY STILL REMAINS, FOR COMMISSION EXPENSES AS
23 BUDGETED BY THE GENERAL ASSEMBLY.

24 (II) FIFTY PERCENT SHALL BE DIVIDED EQUALLY AND
25 DISTRIBUTED AS FOLLOWS:

26 (A) TWENTY-FIVE PERCENT SHALL BE PAID BY THE
27 DEPARTMENT OF REVENUE FROM THE STATE RACING FUND FOR
28 CREDIT TO THE PENNSYLVANIA BREEDING FUND.

29 (B) TWENTY-FIVE PERCENT SHALL BE PAID BY THE
30 DEPARTMENT OF REVENUE FROM THE STATE RACING FUND FOR

1 CREDIT TO THE PENNSYLVANIA SIRE STAKES FUND.

2 (D) BREAKAGE.--ALL BREAKAGE RETAINED UNDER SECTION 9335
3 (RELATING TO PARI-MUTUEL POOL DISTRIBUTION) BY LICENSED RACING
4 ENTITIES THAT CONDUCT HORSE RACE MEETINGS SHALL BE DISTRIBUTED
5 IN THE FOLLOWING MANNER:

6 (1) THIRTY-SEVEN AND ONE-HALF PERCENT OF THE BREAKAGE
7 SHALL BE PAID TO THE DEPARTMENT OF REVENUE FOR CREDIT TO THE
8 STATE RACING FUND.

9 (2) SIXTY-TWO AND ONE-HALF PERCENT OF THE BREAKAGE SHALL
10 BE RETAINED BY THE LICENSED RACING ENTITY.

11 (E) OTHER REVENUES.--THE STATE RACING FUND MAY ALSO RECEIVE
12 MONEYS FROM ANY OTHER SOURCE, INCLUDING, BUT NOT LIMITED TO
13 APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY.
14 § 9335. PARI-MUTUEL POOL DISTRIBUTION.

15 (A) DISTRIBUTION.--A LICENSED RACING ENTITY SHALL DISTRIBUTE
16 MONEY IN A PARI-MUTUEL POOL TO THE HOLDERS OF WINNING TICKETS
17 PRESENTED FOR PAYMENT BEFORE THE FIRST DAY OF APRIL OF THE YEAR
18 FOLLOWING THE DATE OF PURCHASE. FAILURE TO PRESENT A WINNING
19 TICKET WITHIN THE PRESCRIBED PERIOD OF TIME SHALL CONSTITUTE A
20 WAIVER OF THE RIGHT TO PARTICIPATE IN THE AWARD OR DIVIDEND.
21 AFTER APRIL 1 OF THE YEAR FOLLOWING THE YEAR OF PURCHASE, A
22 LICENSED RACING ENTITY SHALL FORWARD THE NECESSARY FUNDS HELD
23 FOR UNCASHED TICKETS TO THE DEPARTMENT OF REVENUE. THE FUNDS
24 SHALL BE DEPOSITED INTO THE STATE RACING FUND.

25 (B) REMAINDER.--THE REMAINDER OF THE MONEY SHALL BE RETAINED
26 BY THE LICENSED RACING ENTITY IN THE FOLLOWING MANNER:

27 (1) SEVENTEEN PERCENT OF THE MONEY PLUS THE BREAKAGE
28 FROM REGULAR WAGERING POOLS OR 19% OF THE MONEY PLUS THE
29 BREAKAGE FROM REGULAR WAGERING POOLS FOR LICENSED RACING
30 ENTITIES WHOSE DAILY TOTAL IN ALL PARI-MUTUEL POOLS AVERAGED

1 LESS THAN \$300,000.

2 (2) TWENTY PERCENT OF THE MONEY PLUS BREAKAGE FROM THE
3 EXACTA, DAILY DOUBLE, QUINELLA AND OTHER WAGERING POOLS AS
4 DETERMINED BY THE COMMISSION.

5 (3) AT LEAST 26%, BUT NO MORE THAN 35%, FROM THE
6 TRIFECTA OR OTHER WAGERING POOLS AS DETERMINED BY THE
7 COMMISSION.

8 (C) RETENTION.--A LICENSED RACING ENTITY MAY RETAIN LESSER
9 PERCENTAGES UPON APPROVAL OF THE COMMISSION.

10 § 9336. PENNSYLVANIA BREEDING FUND.

11 (A) ESTABLISHMENT.--THERE IS CREATED A RESTRICTED ACCOUNT IN
12 THE STATE RACING FUND TO BE KNOWN AS THE PENNSYLVANIA BREEDING
13 FUND WHICH SHALL CONSIST OF THE MONEY DEPOSITED UNDER SECTION
14 9334 (RELATING TO STATE RACING FUND AND TAX RATE) AND ANY
15 PROVISION OF 4 PA.C.S. PT. II (RELATING TO GAMING) AND WHICH
16 SHALL BE DISTRIBUTED BY THE COMMISSION.

17 (B) AWARDS FROM THE PENNSYLVANIA BREEDING FUND.--THE
18 COMMISSION SHALL DISTRIBUTE MONEY FROM THE PENNSYLVANIA BREEDING
19 FUND AS FOLLOWS:

20 (1) AN AWARD OF 50% OF THE PURSE EARNED BY EVERY
21 REGISTERED PENNSYLVANIA-BRED THOROUGHBRED RACE HORSE SIRE BY
22 A REGISTERED PENNSYLVANIA SIRE AT THE TIME OF CONCEPTION OF
23 THE REGISTERED PENNSYLVANIA-BRED THOROUGHBRED RACE HORSE
24 WHICH FINISHES FIRST, SECOND OR THIRD IN ANY RACE CONDUCTED
25 BY A LICENSED RACING ENTITY UNDER THIS CHAPTER SHALL BE PAID
26 TO THE BREEDER OF THE REGISTERED PENNSYLVANIA-BRED
27 THOROUGHBRED RACE HORSE.

28 (2) AN AWARD OF 30% OF THE PURSE EARNED BY EVERY
29 REGISTERED PENNSYLVANIA-BRED THOROUGHBRED RACE HORSE SIRE BY
30 A NONREGISTERED SIRE, WHICH FINISHES FIRST, SECOND OR THIRD

1 IN ANY RACE CONDUCTED BY A LICENSED RACING ENTITY UNDER THIS
2 CHAPTER SHALL BE PAID TO THE BREEDER OF THE REGISTERED
3 PENNSYLVANIA-BRED THOROUGHBRED RACE HORSE.

4 (3) A SINGLE AWARD UNDER PARAGRAPHS (1) AND (2) MAY NOT
5 EXCEED 1% OF THE TOTAL ANNUAL FUND MONEY.

6 (4) AN AWARD OF 10% OF THE PURSE EARNED BY ANY
7 REGISTERED PENNSYLVANIA-BRED THOROUGHBRED RACE HORSE WHICH
8 FINISHES FIRST, SECOND OR THIRD IN ANY RACE CONDUCTED BY A
9 LICENSED RACING ENTITY UNDER THIS CHAPTER SHALL BE PAID TO
10 THE OWNER OF THE REGISTERED PENNSYLVANIA SIRE WHICH REGULARLY
11 STOOD IN PENNSYLVANIA AT THE TIME OF CONCEPTION OF THE
12 PENNSYLVANIA-BRED THOROUGHBRED RACE HORSE. A SINGLE AWARD
13 UNDER THIS PARAGRAPH MAY NOT EXCEED 0.5% OF THE TOTAL ANNUAL
14 FUND MONEY.

15 (C) REMAINING FUNDS FROM PENNSYLVANIA BREEDING FUND.--THE
16 ESTIMATED PENNSYLVANIA BREEDING FUND MONEY REMAINING EACH YEAR
17 AFTER THE DEDUCTION OF EXPENSES RELATED TO THE ADMINISTRATION
18 AND DEVELOPMENT OF THE PENNSYLVANIA BREEDING FUND PROGRAM AND
19 THE PAYMENT OF BREEDER AND STALLION AWARDS SHALL BE DIVIDED
20 AMONG THE LICENSED RACING ENTITIES THAT CONDUCT THOROUGHBRED
21 HORSE RACE MEETINGS IN DIRECT PROPORTION TO THE RATE BY WHICH
22 EACH LICENSED RACING ENTITY GENERATED THE FUND MONEY DURING THE
23 PREVIOUS YEAR TO BE USED SOLELY FOR PURSES AS FOLLOWS:

24 (1) FIFTY PERCENT SHALL BE USED TO AWARD A BONUS TO THE
25 OWNER OF, OR PAY PURSES OF RACES THAT RESTRICT ENTRY TO, A
26 REGISTERED PENNSYLVANIA-BRED THOROUGHBRED RACE HORSE SIRE BY
27 A REGISTERED PENNSYLVANIA SIRE.

28 (2) FIFTY PERCENT SHALL BE USED TO AWARD A BONUS TO THE
29 OWNER OF, OR PAY PURSES OF RACES THAT RESTRICT ENTRY TO, A
30 REGISTERED PENNSYLVANIA-BRED THOROUGHBRED RACE HORSE.

1 (3) IN ALL CLAIMING AND NONCLAIMING RACES WHICH PREFER
2 REGISTERED PENNSYLVANIA-BRED THOROUGHBRED RACE HORSES AS
3 STARTERS, IF EIGHT OR MORE REGISTERED PENNSYLVANIA-BRED
4 THOROUGHBRED RACE HORSES PASS THE ENTRY BOX, THE RACE SHALL
5 BE CONSIDERED CLOSED TO HORSES OTHER THAN REGISTERED
6 PENNSYLVANIA-BRED THOROUGHBRED RACE HORSES.

7 (D) FUNDS NOT EXPENDED.--PENNSYLVANIA BREEDING FUND MONEY
8 DUE TO LICENSED RACING ENTITIES, AS PROVIDED UNDER SUBSECTION
9 (C), BUT NOT EXPENDED DURING THE CALENDAR YEAR MAY BE CARRIED
10 FORTH IN THE FUND ON THE ACCOUNTS OF THE LICENSED RACING
11 ENTITIES TO BE EXPENDED DURING THE SUCCEEDING YEAR, IN ADDITION
12 TO THE RACING ENTITIES' FUND MONEY ANNUALLY DUE TO THE RACING
13 ENTITIES FOR PURSES.

