



Senate Agriculture and Rural Affairs Committee

Senator Elder Vogel Jr.

Chairman

Michael Rader, Executive Director

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Senate Bill: 352

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SYNOPSIS

Amends the act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act, further providing for definitions; repealing provisions related to the state horse racing commission and state harness racing commission; and providing for racing oversight.

BILL SUMMARY

Senate Bill 352 amends Act 135 of 1981 (The Race Horse Industry Reform Act) by repealing provisions related to the State Horse Racing Commission and State Harness Racing Commission and establishes the State Racing Commission to regulate horse racing and pari-mutuel operations.

Provides for the commission to be made up of five members, one being appointed by the Governor, four being appointed by each legislative caucus.

Provides for the commission to include the Office of Horse Racing, a Thoroughbred Bureau and a Standardbred Bureau. Requires a director for each bureau and appropriate staff. Provides for minimum qualifications of directors.

Provides the commission with authority over pari-mutuel wagering, licensed business entities engaged in horse racing activities, out-of-competition drug testing and the conduct of horse racing. Authorizes District Attorney's to investigate and institute proceedings for criminal violations and authorizes inspection, seizure and warrants.

Requires annual reports of the commission to the governor and general assembly. Requires the adoption of a comprehensive code of conduct and prohibits ex parte communications.

Requires cancellation of racing days to be made upon agreement with the horsemen's organizations.

Requires racing officials to be compensated by the licensed racing entity.

Requires the commission to annually submit an itemized budget to the Office of Budget, Chairman of the Appropriations Committee of the Senate and Chairman of the Appropriations Committee of the



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House of Representatives consisting of the amounts to be appropriated from the State Racing Fund, the Pennsylvania Horse Race Development Fund or the General Fund to administer and enforce the act.

Provides for the Department of Revenue to provide financial administration of pari-mutuel wagering as is allowed under current law. Provides for the Department of Agriculture to provide administrative services, staff and facilities to the commission through a memorandum of understanding which includes a schedule for the reimbursement of actual costs. Maintains provisions from current law related to the Breeding Fund, Sire Stakes Fund and fairs.

Provides for the commission to establish license fees not exceeding \$500 and impose fines not exceeding \$100,000 per violation day. Provides for the licensing of entities that conduct advance deposit account wagering and includes an annual license and renewal fee of fee of \$500,000. Provides for the licensing of totalisator operators for a fee not exceeding \$100,000 annually. Funds collected from license fees and fines would be placed in the State Racing Fund.

Eliminates the admissions tax. Maintains the wagering tax and imposes the tax on advance deposit account wagers. Provides for 75% of the breakage to be distributed to the State Racing Fund and 25% to the horsemen.

Provides for the Department of Revenue to transfer moneys from the Race Horse Development Fund to the commission on a bi-weekly basis to pay for the actual costs associated with drug testing. The transfer shall not exceed 5% of the funding in the Race Horse Development Fund.

Provides for the transfer of existing employees from the State Horse Racing Commission and State Harness Racing Commission and to the new State Racing Commission.

The provisions transferring the operations of the State Horse Racing Commission and State Harness Racing Commission to the new State Racing Commission will have no adverse fiscal impact on the State Racing Fund. The operations of the new commission with administrative assistance provided by the Department of Agriculture through a memorandum of understating will be very similar to the current commissions' operations.

Effective Date: Immediately

CURRENT LAW

The Horse Race Industry Reform Act oversees the horse and harness racing in the Commonwealth.

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL**No. 352** Session of
2015

INTRODUCED BY VOGEL, YAW, YUDICHAK, VULAKOVICH, WOZNIAK, HUGHES,
WHITE, RAFFERTY, SCARNATI AND WARD, JANUARY 28, 2015

REFERRED TO AGRICULTURE AND RURAL AFFAIRS, JANUARY 28, 2015

AN ACT

1 Amending the act of December 17, 1981 (P.L.435, No.135),
2 entitled "An act providing for the regulation of pari-mutuel
3 thoroughbred horse racing and harness horse racing
4 activities; imposing certain taxes and providing for the
5 disposition of funds from pari-mutuel tickets," in general
6 provisions, further providing for definitions; repealing
7 provisions relating to the State Horse Racing Commission and
8 State Harness Racing Commission; in racing oversight,
9 providing for racing oversight, for pari-mutuel wagering
10 licensing and for advance deposit wagering; in medication
11 rules and enforcement provisions, further providing for
12 mandatory requirements for medication rules, for
13 establishment of Pennsylvania Race Horse Testing Program, for
14 costs for enforcement of medication rules; and providing for
15 the cessation of the State Horse Racing Commission and the
16 State Harness Racing Commission.

17 The General Assembly of the Commonwealth of Pennsylvania
18 hereby enacts as follows:

19 Section 1. Section 102 of the act of December 17, 1981
20 (P.L.435, No.135), known as the Race Horse Industry Reform Act,
21 amended or added May 16, 1986 (P.L.205, No.63) and November 30,
22 1988 (P.L.1090, No.127), is amended to read:

23 Section 102. Definitions.

24 The following words and phrases when used in this act shall
25 have, unless the context clearly indicates otherwise, the

1 meanings given to them in this section:

2 ["Air mile." A unit of distance equal to 1,852 kilometers or
3 5,280 feet for purposes of this act.]

4 "Advance deposit account wagering." A form of pari-mutuel
5 wagering in which an individual may establish an account with a
6 person licensed by the commission, and may place a pari-mutuel
7 wager through that account.

8 "Applicant." A person who, on his own behalf or on behalf of
9 another, is applying for permission to engage in an act or
10 activity which is regulated under the provisions of this act. If
11 the applicant is a person other than an individual, the
12 commission shall determine the associated persons whose
13 qualifications are necessary as a precondition to the licensing
14 of the applicant.