14 (E) RECORDS.--THE COMMISSION MAY CONTRACT WITH AN
15 ORGANIZATION TO BE RESPONSIBLE FOR THE REGISTRATION AND RECORDS
16 OF PENNSYLVANIA-BRED THOROUGHBRED RACE HORSES AND PENNSYLVANIA
17 SIRES. A CONTRACTED ORGANIZATION MAY ADVISE THE COMMISSION AND
18 MAY DETERMINE, WITH COMMISSION APPROVAL, THE QUALIFICATIONS FOR
19 PENNSYLVANIA-BRED THOROUGHBRED RACE HORSES AND PENNSYLVANIA
20 SIRES. REGISTRATION AND RECORDS OF A CONTRACTED ORGANIZATION
21 SHALL BE OFFICIAL RECORDS OF THE COMMONWEALTH AND SHALL BE
22 SUBJECT TO THE ACT OF FEBRUARY 14, 2008 (P.L.6, NO.3), KNOWN AS
23 THE RIGHT-TO-KNOW LAW. AT THE CLOSE OF EACH CALENDAR YEAR, A
24 CONTRACTED ORGANIZATION SHALL SUBMIT TO THE COMMISSION FOR
25 APPROVAL AN ITEMIZED BUDGET OF PROJECTED EXPENSES FOR THE
26 ENSUING YEAR RELATING TO THE ADMINISTRATION AND DEVELOPMENT OF
27 THE PENNSYLVANIA BREEDING FUND PROGRAM. THE COMMISSION, ON NO
28 MORE THAN A QUARTERLY BASIS, SHALL REIMBURSE FROM THE FUND A
29 CONTRACTED ORGANIZATION FOR EXPENSES ACTUALLY INCURRED IN THE
30 ADMINISTRATION AND DEVELOPMENT OF THE PENNSYLVANIA BREEDING FUND

1 PROGRAM.

2 § 9337. PENNSYLVANIA SIRE STAKES FUND.

3 (A) ESTABLISHMENT.--THERE IS CREATED A RESTRICTED ACCOUNT IN
4 THE STATE RACING FUND TO BE KNOWN AS THE PENNSYLVANIA SIRE
5 STAKES FUND WHICH SHALL CONSIST OF THE MONEY DEPOSITED UNDER
6 SECTION 9334 (RELATING TO STATE RACING FUND AND TAX RATE) AND
7 ANY PROVISION OF 4 PA.C.S. PT. II (RELATING TO GAMING) AND WHICH
8 SHALL BE ADMINISTERED BY THE COMMISSION.

9 (B) DISTRIBUTION AND USE OF FUNDS.--FUNDS SHALL BE
10 DISTRIBUTED AS FOLLOWS:

11 (1) SIXTY PERCENT OF THE MONEY REMAINING IN THE EXCESS
12 FUND ACCOUNT OF THE PENNSYLVANIA SIRE STAKES FUND AT THE END
13 OF THE CALENDAR YEAR IN WHICH THIS SUBSECTION IS ENACTED
14 SHALL BE DISTRIBUTED TO LICENSED RACING ENTITIES THAT CONDUCT
15 STANDARD BREED HORSE RACE MEETINGS TO BE USED IN THE NEXT
16 SUCCEEDING CALENDAR YEAR AS PURSE MONEY FOR PENNSYLVANIA-
17 SIRE HORSES. THE REMAINING 40% OF THE MONEY IN THE EXCESS
18 FUND ACCOUNT AT THE END OF THE CALENDAR YEAR OF THE ENACTMENT
19 OF THIS SUBSECTION, TOGETHER WITH THE INTEREST EARNED ON THAT
20 MONEY, SHALL BE DISTRIBUTED TO LICENSED RACING ENTITIES THAT
21 CONDUCT STANDARD BREED HORSE RACE MEETINGS TO BE USED IN THE
22 NEXT SUCCEEDING CALENDAR YEAR AS PURSE MONEY FOR
23 PENNSYLVANIA-SIRE HORSES.

24 (2) AFTER DEDUCTION OF SUFFICIENT FUNDS TO COVER THE
25 COMMISSION'S COST OF ADMINISTRATION, 80% OF ALL REMAINING
26 MONEY IN THE PENNSYLVANIA SIRE STAKES FUND AT THE END OF THE
27 CALENDAR YEAR SHALL BE DISTRIBUTED TO LICENSED RACING
28 ENTITIES THAT CONDUCT STANDARD BREED HORSE RACE MEETINGS TO BE
29 USED AS PURSE MONEY FOR PENNSYLVANIA-SIRE HORSES. THE
30 COMMISSION MAY ALLOCATE UP TO A TOTAL OF 40% OF THE AMOUNT TO

1 BE DISTRIBUTED TO LICENSED RACING ENTITIES IN A CALENDAR YEAR
2 FOR USE FOR A SERIES OF CHAMPIONSHIP FINAL RACES AT THE
3 RACETRACKS OF LICENSED BUSINESS ENTITIES THAT CONDUCT
4 STANDARD BRED HORSE RACE MEETINGS. THE COMMISSION SHALL
5 DISTRIBUTE THE MONEY TO THESE CHAMPIONSHIP FINAL RACES IN AN
6 EQUAL AMOUNT FOR EACH SEX, AGE AND GAIT FOR TWO-YEAR-OLD
7 TROTTERS AND PACERS AND THREE-YEAR-OLD TROTTERS AND PACERS
8 BASED ON CONDITIONS ESTABLISHING ELIGIBILITY TO THESE FINAL
9 EVENTS. NO PARI-MUTUEL STANDARD BRED RACETRACK SHALL BE
10 AWARDED MORE THAN 50% OF THE CHAMPIONSHIP FINAL RACES IN ANY
11 CALENDAR YEAR. THE COMMISSION SHALL SCHEDULE THESE FINAL
12 EVENTS SO AS TO EVENLY ALTERNATE CLASSES AT EACH RACETRACK
13 EACH YEAR. AFTER THE ALLOCATION FOR THE CHAMPIONSHIP FINAL
14 RACES HAS BEEN DETERMINED, THE REMAINING FUNDS TO BE
15 DISTRIBUTED TO LICENSED RACING ENTITIES THAT CONDUCT
16 STANDARD BRED HORSE RACE MEETINGS SHALL BE DIVIDED EQUALLY
17 AMONG THE LICENSED RACING ENTITIES. EACH LICENSED RACING
18 ENTITY SHALL DIVIDE THE FUNDS RECEIVED EQUALLY FOR EACH OF:

19 (I) FOUR TWO-YEAR-OLD RACES; ONE PACE FOR COLTS, ONE
20 PACE FOR FILLIES, ONE TROT FOR COLTS AND ONE TROT FOR
21 FILLIES; AND

22 (II) FOUR THREE-YEAR-OLD RACES; ONE PACE FOR COLTS,
23 ONE PACE FOR FILLIES, ONE TROT FOR COLTS AND ONE TROT FOR
24 FILLIES.

25 (C) PURSE MONEY.--EACH ALLOTMENT SHALL PROVIDE PURSE MONEY
26 FOR THE RESPECTIVE RACES. THE PURSE MONEY SHALL BE IN ADDITION
27 TO ANY ENTRY FEES OR OTHER FUNDS AVAILABLE.

28 (D) ENTRY RESTRICTION.--ENTRY FOR THESE RACES SHALL BE
29 LIMITED TO STANDARD BRED HORSES WHICH WERE Sired BY A
30 STANDARD BRED STALLION REGULARLY STANDING IN PENNSYLVANIA AND

1 EACH RACE SHALL BE DESIGNATED A PENNSYLVANIA SIRE STAKES RACE.
2 THE COMMISSION SHALL ADOPT REGULATIONS AS NECESSARY TO
3 ADMINISTER THE ENTRY RESTRICTION.

4 (E) AGRICULTURAL FAIRS AND EVENTS.--

5 (1) THE FOLLOWING SHALL APPLY:

6 (I) THE REMAINING MONEY IN THE PENNSYLVANIA SIRE
7 STAKES FUND, UP TO A TOTAL OF \$75,000 FOR EACH
8 AGRICULTURAL FAIR AND ONE-DAY OR TWO-DAY EVENTS AS
9 DEFINED IN THE COMMISSION'S REGULATIONS, SHALL BE DIVIDED
10 EQUALLY AMONG THE AGRICULTURAL FAIRS AND ONE-DAY OR TWO-
11 DAY EVENTS.

12 (II) NO MORE THAN FIVE ONE-DAY OR TWO-DAY EVENTS MAY
13 BE AUTHORIZED BY THE COMMISSION PER YEAR.

14 (III) NO MORE THAN TWO ONE-DAY OR TWO-DAY EVENTS PER
15 COUNTY MAY BE AUTHORIZED BY THE COMMISSION EXCEPT IF,
16 AFTER A DATE ESTABLISHED BY THE COMMISSION, THE FIVE
17 EVENTS REFERENCED UNDER SUBPARAGRAPH (II) CONDUCTING
18 HARNESS HORSE RACES FOR TWO-YEAR-OLD AND THREE-YEAR-OLD
19 HARNESS HORSES HAVE NOT BEEN ALLOCATED.

20 (IV) NOT LESS THAN \$225,000 SHALL BE ALLOCATED FROM
21 THE PENNSYLVANIA SIRE STAKES FUND AND BE DIVIDED EQUALLY
22 AMONG AGRICULTURAL FAIRS AND ONE-DAY OR TWO-DAY EVENTS
23 CONDUCTING HARNESS HORSE RACES FOR TWO-YEAR-OLD AND
24 THREE-YEAR-OLD HARNESS HORSES.

25 (2) EACH FAIR OR ONE-DAY OR TWO-DAY EVENT RECEIVING
26 FUNDS UNDER THIS SUBSECTION SHALL DIVIDE THE TOTAL AMOUNT
27 EQUALLY AMONG ALL ELIGIBLE RACES FOR TWO-YEAR-OLD AND THREE-
28 YEAR-OLD HARNESS HORSES AND SHALL APPLY THE FUNDS SOLELY AS
29 ADDITIONAL PURSE FUNDS. ONLY RACES TO WHICH ENTRY IS
30 RESTRICTED TO PENNSYLVANIA-SIRED HORSES SHALL BE ELIGIBLE.

1 THE COMMISSION SHALL PROVIDE FOR AND PROMULGATE REGULATIONS
2 NECESSARY FOR THE PROPER ADMINISTRATION OF RACING PROVIDED
3 FOR UNDER THIS SUBSECTION, INCLUDING, BUT NOT LIMITED TO,
4 PORTABLE STALL RENTALS AT ONE-DAY OR TWO-DAY EVENTS.

5 § 9338. FAIR FUND PROCEEDS.

6 (A) DISTRIBUTION.--THE DEPARTMENT OF AGRICULTURE SHALL
7 DISTRIBUTE MONEY IN THE FAIR FUND ANNUALLY, ON OR BEFORE MARCH
8 1, FOR REIMBURSEMENT FOR EACH COUNTY AGRICULTURAL SOCIETY AND
9 EACH INDEPENDENT AGRICULTURAL SOCIETY CONDUCTING STANDARDBRED
10 HORSE RACING DURING ITS ANNUAL FAIR, OTHER THAN RACES FOR TWO-
11 YEAR-OLD COLTS AND FILLIES AND THREE-YEAR-OLD COLTS AND FILLIES,
12 AN AMOUNT OF MONEY EQUAL TO THAT USED DURING THEIR ANNUAL FAIR
13 AS PURSE MONEY FOR STANDARDBRED HORSE RACING, TRACK AND STABLE
14 MAINTENANCE, STARTING GATE RENTAL AND THE COST OF ALL
15 STANDARDBRED HORSE RACING OFFICIALS REQUIRED DURING THEIR ANNUAL
16 FAIR. THE REIMBURSEMENT AMOUNT MAY NOT BE MORE THAN \$13,000, A
17 MINIMUM OF \$4,000 OF WHICH MUST BE USED FOR PURSE MONEY AND THE
18 BALANCE OF THE ALLOTMENT PER FAIR, NOT USED FOR PURSE MONEY OVER
19 THE MINIMUM \$4,000 ALLOTMENT, SHALL BE USED FOR THE SPECIFIC
20 PURPOSES REFERENCED ABOVE OR OTHERWISE THE ALLOTMENT SHALL BE
21 RETAINED IN THE FUND.

22 (B) INSPECTION.--THE COMMISSION SHALL ANNUALLY INSPECT EACH
23 TRACK FACILITY AT A COUNTY FAIR AND ADVISE EACH OPERATING FAIR
24 ABOUT TRACK MAINTENANCE WHICH IS NECESSARY TO ENSURE ADEQUATE
25 RACING SURFACE DURING THE COURSE OF SCHEDULED FAIRS AND RACING
26 EVENTS. IF IT IS THE OPINION OF THE COMMISSION THAT THE FAIR
27 SOCIETY OR EVENT SPONSOR IS NOT ADEQUATELY FINANCING TRACK
28 MAINTENANCE, THE DEPARTMENT OF REVENUE SHALL SURCHARGE THE FAIR
29 FUND ACCOUNT OF THE FAIR SOCIETY OR EVENT SPONSOR TO EFFECTUATE
30 THE REMEDIATION. THE COMMISSION MAY CONTRACT WITH, HIRE OR

1 OTHERWISE CONSULT WITH RACE TRACK SURFACE EXPERTS TO CARRY OUT
2 THE PROVISIONS OF THIS SECTION.

3 § 9339. HEARING.

4 AN APPLICANT, LICENSEE OR OTHER PERSON WHOSE APPLICATION HAS
5 BEEN DENIED OR WHOSE LICENSE HAS BEEN SUSPENDED, REVOKED OR NOT
6 RENEWED MAY REQUEST A HEARING BEFORE THE COMMISSION. THE
7 PROVISIONS OF 2 PA.C.S. CHS. 5 SUBCH. A (RELATING TO PRACTICE
8 AND PROCEDURE OF COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING
9 TO JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION) SHALL APPLY,
10 UNLESS SUPERSEDED BY THE COMMISSION'S ADMINISTRATIVE
11 REGULATIONS.

12 § 9340. PROHIBITION OF WAGERING.

13 (A) GENERAL.--NO COMMISSIONER OR EMPLOYEE OF THE COMMISSION
14 SHALL WAGER UPON THE OUTCOME OF ANY HORSE RACE CONDUCTED AT OR
15 SIMULCAST TO A TRACK AT WHICH PARI-MUTUEL WAGERING IS CONDUCTED
16 BY ANY LICENSED RACING ENTITY REGULATED BY THE COMMISSION. NO
17 LICENSED RACING ENTITY SHALL PERMIT ANY PERSON WHO IS UNDER 18
18 YEARS OF AGE TO WAGER AT A HORSE RACE MEETING CONDUCTED BY THE
19 LICENSED RACING ENTITY. NO LICENSED RACING ENTITY SHALL PERMIT
20 ANY PERSON WHO IS UNDER 18 YEARS OF AGE TO ATTEND A HORSE RACE
21 MEETING CONDUCTED BY THE LICENSED RACING ENTITY UNLESS THE
22 PERSON IS ACCOMPANIED BY A PARENT OR GUARDIAN. THIS SECTION
23 SHALL NOT BE CONSTRUED TO PROHIBIT PERSONS UNDER 18 YEARS OF
24 AGE, WHO ARE LEGALLY EMPLOYED, FROM BEING UPON THE RACETRACK
25 PREMISES FOR THE SOLE PURPOSE OF ENGAGING IN THE PERFORMANCE OF
26 THEIR DUTIES AS EMPLOYEES.

27 (B) FAIR RACING.--PARI-MUTUEL WAGERING ON HORSE RACES AT ANY
28 COUNTY OR OTHER POLITICAL SUBDIVISION, AGRICULTURAL OR OTHER
29 FAIR SHALL NOT BE AUTHORIZED. NO LOTTERY, POOL SELLING,
30 BOOKMAKING OR ANY OTHER KIND OF GAMBLING UPON THE RESULTS OF

1 RACES, HEATS OR CONTESTS OF SPEED OF HORSES SHALL BE ALLOWED AT
2 ANY FAIR OR AT ANY HORSE RACE MEETING CONDUCTED IN THIS
3 COMMONWEALTH, EXCEPT THOSE LICENSED TO OPERATE PARI-MUTUEL
4 WAGERING UNDER THE PROVISIONS OF THIS CHAPTER.

5 § 9341. VETERINARIANS AND STATE STEWARDS.

6 (A) GENERAL RULE.--THE COMMISSION SHALL HAVE THE AUTHORITY
7 TO EMPLOY OR CONTRACT WITH LICENSED VETERINARIANS, STEWARDS AND
8 OTHER PERSONNEL DEEMED APPROPRIATE BY THE COMMISSION TO SERVE AT
9 EACH HORSE RACE MEETING CONDUCTED BY A LICENSED RACING ENTITY.
10 THE COMMISSION MAY EMPLOY OR CONTRACT WITH OTHER INDIVIDUALS AS
11 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 PERSONNEL SHALL BE FIXED AND PAID BY THE COMMISSION.

16 § 9342. PROMOTIONS AND DISCOUNTS.

17 THE COMMISSION MAY APPROVE A LICENSED RACING ENTITY TO ISSUE
18 A FREE PASS, CARD OR BADGE FOR A SPECIAL PROMOTIONAL PROGRAM AND
19 SEASONAL DISCOUNT TICKET PROGRAM.

20 § 9343. MONITORING OF WAGERING ON VIDEO SCREENS.

21 A LICENSED RACING ENTITY CONDUCTING PARI-MUTUEL WAGERING
22 SHALL DISPLAY ON VIDEO SCREENS THE APPROXIMATE ODDS OR
23 APPROXIMATE WILL-PAYS ON EACH HORSE FOR EACH RACE AS WELL AS A
24 COMBINATION OF RACES, INCLUDING, BUT NOT LIMITED TO, QUINELLAS,
25 EXACTAS, PERFECTAS AND ANY OTHER COMBINATION OR POOL OF RACES. A
26 DISPLAY OF APPROXIMATE ODDS OR APPROXIMATE WILL-PAYS IS NOT
27 REQUIRED WHERE THE WAGER IS ON HORSES IN FOUR OR MORE RACES,
28 SUCH AS PICK 4, PICK 5 OR PICK 6. IN ADDITION TO DISPLAYING THE
29 AMOUNT OF MONEY WAGERED, THE APPROXIMATE ODDS OR APPROXIMATE
30 WILL-PAYS ON EACH HORSE OR COMBINATION OF HORSES MUST BE SHOWN

1 ON VIDEO SCREENS IN EACH WAGERING DIVISION. FOR TRIFECTAS, IN
2 LIEU OF ODDS OR APPROXIMATE WILL-PAYS, THE AMOUNT OF MONEY BEING
3 WAGERED ON EACH HORSE TO WIN IN THE TRIFECTA POOL MUST BE
4 DISPLAYED ON VIDEO SCREENS SEPARATELY FROM ANY OTHER
5 INFORMATION. INFORMATION MUST BE DISPLAYED FROM THE OPENING OF
6 BETS OR WAGERING AND BE CONTINUALLY DISPLAYED UNTIL THE WAGERING
7 IS CLOSED. AT LEAST ONE VIDEO SCREEN IN EACH WAGERING DIVISION
8 SHALL DISPLAY THE AMOUNT OF MONEY WAGERED ON EACH HORSE INVOLVED
9 IN A TRIFECTA POOL.

10 § 9344. INTRASTATE SIMULCASTING.

11 (A) GENERAL RULE.--THE COMMISSION SHALL PERMIT INTRASTATE
12 SIMULCASTING OF LIVE HORSE RACING BETWEEN THE LICENSED RACING
13 ENTITIES THAT CONDUCT LIVE RACING.

14 (B) SIMULCAST SIGNAL.--THE SIMULCAST SIGNAL SHALL BE
15 ENCODED, AND THE RACETRACK RECEIVING THE SIMULCAST SIGNAL MAY
16 NOT SEND THE SIGNAL ANYWHERE OTHER THAN A PUBLIC LOCATION
17 AUTHORIZED UNDER SECTION 9329 (RELATING TO INTERSTATE
18 SIMULCASTING).

19 (C) FORMS OF PARI-MUTUEL WAGERING.--ALL FORMS OF PARI-MUTUEL
20 WAGERING DESCRIBED IN SECTION 9335 (RELATING TO PARI-MUTUEL POOL
21 DISTRIBUTION) SHALL BE ALLOWED ON A HORSE RACE TO BE SIMULCASTED
22 UNDER THIS SECTION.

23 (D) REGULATIONS.--THE COMMISSION MAY PROMULGATE REGULATIONS
24 ON WAGERING AND THE OPERATION OF HORSE RACING.

25 (E) COMPUTATION OF MONEY WAGERED.--THE MONEY WAGERED BY A
26 PATRON ON A HORSE RACE MUST BE COMPUTED IN THE AMOUNT OF MONEY
27 WAGERED EACH RACING DAY FOR PURPOSES OF TAXATION UNDER SECTION
28 9334 (RELATING TO STATE RACING FUND AND TAX RATE).

29 (F) DEFINITION.--AS USED IN THIS SECTION, THE TERM "RACING
30 DAY" CONSISTS OF A MINIMUM OF EIGHT LIVE RACES, EXCEPT AT

1 THOROUGHBRED TRACKS ON BREEDERS' CUP EVENT DAY.

2 § 9345. COMMINGLING.

3 (A) APPLICABILITY.--THIS SECTION IS APPLICABLE ONLY TO
4 LICENSED RACING ENTITIES THAT CONDUCT THOROUGHBRED RACING.

5 (B) RACE SECRETARY.--THE RACE SECRETARY SHALL RECEIVE
6 ENTRIES AND DECLARATIONS AS AN AGENT FOR THE LICENSED RACING
7 ENTITY FOR WHICH THE RACE SECRETARY ACTS. THE RACE SECRETARY OR
8 AN INDIVIDUAL DESIGNATED BY THE LICENSED RACING ENTITY MAY
9 RECEIVE STAKES, FORFEITS, ENTRANCE MONEY, JOCKEY FEES AND OTHER
10 FEES, PURCHASE MONEY IN CLAIMING RACES AND OTHER MONEY THAT CAN
11 PROPERLY COME INTO THE RACE SECRETARY'S POSSESSION AS AN AGENT
12 FOR THE LICENSED RACING ENTITY FOR WHICH THE RACE SECRETARY OR
13 DESIGNEE IS ACTING.

14 (C) HORSEMEN'S ACCOUNT.--A LICENSED RACING ENTITY SHALL
15 MAINTAIN A SEPARATE ACCOUNT, TO BE KNOWN AS A HORSEMEN'S
16 ACCOUNT. MONEY OWED TO OWNERS IN REGARD TO PURSES, STAKES,
17 REWARDS, CLAIMS AND DEPOSITS SHALL BE DEPOSITED INTO THE
18 HORSEMEN'S ACCOUNT. FUNDS IN THE ACCOUNT ARE RECOGNIZED AND
19 DENOMINATED AS BEING THE SOLE PROPERTY OF OWNERS. DEPOSITED
20 FUNDS MAY NOT BE COMMINGLED WITH FUNDS OF THE LICENSED RACING
21 ENTITY UNLESS A LICENSED RACING ENTITY ESTABLISHED AN
22 IRREVOCABLE CLEAN LETTER OF CREDIT WITH AN EVERGREEN CLAUSE IN
23 FAVOR OF THE ORGANIZATION WHICH REPRESENTS A MAJORITY OF THE
24 OWNERS AND TRAINERS RACING WITH THE LICENSED RACING ENTITY. THE
25 MINIMUM AMOUNT OF THE CREDIT MUST BE THE GREATER OF \$1,000,000
26 OR 110% OF THE HIGHEST MONTHLY BALANCE IN THE HORSEMEN'S ACCOUNT
27 IN THE IMMEDIATE PRIOR YEAR. TO CALCULATE THE MONTHLY BALANCE IN
28 THE HORSEMEN'S ACCOUNT, THE SUM OF THE DAILY BALANCES SHALL BE
29 DIVIDED BY THE NUMBER OF DAYS IN THE MONTH. THE EVERGREEN CLAUSE
30 MUST PROVIDE THAT:

1 (1) THIRTY DAYS PRIOR TO THE EXPIRATION OF THE LETTER OF
2 CREDIT, THE FINANCIAL INSTITUTION CAN ELECT NOT TO RENEW THE
3 LETTER OF CREDIT;

4 (2) UPON AN ELECTION UNDER PARAGRAPH (1), THE FINANCIAL
5 INSTITUTION MUST NOTIFY THE DESIGNEE OF THE ORGANIZATION THAT
6 REPRESENTS A MAJORITY OF THE OWNERS AND TRAINERS RACING WITH
7 THE LICENSED RACING ENTITY, BY REGISTERED MAIL, RETURN
8 RECEIPT REQUESTED, OF THE ELECTION NOT TO RENEW; AND

9 (3) THE FINANCIAL INSTITUTION WILL HONOR THE LETTER OF
10 CREDIT FOR SIX MONTHS AFTER EXPIRATION.

11 PURSE MONEY EARNED BY OWNERS SHALL BE DEPOSITED BY THE LICENSED
12 RACING ENTITY IN THE HORSEMEN'S ACCOUNT WITHIN 48 HOURS AFTER
13 THE RESULT OF THE RACE IN WHICH THE MONEY WAS EARNED HAS BEEN
14 DECLARED OFFICIAL AND THE PURSE HAS BEEN RELEASED BY THE
15 COMMISSION.

16 (D) ACCOUNTING.--A LICENSED RACING ENTITY SHALL DESIGNATE
17 INDIVIDUALS AUTHORIZED TO RECEIVE AND DISBURSE FUNDS FROM THE
18 HORSEMEN'S ACCOUNT. INDIVIDUALS DESIGNATED UNDER THIS SUBSECTION
19 SHALL BE BONDED TO PROVIDE INDEMNITY FOR MALFEASANCE,
20 NONFEASANCE AND MISFEASANCE. A CERTIFIED COPY OF THE BOND SHALL
21 BE FILED WITH THE COMMISSION.

22 (E) EXAMINATION, ACCESS AND RECORDS.--THE HORSEMEN'S ACCOUNT
23 AND THE INVESTMENT AND DEPOSIT SCHEDULES RELATING TO THE ACCOUNT
24 ARE SUBJECT TO EXAMINATION, AT REASONABLE TIMES, BY A DESIGNEE
25 OF THE ORGANIZATION WHICH REPRESENTS A MAJORITY OF THE OWNERS
26 AND TRAINERS RACING WITH THE LICENSED RACING ENTITY AND BY THE
27 COMMISSION. THE INDIVIDUAL DESIGNATED UNDER SUBSECTION (D) SHALL
28 PROVIDE EACH OWNER WITH ACCESS, AT REASONABLE TIMES DURING A
29 RACING DAY, TO THE AMOUNT OF FUNDS IN THE HORSEMEN'S ACCOUNT
30 CREDITED TO THAT OWNER. AT THE CLOSE OF A HORSE RACE MEETING,

1 THE DESIGNATED INDIVIDUAL SHALL MAIL TO EACH OWNER A RECORD OF
2 DEPOSITS, WITHDRAWALS AND TRANSFERS AFFECTING THE AMOUNT OF
3 FUNDS IN THE HORSEMEN'S ACCOUNT CREDITED TO THAT OWNER.

4 (F) AUDITING AND MONTHLY STATEMENTS.--THE HORSEMEN'S ACCOUNT
5 SHALL BE AUDITED ANNUALLY AND AT ANY OTHER TIME DETERMINED BY
6 THE COMMISSION. MONTHLY STATEMENTS SHALL BE PROVIDED TO THE
7 DESIGNEE OF THE ORGANIZATION WHICH REPRESENTS A MAJORITY OF THE
8 OWNERS AND TRAINERS RACING WITH THE LICENSED RACING ENTITY AND
9 THE COMMISSION.

10 (G) INTEREST.--FIFTY PERCENT OF THE MONEY EARNED AS INTEREST
11 ON FUNDS IN THE HORSEMEN'S ACCOUNT SHALL BE PAID TO THE
12 ORGANIZATION THAT REPRESENTS A MAJORITY OF THE OWNERS AND
13 TRAINERS RACING WITH THE LICENSED RACING ENTITY ON A WEEKLY
14 BASIS. THE AMOUNT IS FOR THE BENEFIT OF THE HORSEMEN AS
15 DETERMINED BY THE ORGANIZATION THAT REPRESENTS THE MAJORITY OF
16 THE OWNERS AND TRAINERS RACING WITH THE LICENSED RACING ENTITY.
17 THE REMAINING 50% OF THE INTEREST EARNED IS FOR THE BENEFIT OF
18 THE LICENSED RACING ENTITY THAT HAS THE RESPONSIBILITY TO FUND
19 THE COSTS ASSOCIATED WITH THE ADMINISTRATION OF THE FUND.
20 INTEREST EACH MONTH MUST BE EARNED IN AN AMOUNT EQUAL TO THE
21 FEDERAL RESERVE DISCOUNT RATE ON THE FIRST DAY OF THE MONTH.
22 § 9346. STANDARDBRED HORSE RACING PURSE MONEY.

23 A LICENSED RACING ENTITY THAT CONDUCTS STANDARDBRED HORSE
24 RACING MUST PLACE ON DEPOSIT WITH THE COMMISSION BY MARCH 1 OF
25 EACH YEAR AN IRREVOCABLE LETTER OF CREDIT EQUIVALENT TO ITS
26 AVERAGE WEEKLY PURSE TOTAL FROM THE IMMEDIATE PRIOR YEAR. THE
27 COMMISSION SHALL HOLD THE LETTER OF CREDIT IN TRUST FOR THE
28 STANDARDBRED HORSEMEN RACING AT THAT LICENSED RACING ENTITY'S
29 HORSE RACE MEETING IF THE PURSE CHECKS ARE NOT ISSUED OR
30 INSUFFICIENT FUNDS ARE AVAILABLE TO COVER THE PURSE CHECKS.

1 SUBCHAPTER C

2 ADDITIONAL LICENSING REQUIREMENTS FOR LICENSED
3 RACING ENTITY, SECONDARY PARI-MUTUEL ORGANIZATION,
4 TOTALISATOR AND RACING VENDORS

5 SEC.

6 9351. GENERAL LICENSE REQUIREMENTS.

7 9352. LICENSING COSTS AND FEES.

8 9353. LICENSE APPLICATION PROCEDURES.

9 9354. ORAL PRESENTATION BY APPLICANT.

10 9355. ADDITIONAL INFORMATION.

11 9356. OPERATIONS.

12 9357. TRANSFERS OF LICENSES.

13 9358. DURATION OF LICENSE.

14 9359. PENALTIES AND ENFORCEMENT.

15 § 9351. GENERAL LICENSE REQUIREMENTS.

16 (A) NEW APPLICATION.--A LICENSED RACING ENTITY OR SECONDARY
17 PARI-MUTUEL ORGANIZATION SEEKING TO OFFER ELECTRONIC WAGERING TO
18 INDIVIDUALS WITHIN THIS COMMONWEALTH MUST APPLY TO THE
19 COMMISSION FOR A LICENSE BY SUBMITTING A COMPLETED LICENSE
20 APPLICATION. EXCEPT FOR A LICENSED RACING ENTITY THE LICENSE
21 SHALL TAKE EFFECT AND THE SECONDARY PARI-MUTUEL ORGANIZATION MAY
22 BEGIN OPERATIONS AFTER APPROVAL BY THE COMMISSION.

23 (A.1) APPLICATION.--A TOTALISATOR SERVICE PROVIDER OR RACING
24 VENDOR, AS DETERMINED BY THE COMMISSION, SEEKING TO PROVIDE
25 THOSE SERVICES WITHIN THIS COMMONWEALTH MUST APPLY TO THE
26 COMMISSION FOR A LICENSE BY SUBMITTING A COMPLETED APPLICATION.

27 (B) RENEWAL APPLICATIONS.--

28 (1) A LICENSE FOR A TOTALISATOR OR RACING VENDOR MUST BE
29 RENEWED ANNUALLY IN ACCORDANCE WITH THIS CHAPTER.

30 (2) AN ELECTRONIC WAGERING LICENSE ISSUED TO A LICENSED

1 RACING ENTITY OR A SECONDARY PARI-MUTUEL ORGANIZATION SHALL
2 BE RENEWED ANNUALLY. AN ELECTRONIC WAGERING RENEWAL
3 APPLICATION SHALL BE SUBMITTED ON OR BEFORE 120 DAYS BEFORE
4 THE EXPIRATION OF THE LICENSE TERM. IF THE APPLICATION IS
5 APPROVED BY THE COMMISSION, THE LICENSE RENEWAL SHALL TAKE
6 EFFECT JANUARY 1.

7 § 9352. LICENSING COSTS AND FEES.

8 COSTS AND FEES ARE AS FOLLOWS:

9 (1) THE APPLICANT SHALL PAY ALL COSTS INCURRED BY THE
10 COMMISSION IN REVIEWING AN APPLICATION FOR AN INITIAL
11 LICENSE, INCLUDING LEGAL AND INVESTIGATIVE COSTS AND THE COST
12 OF OTHER NECESSARY OUTSIDE PROFESSIONALS AND CONSULTANTS IN
13 ACCORDANCE WITH THE FOLLOWING:

14 (I) EXCEPT FOR A LICENSED RACING ENTITY, AS AN
15 INITIAL PAYMENT FOR THESE COSTS, THE APPLICANT SHALL
16 SUBMIT, ALONG WITH A LICENSE APPLICATION, A CASHIER'S
17 CHECK OR CERTIFIED CHECK PAYABLE TO THE COMMISSION IN THE
18 AMOUNT OF \$50,000.

19 (II) ANY PORTION OF THE PAYMENT NOT REQUIRED TO
20 COMPLETE THE INVESTIGATION SHALL BE REFUNDED TO THE
21 APPLICANT WITHIN 20 DAYS OF THE GRANTING, WITHDRAWAL OR
22 REJECTION OF THE INITIAL LICENSE APPLICATION.

23 (III) TO THE EXTENT ADDITIONAL COSTS WILL BE
24 NECESSARY, THE APPLICANT SHALL SUBMIT A CASHIER'S CHECK
25 OR CERTIFIED CHECK PAYABLE TO THE COMMISSION IN AN AMOUNT
26 REASONABLY REQUESTED BY THE COMMISSION WITHIN 10 DAYS OF
27 RECEIPT OF THE REQUEST. FAILURE TO SUBMIT AN ADDITIONAL
28 REQUESTED PAYMENT SHALL RESULT IN SUSPENSION OF THE
29 PROCESSING OF THE LICENSE APPLICATION AND MAY RESULT IN
30 DENIAL OF THE LICENSE.

1 (2) AN APPLICANT FOR A RENEWAL LICENSE SHALL PAY ALL
2 REASONABLE COSTS INCURRED BY THE COMMISSION IN REVIEWING A
3 RENEWAL LICENSE, INCLUDING LEGAL AND INVESTIGATIVE COSTS AND
4 THE COST OF OTHER NECESSARY OUTSIDE PROFESSIONALS AND
5 CONSULTANTS IN ACCORDANCE WITH THE FOLLOWING:

6 (I) THE APPLICANT SHALL SUBMIT A CASHIER'S CHECK OR
7 CERTIFIED CHECK PAYABLE TO THE COMMISSION IN AN AMOUNT
8 REASONABLY REQUESTED BY THE COMMISSION WITHIN 10 DAYS OF
9 RECEIPT OF REQUEST.

10 (II) FAILURE TO SUBMIT THE PAYMENT SHALL RESULT IN
11 SUSPENSION OF THE PROCESSING OF RENEWING THE LICENSE AND
12 MAY RESULT IN DENIAL OF THE LICENSE.

13 (3) INITIAL LICENSE FEE:

14 (I) THE FEE FOR AN ELECTRONIC WAGERING LICENSE UNDER
15 SECTION 9351(A) (RELATING TO GENERAL LICENSE
16 REQUIREMENTS) SHALL BE \$500,000. IF AN APPLICANT THAT IS
17 ALSO A CATEGORY 1 SLOT MACHINE LICENSEE OR ITS CORPORATE
18 SUCCESSOR OR AFFILIATE PAID THE LICENSE FEE UNDER 4
19 PA.C.S. § 1209 (RELATING TO SLOT MACHINE LICENSE FEE),
20 THE FEE REQUIRED UNDER THIS PARAGRAPH SHALL BE DEEMED
21 PAID. A FEE PAID UNDER THIS PARAGRAPH SHALL BE DEPOSITED
22 IN THE STATE RACING FUND, OR, IN THE CASE OF A DEEMED
23 PAYMENT, TRANSFERRED TO THE STATE RACING FUND UPON
24 CERTIFICATION OF THE SECRETARY OF THE BUDGET.

25 (II) THE FEE FOR AN INITIAL TOTALISATOR OR RACING
26 VENDOR LICENSE UNDER SECTION 9351(A.1) SHALL BE \$25,000
27 AND SHALL BE DEPOSITED IN THE STATE RACING FUND.

28 (4) LICENSE RENEWAL FEE:

29 (I) THE FEE FOR AN ELECTRONIC WAGERING LICENSE
30 RENEWAL UNDER SECTION 9351(B) (2) SHALL BE \$100,000. IF AN

1 EXISTING LICENSEE UNDER THIS SECTION THAT IS ALSO A
2 CATEGORY 1 SLOT MACHINE LICENSEE OR ITS CORPORATE
3 SUCCESSOR OR AN AFFILIATE PAID THE LICENSE FEE UNDER 4
4 PA.C.S. § 1209, THE FEE REQUIRED UNDER THIS PARAGRAPH
5 SHALL BE DEEMED PAID. A LICENSE RENEWAL MAY NOT BE ISSUED
6 UNTIL RECEIPT OF THE LICENSE RENEWAL FEE. THE LICENSE FEE
7 SHALL BE DEPOSITED INTO THE STATE RACING FUND, OR, IN THE
8 CASE OF A DEEMED PAYMENT, IT SHALL BE TRANSFERRED TO THE
9 STATE RACING FUND.

10 (II) THE FEE FOR THE RENEWAL OF A TOTALISATOR OR
11 RACING VENDOR LICENSE UNDER SECTION 9351(B)(1) SHALL BE
12 \$5,000 AND SHALL BE DEPOSITED IN THE STATE RACING FUND.

13 (5) THE COMMISSION SHALL BE REIMBURSED FOR ANY
14 ADDITIONAL COSTS REQUIRED TO IMPLEMENT AND ENFORCE THIS
15 CHAPTER.

16 (6) BEGINNING TWO YEARS FOLLOWING THE EFFECTIVE DATE OF
17 THIS PARAGRAPH, THE COMMISSION MAY ANNUALLY INCREASE A FEE,
18 CHARGE OR COST PROVIDED FOR UNDER THIS SECTION BY AN AMOUNT
19 NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED
20 BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX
21 FOR ALL URBAN CONSUMERS (CPI-U) FOR THE PENNSYLVANIA, NEW
22 JERSEY, DELAWARE AND MARYLAND AREA FOR THE MOST RECENT 12-
23 MONTH PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED
24 BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR
25 STATISTICS, IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS
26 DUE TO TAKE EFFECT.

27 § 9353. LICENSE APPLICATION PROCEDURES.

28 (A) APPLICATION FOR LICENSE.--AN APPLICATION FOR AN INITIAL
29 OR RENEWAL LICENSE SHALL BE IN THE FORM AND MANNER PRESCRIBED BY
30 THE COMMISSION IN ACCORDANCE WITH THIS CHAPTER. THE COMMISSION

1 MAY DENY A LICENSE TO AN APPLICANT THAT PROVIDES FALSE OR
2 MISLEADING INFORMATION ON OR OMITTS MATERIAL INFORMATION FROM THE
3 APPLICATION. THE APPLICATION SHALL INCLUDE ALL OF THE FOLLOWING:

4 (1) THE APPLICANT'S LEGAL NAME.

5 (2) THE LOCATION OF THE APPLICANT'S PRINCIPAL OFFICE.

6 (3) THE NAME, ADDRESS AND DATE OF BIRTH OF EACH
7 PRINCIPAL WITH A 5% OR GREATER SHARE OF OWNERSHIP OR
8 BENEFICIAL INTEREST IN THE APPLICANT.

9 (4) AUDITED FINANCIAL STATEMENTS FOR THE LAST THREE
10 YEARS OR, IF THE APPLICANT DOES NOT HAVE AUDITED FINANCIAL
11 STATEMENTS, FINANCIAL AND OTHER PERTINENT INFORMATION AS
12 REQUIRED BY THE COMMISSION TO DETERMINE THAT THE APPLICANT IS
13 FINANCIALLY CAPABLE OF OPERATING AS A GOING CONCERN AND
14 PROTECTING ACCOUNTS.

15 (5) A DETAILED PLAN OF HOW THE WAGERING SYSTEM WILL
16 OPERATE. THE COMMISSION MAY REQUIRE CHANGES IN THE PROPOSED
17 PLAN OF OPERATIONS AS A CONDITION OF GRANTING A LICENSE.
18 THERE SHALL NOT BE SUBSEQUENT MATERIAL CHANGES IN THE PLAN OF
19 OPERATIONS UNLESS ORDERED BY THE COMMISSION OR UNTIL APPROVED
20 BY THE COMMISSION AFTER RECEIVING A WRITTEN REQUEST.

21 (6) A LIST OF ALL PERSONNEL PROCESSING WAGERS ON RACES
22 MADE BY RESIDENTS OF THIS COMMONWEALTH. THIS LIST SHALL BE
23 KEPT CURRENT AND BE PROVIDED TO THE COMMISSION UPON REQUEST.

24 (7) COPIES OF ALL DOCUMENTS REQUIRED UNDER THIS
25 SUBSECTION BY THE COMMISSION.

26 (B) REVIEW.--IN REVIEWING AN APPLICATION, THE COMMISSION MAY
27 CONSIDER ANY INFORMATION, DATA, REPORT, FINDING OR OTHER FACTOR
28 AVAILABLE THAT IT CONSIDERS IMPORTANT OR RELEVANT TO THE
29 DETERMINATION OF WHETHER THE APPLICANT IS QUALIFIED TO HOLD A
30 LICENSE, INCLUDING ALL OF THE FOLLOWING:

1 (1) THE INTEGRITY OF THE APPLICANT AND ITS PRINCIPALS,
2 INCLUDING:

3 (I) WHETHER THE APPLICANT OR ITS PRINCIPALS ARE
4 UNSUITABLE.

5 (II) WHETHER THE APPLICANT OR ITS PRINCIPALS HAVE
6 BEEN A PARTY TO LITIGATION OVER BUSINESS PRACTICES,
7 DISCIPLINARY ACTIONS OVER A BUSINESS LICENSE OR REFUSAL
8 TO RENEW A LICENSE.

9 (III) WHETHER THE APPLICANT OR ITS PRINCIPALS HAVE
10 BEEN A PARTY TO PROCEEDINGS IN WHICH UNFAIR LABOR
11 PRACTICES, DISCRIMINATION OR VIOLATION OF GOVERNMENT
12 REGULATIONS PERTAINING TO RACING OR GAMING LAWS WAS AN
13 ISSUE OR BANKRUPTCY PROCEEDINGS.

14 (IV) WHETHER THE APPLICANT OR ITS PRINCIPALS HAVE
15 FAILED TO SATISFY JUDGMENTS, ORDERS OR DECREES.

16 (V) WHETHER THE APPLICANT OR ITS PRINCIPALS HAVE
17 BEEN DELINQUENT IN FILING TAX REPORTS OR REMITTING TAXES.

18 (2) THE QUALITY OF PHYSICAL FACILITIES AND EQUIPMENT.

19 (3) THE FINANCIAL ABILITY OF THE APPLICANT TO CONDUCT
20 WAGERING.

21 (4) THE PROTECTIONS PROVIDED TO SAFEGUARD ACCOUNTS,
22 INCLUDING A CERTIFICATION FROM THE LICENSEE'S CHIEF FINANCIAL
23 OFFICER THAT ACCOUNT FUNDS WILL NOT BE COMMINGLED WITH OTHER
24 FUNDS AS REQUIRED UNDER THIS CHAPTER.

25 (5) THE MANAGEMENT ABILITY OF THE APPLICANT AND ITS
26 PRINCIPALS.

27 (6) COMPLIANCE OF THE APPLICANT WITH APPLICABLE
28 STATUTES, CHARTERS, ORDINANCES AND ADMINISTRATIVE
29 REGULATIONS.

30 (7) THE EFFORTS OF THE APPLICANT TO PROMOTE, DEVELOP AND

1 IMPROVE THE HORSE RACING INDUSTRY IN THIS COMMONWEALTH.

2 (8) THE EFFORTS OF THE APPLICANT TO SAFEGUARD AND
3 PROMOTE THE INTEGRITY OF PARI-MUTUEL WAGERING IN THIS
4 COMMONWEALTH.

5 (9) THE ECONOMIC IMPACT OF THE APPLICANT UPON THE
6 COMMONWEALTH.

7 § 9354. ORAL PRESENTATION BY APPLICANT.

8 (A) APPLICATION.--THE APPLICATION PRESENTATION SHALL BE IN
9 ACCORDANCE WITH ALL OF THE FOLLOWING:

10 (1) THE COMMISSION MAY REQUIRE AN APPLICANT TO MAKE AN
11 ORAL PRESENTATION PRIOR TO THE RULING IN ORDER TO CLARIFY OR
12 OTHERWISE RESPOND TO QUESTIONS CONCERNING THE APPLICATION AS
13 A CONDITION TO THE ISSUANCE OR RENEWAL OF A LICENSE.

14 (2) THE PRESENTATION SHALL BE LIMITED TO THE INFORMATION
15 CONTAINED IN THE APPLICANT'S APPLICATION AND ANY SUPPLEMENTAL
16 INFORMATION RELEVANT TO THE COMMISSION'S DETERMINATION OF THE
17 APPLICANT'S SUITABILITY.

18 (3) THE ADMISSION AS EVIDENCE OF THE SUPPLEMENTAL
19 INFORMATION SHALL BE SUBJECT TO THE DISCRETION OF THE
20 COMMISSION.

21 (B) INCOMPLETE APPLICATION.--IF THE COMMISSION DEEMS AN
22 APPLICANT'S APPLICATION INCOMPLETE AND DOES NOT ACCEPT IT FOR
23 FILING, THE APPLICANT SHALL NOT BE ENTITLED TO MAKE AN ORAL
24 PRESENTATION.

25 § 9355. ADDITIONAL INFORMATION.

26 THE COMMISSION MAY REQUEST ADDITIONAL INFORMATION FROM AN
27 APPLICANT IF THE ADDITIONAL INFORMATION WOULD ASSIST THE
28 COMMISSION IN DECIDING WHETHER TO ISSUE OR RENEW A LICENSE,
29 INCLUDING ALL OF THE FOLLOWING:

30 (1) COPIES OF ANY DOCUMENTS USED BY THE APPLICANT IN

1 PREPARING THE APPLICATION.

2 (2) A LIST OF EACH CONTRACT BETWEEN THE APPLICANT AND A
3 THIRD PARTY RELATED TO OPERATIONS. THE COMMISSION MAY REVIEW
4 THE CONTRACTS AT ANY TIME UPON REQUEST.

5 § 9356. OPERATIONS.

6 (A) PRIOR TO OPERATING REQUIREMENTS.--BEFORE DOING BUSINESS
7 IN THIS COMMONWEALTH ALL OF THE FOLLOWING ARE REQUIRED OF A
8 LICENSEE:

9 (1) BE QUALIFIED TO DO BUSINESS IN THIS COMMONWEALTH.

10 (2) SUBMIT A COPY OF EACH DOCUMENT REQUIRED TO BE FILED
11 WITH THE DEPARTMENT OF REVENUE AND EACH DOCUMENT RELATED TO
12 AN AUDIT OR INVESTIGATION BY ANY FEDERAL, STATE OR LOCAL
13 REGULATORY AGENCY TO THE COMMISSION.

14 (3) REMIT TO THE COMMISSION A COPY OF EACH DOCUMENT
15 REQUIRED TO BE FILED WITH ANY FEDERAL, STATE OR LOCAL
16 REGULATORY AGENCY.

17 (B) REQUIREMENTS.--

18 (1) A LICENSEE SHALL SUBMIT QUARTERLY REPORTS TO THE
19 COMMISSION PROVIDING AMOUNTS WAGERED BY RESIDENTS IN THIS
20 COMMONWEALTH AND AMOUNTS WAGERED ON RACES IN THIS
21 COMMONWEALTH.

22 (2) A LICENSEE SHALL ENTER INTO AN AGREEMENT WITH EACH
23 LICENSED RACING ENTITY IN THIS COMMONWEALTH ON WHOSE RACES
24 THE LICENSEE OFFERS WAGERING REGARDING PAYMENT OF HOST FEES
25 AND ANY OTHER APPLICABLE FEES, COSTS OR PAYMENTS OF ANY KIND
26 TO BE PAID TO THE LICENSED RACING ENTITY. THE LICENSED RACING
27 ENTITY AND THE APPLICABLE HORSEMEN'S ORGANIZATION SHALL
28 NEGOTIATE A SEPARATE AGREEMENT FOR CONTRIBUTIONS TO THE PURSE
29 ACCOUNT.

30 (3) A LICENSEE SHALL NOT COMMINGLE ACCOUNT FUNDS WITH

1 OTHER FUNDS.

2 (4) A LICENSEE SHALL PROVIDE QUARTERLY FINANCIAL
3 STATEMENTS TO THE COMMISSION FOR THE FIRST CALENDAR YEAR OF
4 OPERATION IF THE LICENSEE DOES NOT HAVE AUDITED FINANCIAL
5 STATEMENTS FOR THE LAST THREE YEARS AS REFERENCED IN SECTION
6 9353(A) (4) (RELATING TO LICENSE APPLICATION PROCEDURES).

7 (5) A LICENSEE SHALL USE AND COMMUNICATE PARI-MUTUEL
8 WAGERS TO A TOTALISATOR LICENSED BY THE COMMISSION.

9 (6) A LICENSEE SHALL OPERATE AND COMMUNICATE WITH THE
10 TOTALISATOR IN SUCH A WAY AS NOT TO PROVIDE OR FACILITATE A
11 WAGERING ADVANTAGE BASED ON ACCESS TO INFORMATION AND
12 PROCESSING OF WAGERS BY ACCOUNT HOLDERS RELATIVE TO
13 INDIVIDUALS WHO WAGER AT LICENSED RACING ENTITIES OR
14 SIMULCAST FACILITIES.

15 (7) ALL PERSONNEL PROCESSING WAGERS MADE BY RESIDENTS OF
16 THIS COMMONWEALTH SHALL BE LICENSED BY THE COMMISSION.

17 (8) ACCOUNTS SHALL ONLY BE ACCEPTED IN THE NAME OF AN
18 INDIVIDUAL AND SHALL NOT BE TRANSFERABLE. ONLY INDIVIDUALS
19 WHO HAVE ESTABLISHED ACCOUNTS WITH A LICENSEE MAY WAGER
20 THROUGH A LICENSEE.

21 (9) EACH ACCOUNT HOLDER SHALL PROVIDE PERSONAL
22 INFORMATION AS THE LICENSEE AND THE COMMISSION REQUIRE,
23 INCLUDING ALL OF THE FOLLOWING:

24 (I) NAME.

25 (II) PRINCIPAL RESIDENCE ADDRESS.

26 (III) TELEPHONE NUMBER.

27 (IV) SOCIAL SECURITY NUMBER.

28 (V) DATE OF BIRTH.

29 (VI) OTHER INFORMATION NECESSARY FOR ACCOUNT
30 ADMINISTRATION.

1 (10) THE INFORMATION SUPPLIED BY THE ACCOUNT HOLDER
2 SHALL BE VERIFIED BY THE LICENSEE USING MEANS ACCEPTABLE TO
3 THE COMMISSION. A SECONDARY PARI-MUTUEL ORGANIZATION MUST
4 VERIFY THAT THE ACCOUNT HOLDER DOES NOT RESIDE WITHIN THE
5 PRIMARY MARKET AREA OF A LICENSED RACING ENTITY.

6 (11) THE LICENSEE SHALL PROVIDE EACH ACCOUNT HOLDER A
7 SECURE PERSONAL IDENTIFICATION CODE AND PASSWORD TO BE USED
8 BY THE ACCOUNT HOLDER TO CONFIRM THE VALIDITY OF EVERY
9 ACCOUNT TRANSACTION.

10 (12) AN EMPLOYEE OR AGENT OF THE LICENSEE SHALL NOT
11 DISCLOSE ANY CONFIDENTIAL INFORMATION EXCEPT AS FOLLOWS:

12 (I) TO THE COMMISSION.

13 (II) TO THE ACCOUNT HOLDER AS REQUIRED BY THIS
14 CHAPTER.

15 (III) TO THE LICENSEE AND ITS AFFILIATES.

16 (IV) TO THE LICENSED RACING ENTITY AS REQUIRED BY
17 THE AGREEMENT BETWEEN THE LICENSEE AND THE LICENSED
18 RACING ENTITY.

19 (V) AS OTHERWISE REQUIRED BY LAW.

20 (13) THE LICENSEE SHALL PROVIDE EACH ACCOUNT HOLDER A
21 COPY OF ACCOUNT HOLDER RULES AND THE TERMS OF AGREEMENT AND
22 OTHER INFORMATION AND MATERIALS THAT ARE PERTINENT TO THE
23 OPERATION OF THE ACCOUNT.

24 (14) THE LICENSEE MAY REFUSE TO ESTABLISH AN ACCOUNT IF
25 IT IS FOUND THAT ANY OF THE INFORMATION SUPPLIED IS FALSE OR
26 INCOMPLETE OR FOR ANY OTHER REASON THE LICENSEE DEEMS
27 SUFFICIENT.

28 (15) EACH ACCOUNT SHALL BE ADMINISTERED IN ACCORDANCE
29 WITH THE ACCOUNT HOLDER RULES AND THE TERMS OF AGREEMENT
30 PROVIDED TO ACCOUNT HOLDERS, INCLUDING:

- 1 (I) PLACING OF WAGERS.
- 2 (II) DEPOSITS TO ACCOUNTS.
- 3 (III) CREDITS TO ACCOUNTS.
- 4 (IV) DEBITS TO ACCOUNTS.
- 5 (V) REFUNDS TO ACCOUNTS.
- 6 (VI) WITHDRAWALS FROM ACCOUNTS.
- 7 (VII) MINIMUM DEPOSIT REQUIREMENTS.
- 8 (VIII) FEES PER WAGER.
- 9 (IX) REBATES.

10 (16) EACH LICENSEE SHALL HAVE PROTOCOLS IN PLACE AND
11 SHALL PUBLICIZE TO ITS ACCOUNT HOLDERS WHEN THE WAGERS ARE
12 EXCLUDED FROM A HOST RACETRACK'S WAGERING POOL. THESE
13 PROTOCOLS SHALL INCLUDE AN IMMEDIATE ELECTRONIC MAIL MESSAGE
14 TO AFFECTED ACCOUNT HOLDERS AND IMMEDIATE POSTING ON THE
15 LICENSEE'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.

16 (17) A LICENSEE SHALL MAINTAIN COMPLETE RECORDS OF THE
17 APPLICATION AND THE OPENING OF AN ACCOUNT FOR THE LIFE OF THE
18 ACCOUNT PLUS TWO ADDITIONAL YEARS. A LICENSEE SHALL ALSO
19 MAINTAIN COMPLETE RECORDS OF THE CLOSING OF AN ACCOUNT FOR
20 TWO YEARS AFTER CLOSING. THESE RECORDS SHALL BE PROVIDED TO
21 THE COMMISSION UPON REQUEST.

22 (18) A LICENSEE SHALL MAINTAIN COMPLETE RECORDS OF ALL
23 TRANSACTIONS, INCLUDING DEPOSITS, CREDITS, DEBITS, REFUNDS,
24 WITHDRAWALS, FEES, WAGERS, REBATES AND EARNINGS FOR TWO
25 YEARS. THESE RECORDS SHALL BE PROVIDED TO THE COMMISSION UPON
26 REQUEST.

27 (19) ALL WAGERING CONVERSATIONS, TRANSACTIONS OR OTHER
28 WAGERING COMMUNICATIONS, VERBAL OR ELECTRONIC, SHALL BE
29 RECORDED BY MEANS OF THE APPROPRIATE ELECTRONIC MEDIA AND THE
30 TAPES OR OTHER RECORDS OF THE COMMUNICATIONS SHALL BE KEPT BY

1 THE LICENSEE FOR A PERIOD OF TWO YEARS. THESE TAPES AND OTHER
2 RECORDS SHALL BE MADE AVAILABLE TO THE COMMISSION UPON
3 REQUEST.

4 (20) THE RECORDING OF THE CONFIRMATION OF THE
5 TRANSACTION, AS REFLECTED IN THE VOICE OR OTHER DATA
6 RECORDING, SHALL BE DEEMED TO BE THE ACTUAL WAGER REGARDLESS
7 OF WHAT WAS RECORDED BY THE TOTALISATOR.

8 (21) A LICENSEE SHALL NOT ACCEPT WAGERS IF ITS RECORDING
9 SYSTEM IS NOT OPERABLE.

10 (22) THE COMMISSION MAY MONITOR THE EQUIPMENT AND STAFF
11 AND REVIEW THE RECORDS OF A LICENSEE AND ANY OF THE
12 TRANSACTIONS CONDUCTED BY THE LICENSEE WITH REGARDS TO WAGERS
13 MADE BY RESIDENTS OF THIS COMMONWEALTH.

14 (23) A LICENSEE MAY SUSPEND OR CLOSE ANY ACCOUNT FOR
15 VIOLATION OF THE ACCOUNT HOLDER RULES AND THE TERMS OF
16 AGREEMENT OR ANY OTHER REASON IT DEEMS SUFFICIENT, IF THE
17 LICENSEE RETURNS TO THE ACCOUNT HOLDER ALL MONEY THEN ON
18 DEPOSIT WITHIN SEVEN CALENDAR DAYS.

19 § 9357. TRANSFERS OF LICENSES.

20 A TRANSFER OF LICENSES SHALL BE DONE IN ACCORDANCE WITH THE
21 FOLLOWING:

22 (1) A LICENSE ISSUED UNDER THIS CHAPTER SHALL NOT BE
23 TRANSFERABLE OR ASSIGNABLE.

24 (2) A SUBSTANTIAL CHANGE IN OWNERSHIP IN A LICENSEE
25 SHALL RESULT IN TERMINATION OF THE LICENSE UNLESS PRIOR
26 WRITTEN APPROVAL HAS BEEN OBTAINED FROM THE COMMISSION. A
27 REQUEST FOR APPROVAL OF A SUBSTANTIAL CHANGE IN OWNERSHIP
28 SHALL BE MADE ON A FORM DESIGNATED BY THE COMMISSION. UPON
29 RECEIPT OF ALL REQUIRED INFORMATION, THE COMMISSION SHALL, AS
30 SOON AS PRACTICABLE, MAKE A DETERMINATION WHETHER TO

1 AUTHORIZE AND APPROVE THE SUBSTANTIAL CHANGE IN OWNERSHIP.

2 (3) NOTICE OF A NOMINAL CHANGE IN OWNERSHIP SHALL BE
3 FILED WITH THE COMMISSION WITHIN 15 DAYS OF THE EXECUTION OF
4 THE DOCUMENTS UPON WHICH THE PROPOSED NOMINAL CHANGE IN
5 OWNERSHIP WILL BE BASED.

6 (4) FOR PURPOSES OF PARAGRAPH (3), NOTICE IS NOT
7 REQUIRED FOR ANY OF THE FOLLOWING:

8 (I) A NOMINAL CHANGE IN OWNERSHIP IF THE LICENSEE IS
9 A PUBLICLY TRADED CORPORATION.

10 (II) THE TRANSFER OF AN OWNERSHIP INTEREST IN A
11 LICENSED RACING ENTITY, WHETHER SUBSTANTIAL OR NOMINAL,
12 DIRECT OR INDIRECT, IF BY A PUBLICLY TRADED CORPORATION,
13 AND IF THE BENEFICIAL OWNERSHIP TRANSFERRED IS ACQUIRED
14 BY AN INDIVIDUAL WHO HOLDS THE VOTING SECURITIES OF THE
15 PUBLICLY TRADED CORPORATION FOR INVESTMENT PURPOSES ONLY.

16 (5) ANY ATTEMPT TO EFFECT A SUBSTANTIAL CHANGE IN
17 OWNERSHIP UNDER THIS SECTION IF NOT DONE SO IN WRITING SHALL
18 BE CONSIDERED VOID BY THE COMMISSION.

19 § 9358. DURATION OF LICENSE.

20 A LICENSE ISSUED UNDER THIS CHAPTER SHALL BE VALID FOR ONE
21 CALENDAR YEAR FOR WHICH THE LICENSE IS ISSUED.

22 § 9359. PENALTIES AND ENFORCEMENT.

23 ALL OF THE FOLLOWING APPLY:

24 (1) THE COMMISSION SHALL HAVE ALL OF THE RIGHTS, POWERS
25 AND REMEDIES NECESSARY TO CARRY OUT THIS CHAPTER AND TO
26 ENSURE COMPLIANCE WITH THIS CHAPTER, INCLUDING REVOCATION,
27 SUSPENSION OR MODIFICATION OF A LICENSE AND THE IMPOSITION OF
28 FINES UNDER SECTION 9325 (RELATING TO POWER OF COMMISSION TO
29 IMPOSE FINES).

30 (2) WITH RESPECT TO AN INDIVIDUAL OR ENTITY THAT OFFERS

1 PARI-MUTUEL WAGERING TO RESIDENTS OF THIS COMMONWEALTH
2 WITHOUT A LICENSE ISSUED BY THE COMMISSION, THE COMMISSION
3 MAY TAKE THE MEASURES DEEMED NECESSARY, INCLUDING REFERRAL TO
4 THE APPROPRIATE REGULATORY AND LAW ENFORCEMENT AUTHORITIES
5 FOR CIVIL ACTION OR CRIMINAL PENALTIES.

6 (3) UPON THE FINDING OF A VIOLATION BY A SECONDARY PARI-
7 MUTUEL ORGANIZATION OR TOTALISATOR OF THIS CHAPTER OR OF A
8 COMMISSION REGULATION OR ORDER OR UPON THE FINDING OF
9 UNLICENSED ELECTRONIC OR ADVANCED DEPOSIT ACCOUNT WAGERING BY
10 AN INDIVIDUAL OR ENTITY, THE COMMISSION MAY IMPOSE A FINE AS
11 AUTHORIZED UNDER SECTION 9325.

12 SUBCHAPTER D

13 COMPLIANCE

14 SEC.

15 9361. TAX COMPLIANCE REQUIREMENT.

16 § 9361. TAX COMPLIANCE REQUIREMENT.

17 (A) APPLICANT.--AN APPLICANT MUST BE TAX COMPLIANT TO BE
18 ELIGIBLE FOR A LICENSE ISSUED UNDER THIS CHAPTER. UPON RECEIPT
19 OF AN APPLICATION FOR A LICENSE, THE COMMISSION SHALL REQUEST
20 THE DEPARTMENT OF REVENUE TO CONDUCT A TAX COMPLIANCE REVIEW OF
21 THE APPLICANT.

22 (B) LICENSEES.--A LICENSEE MUST BE TAX COMPLIANT TO BE
23 ELIGIBLE FOR RENEWAL OF A LICENSE ISSUED UNDER THIS CHAPTER.
24 PRIOR TO RENEWING A LICENSE, THE COMMISSION SHALL REQUEST THE
25 DEPARTMENT OF REVENUE TO CONDUCT A TAX COMPLIANCE REVIEW OF THE
26 LICENSEE.

27 (C) COMMISSIONERS AND COMMISSION EMPLOYEES.--AN INDIVIDUAL
28 MUST BE TAX COMPLIANT TO BE ELIGIBLE TO SERVE AS A COMMISSIONER
29 OR TO BE EMPLOYED BY THE COMMISSION. COMMISSIONERS AND
30 COMMISSION EMPLOYEES SHALL BE SUBJECT TO AN ANNUAL TAX

1 COMPLIANCE REVIEW TO ENSURE THEY ARE TAX COMPLIANT. THIS
2 SUBSECTION MAY NOT APPLY TO COMMISSION EMPLOYEES SUBJECT TO A
3 COLLECTIVE BARGAINING AGREEMENT.

4 (D) CONTRACTORS.--EACH CONTRACTOR OF THE COMMISSION SHALL BE
5 SUBJECT TO AN ANNUAL TAX COMPLIANCE REVIEW TO ENSURE THAT THE
6 CONTRACTOR IS TAX COMPLIANT.

7 (E) REVIEW.--THE TAX COMPLIANCE REVIEW UNDER SUBSECTIONS (A)
8 AND (B) AND THE ANNUAL TAX COMPLIANCE REVIEW UNDER SUBSECTIONS
9 (C) AND (D) MUST BE PERFORMED ON THE DATES AS DETERMINED BY THE
10 COMMISSION.

11 (F) DEFINITIONS.--FOR PURPOSES OF THIS SECTION, THE
12 FOLLOWING WORDS AND PHRASES SHALL HAVE THE FOLLOWING MEANINGS:

13 "TAX COMPLIANT." BEING CURRENT WITH ALL APPLICABLE
14 COMMONWEALTH TAX FILING AND REPORTING OBLIGATIONS FOR ANY
15 APPLICABLE TAX YEAR AND CURRENT WITH PAYMENT OF ANY BALANCE OF
16 TAX, INTEREST OR PENALTY DUE THE COMMONWEALTH AS DETERMINED BY
17 THE DEPARTMENT OF REVENUE FOR AN APPLICABLE TAX YEAR.

18 "TAX COMPLIANCE REVIEW." THE PROCESS BY WHICH THE DEPARTMENT
19 OF REVENUE DETERMINES WHETHER AN INDIVIDUAL OR ENTITY IS TAX
20 COMPLIANT.

21 SUBCHAPTER E

22 MEDICATION RULES AND ENFORCEMENT PROVISIONS

23 SEC.

24 9371. MANDATORY REQUIREMENTS FOR MEDICATION RULES.

25 9372. ESTABLISHMENT OF PENNSYLVANIA RACE HORSE TESTING PROGRAM.

26 9373. EQUIPMENT, SUPPLIES AND FACILITIES.

27 9374. COSTS OF ENFORCEMENT OF MEDICATION RULES OR REGULATIONS.

28 § 9371. MANDATORY REQUIREMENTS FOR MEDICATION RULES.

29 (A) REGULATIONS FOR MEDICATION.--WHEN A LICENSED RACING
30 ENTITY CONDUCTS A HORSE RACE MEETING WITH PARI-MUTUEL WAGERING,

1 THE COMMISSION SHALL HAVE IN EFFECT RULES OR REGULATIONS TO
2 CONTROL THE USE AND ADMINISTRATION OF ANY MEDICATION AND THE USE
3 AND ADMINISTRATION OF ANY DEVICE THAT AFFECTS THE PERFORMANCE OF
4 A RACE HORSE. THE COMMISSION MAY ESTABLISH PERMITTED TOLERANCE
5 LEVELS AND THERAPEUTIC DOSE ALLOWANCES FOR ALL MEDICATION TO BE
6 USED OR ADMINISTERED TO A RACE HORSE. THE COMMISSION SHALL ADOPT
7 A COMPREHENSIVE SCHEDULE OF EQUINE DRUGS, MEDICATIONS,
8 THERAPEUTIC SUBSTANCES OR METABOLIC DERIVATIVES WHICH ARE
9 AUTHORIZED TO BE ADMINISTERED TO RACE HORSES, INCLUDING
10 TOLERANCE LEVELS. IN ORDER TO PROPERLY DETERMINE THE SCHEDULE OF
11 DRUGS AND THE TOLERANCE LEVELS UNDER THIS SUBSECTION, THE
12 COMMISSION MAY CONDUCT RESEARCH OR CONTRACT WITH A VENDOR TO
13 CONDUCT THE RESEARCH. THE COMMISSION MAY CONSULT WITH THE
14 PENNSYLVANIA BOARD OF VETERINARY MEDICINE, ACADEMIC INSTITUTES
15 AND ASSOCIATIONS REPRESENTING THE MAJORITY OF THE HORSE OWNERS
16 AND EXPERTS.

17 (B) PENALTY.--THE COMMISSION SHALL ESTABLISH IN THEIR RULES
18 OR REGULATIONS PENALTY PROVISIONS FOR THE VIOLATION OF THESE
19 RULES OR REGULATIONS.

20 § 9372. ESTABLISHMENT OF PENNSYLVANIA RACE HORSE TESTING
21 PROGRAM.

22 (A) ESTABLISHMENT.--THERE IS HEREBY ESTABLISHED THE
23 PENNSYLVANIA RACE HORSE TESTING PROGRAM. THE PROGRAM SHALL BE
24 ADMINISTERED BY THE COMMISSION. ALL COSTS OF THE PROGRAM SHALL
25 BE PAID BY THE APPROPRIATIONS ALLOCATED UNDER SECTION 9374
26 (RELATING TO COSTS OF ENFORCEMENT OF MEDICATION RULES OR
27 REGULATIONS).

28 (B) PURPOSE.--THE PURPOSES OF THE PENNSYLVANIA RACE HORSE
29 TESTING PROGRAM ARE TO ANALYZE SAMPLES FOR THE PRESENCE IN RACE
30 HORSES OF ANY MEDICATION, TO DEVELOP TECHNIQUES, EQUIPMENT AND

1 PROCEDURES, TO COLLECT AND TEST FOR THE PRESENCE OF MEDICATION
2 IN RACE HORSES, TO ASCERTAIN PERMITTED TOLERANCE LEVELS OR
3 THERAPEUTIC DOSE ALLOWANCES FOR MEDICATION, TO OFFER
4 CONSULTATION AND ADVICE TO THE PUBLIC ON ALL ISSUES REGARDING
5 THE MEDICATION OF RACE HORSES AND TO CONDUCT RESEARCH IN
6 MEDICATION ISSUES INVOLVING RACE HORSES.

7 § 9373. EQUIPMENT, SUPPLIES AND FACILITIES.

8 THE COSTS OF ALL EQUIPMENT, SUPPLIES AND FACILITIES, EXCEPT
9 HOLDING BARNS OR STABLES, TO BE LOCATED AT RACE HORSE MEETING
10 FACILITIES, GROUNDS OR ENCLOSURES OR AT OTHER LOCATIONS
11 DESIGNATED BY THE MANAGEMENT COMMITTEE SHALL BE PAID BY THE
12 COMMISSION.

13 § 9374. COSTS OF ENFORCEMENT OF MEDICATION RULES OR
14 REGULATIONS.

15 (A) AUTHORIZATION.--BEGINNING JULY 1, 2016, AND EACH YEAR
16 THEREAFTER, THE GENERAL ASSEMBLY SHALL AUTHORIZE THE TRANSFER OF
17 FUNDS FROM THE PENNSYLVANIA RACE HORSE DEVELOPMENT FUND TO THE
18 STATE RACING FUND TO PROVIDE FOR EACH COST ASSOCIATED WITH THE
19 COLLECTION AND RESEARCH OF AND TESTING FOR MEDICATION, WHICH
20 SHALL INCLUDE THE COST OF NECESSARY PERSONNEL, EQUIPMENT,
21 SUPPLIES AND FACILITIES, EXCEPT HOLDING BARNS OR STABLES, TO BE
22 LOCATED AT HORSE RACE FACILITIES, GROUNDS OR ENCLOSURES OR AT
23 OTHER LOCATIONS DESIGNATED BY THE COMMISSION. ALL SUCH COSTS
24 SHALL BE REVIEWED AND APPROVED BY THE COMMISSION. THE TRANSFER
25 SHALL BE MADE IN 52 EQUAL WEEKLY INSTALLMENTS DURING THE FISCAL
26 YEAR BEFORE ANY OTHER DISTRIBUTION FROM THE PENNSYLVANIA RACE
27 HORSE DEVELOPMENT FUND.

28 (B) EXPIRATION.--SUBSECTION (A) SHALL EXPIRE AT 11:59 P.M.
29 ON JUNE 30, 2020. AFTER JUNE 30, 2020, ALL COSTS FOR THE
30 PENNSYLVANIA RACE HORSE TESTING PROGRAM AND THE COLLECTION AND

1 TESTING OF SAMPLES FOR ANY MANNER OF MEDICATION SHALL BE PAID BY
2 THE COMMISSION.

3 SECTION 5. REPEALS ARE AS FOLLOWS:

4 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
5 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF 3
6 PA.C.S. CH. 93.

7 (2) ARTICLE XXVIII-D OF THE ACT OF APRIL 9, 1929
8 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929,
9 IS REPEALED.

10 SECTION 6. THE ADDITION OF 3 PA.C.S. CH. 93 IS A
11 CONTINUATION OF ARTICLE XXVIII-D OF THE ACT OF APRIL 9, 1929
12 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929. THE
13 FOLLOWING APPLY:

14 (1) EXCEPT AS OTHERWISE PROVIDED IN 3 PA.C.S. CH. 93,
15 ALL ACTIVITIES INITIATED UNDER ARTICLE XXVIII-D OF THE
16 ADMINISTRATIVE CODE OF 1929 SHALL CONTINUE AND REMAIN IN FULL
17 FORCE AND EFFECT AND MAY BE COMPLETED UNDER 3 PA.C.S. CH. 93.
18 ORDERS, REGULATIONS, RULES AND DECISIONS WHICH WERE MADE
19 UNDER ARTICLE XXVIII-D OF THE ADMINISTRATIVE CODE OF 1929 AND
20 WHICH ARE IN EFFECT ON THE EFFECTIVE DATE OF SECTION 5(2) OF
21 THIS ACT SHALL REMAIN IN FULL FORCE AND EFFECT UNTIL REVOKED,
22 VACATED OR MODIFIED UNDER 3 PA.C.S. CH. 93. CONTRACTS,
23 OBLIGATIONS AND COLLECTIVE BARGAINING AGREEMENTS ENTERED INTO
24 UNDER ARTICLE XXVIII-D OF THE ADMINISTRATIVE CODE OF 1929 ARE
25 NOT AFFECTED NOR IMPAIRED BY THE REPEAL OF ARTICLE XXVIII-D
26 OF THE ADMINISTRATIVE CODE OF 1929.

27 (2) EXCEPT AS SET FORTH IN PARAGRAPH (3), ANY DIFFERENCE
28 IN LANGUAGE BETWEEN 3 PA.C.S. CH. 93 AND ARTICLE XXVIII-D OF
29 THE ADMINISTRATIVE CODE OF 1929 IS INTENDED ONLY TO CONFORM
30 TO THE STYLE OF THE PENNSYLVANIA CONSOLIDATED STATUTES AND IS

1 NOT INTENDED TO CHANGE OR AFFECT THE LEGISLATIVE INTENT,
2 JUDICIAL CONSTRUCTION OR ADMINISTRATION AND IMPLEMENTATION OF
3 ARTICLE XXVIII-D OF THE ADMINISTRATIVE CODE OF 1929.

4 (3) PARAGRAPH (2) DOES NOT APPLY TO THE ADDITION OF 3
5 PA.C.S. § 9336(B), (C), (D) AND (E).

6 SECTION 7. THE ADDITION OF 3 PA.C.S. § 9336(B), (C), (D) AND
7 (E) SHALL APPLY RETROACTIVELY TO FEBRUARY 23, 2016.

8 SECTION 8. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.