15 "Backside area." As defined in 4 Pa.C.S. § 1103 (relating to
16 definitions).

17 "Breakage." The odd cents of redistributions to be made on
18 contributions to pari-mutuel pools exceeding a sum equal to the
19 next lowest multiple of ten.

20 "Clean letter of credit." A letter of credit which is
21 available to the beneficiary against presentation of only a
22 draft or receipt.

23 "Commission." The State Horse Racing Commission.

24 ["Commissions." The State Horse Racing Commission and the
25 State Harness Racing Commission.

26 "Commissioners." The persons appointed by the Governor and
27 confirmed by the Senate who serve on the State [Horse Racing
28 Commission or the State Harness] Racing Commission and who
29 administer the applicable provisions of this act.]

30 "Commissioner." An individual appointed to and sworn in as a

1 member of the commission in accordance with section 201-A(c).

2 "Conviction." As defined in 4 Pa.C.S. § 1103 (relating to
3 definitions).

4 "Electronic wagering." A legal wager placed by an individual
5 in this Commonwealth related only to the outcome of a horse race
6 taking place in this Commonwealth, placed or transmitted by an
7 individual through telephone or any electronic media approved by
8 the commission and accepted by a licensed racing entity or its
9 approved off-track betting system located in this Commonwealth.

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

12 "Ex parte communication." An off-the-record communication
13 engaged in or received by a commissioner or hearing officer of
14 the commission regarding the merits of, or any fact in issue
15 relating to, a pending matter before the commission or hearing
16 officer or which may reasonably be expected to come before the
17 commission or hearing officer in a contested on-the-record
18 proceeding. The term shall not include:

19 (1) An off-the-record communication by a commissioner or
20 hearing officer of the commission, the Department of Revenue,
21 Pennsylvania State Police, Attorney General or other law
22 enforcement official, prior to the beginning of the
23 proceeding solely for the purpose of seeking clarification or
24 correction to evidentiary materials intended for use in the
25 proceedings.

26 (2) A communication between the commission or a
27 commissioner and legal counsel.

28 "Felony." As defined in 4 Pa.C.S. § 1213(4) (relating to
29 license or permit prohibition).

30 "Financial interest." An ownership, property, leasehold or

1 other beneficial interest in an entity. The term shall not
2 include an interest which is held or deemed to be held in any of
3 the following:

4 (1) Securities that are held in a pension plan, profit-
5 sharing plan, individual retirement account, tax-sheltered
6 annuity, a plan established under section 457 of the Internal
7 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 457), or
8 any successor provision, deferred compensation plan whether
9 qualified or not qualified under the Internal Revenue Code of
10 1986, or any successor provision or other retirement plan
11 that:

12 (i) Is not self-directed by the individual.

13 (ii) Is advised by an independent investment adviser
14 who has sole authority to make investment decisions with
15 respect to contributions made by the individual to these
16 plans.

17 (2) A tuition account plan organized and operated under
18 section 529 of the Internal Revenue Code of 1986 that is not
19 self-directed by the individual.

20 (3) A mutual fund where the interest owned by the mutual
21 fund in a licensed racing entity does not constitute a
22 controlling interest as defined in 4 Pa.C.S. § 1103 (relating
23 to definitions).

24 "Horse racing." Standardbred horse racing and thoroughbred
25 horse racing.

26 "Horseman's organization." A trade association which
27 represents the majority of owners and trainers who own and race
28 horses at a racetrack.

29 "Irrevocable clean letter of credit." A clean letter of
30 credit which cannot be canceled or amended unless there is an

1 agreement to cancel or amend among all parties to the letter of
2 credit.

3 "Land mile." A unit of distance equal to 1,609.3 meters or
4 5,280 feet.

5 ["Licensed corporations." The corporations that have
6 obtained a license from either the State Horse Racing Commission
7 or the State Harness Racing Commission to conduct thoroughbred
8 or harness horse race meetings respectively with pari-mutuel
9 wagering.]

10 "Licensed advance deposit account wagering entity." A person
11 licensed by the commission to conduct advance deposit account
12 wagering and accept deposits and wagers, issue receipts or other
13 confirmation to the account holder evidencing such deposits and
14 wagers, and transfer credits and debits to and from accounts.

15 "Licensed entity." As defined in 4 Pa.C.S. § 1103 (relating
16 to definitions).

17 "Licensed facility." As defined in 4 Pa.C.S. § 1103
18 (relating to definitions).

19 "Licensed entity representative." A person, including an
20 attorney, agent or lobbyist, acting on behalf of or authorized
21 to represent the interest of any applicant, licensee, permittee
22 or other person authorized by the commission to engage in any
23 act or activity regulated by the commission under this act
24 regarding any matter before, or which may be reasonably expected
25 to come before, the commission. The term shall include a person
26 representing a horseman's organization or a horse breeder's
27 organization.

28 "Licensed racing entity." Any person that has obtained a
29 license to conduct live thoroughbred or harness horse race
30 meetings respectively with pari-mutuel wagering from the

1 commission.

2 "Licensee." The holder of a license issued under this act.

3 "Nonprimary location." Any facility in which pari-mutuel
4 wagering is conducted by a licensed racing entity pursuant to
5 this act other than the [primary racetrack location] racetrack
6 where live racing is conducted.

7 ["Nonprimary location statement." The written statement
8 pursuant to this act submitted to the appropriate commission by
9 a licensed corporation planning to establish a nonprimary
10 location.]

11 "Ownership interest." Owning or holding, or being deemed to
12 hold, debt or equity securities or other ownership interest or
13 profit interest.

14 "Permittee." The holder of a permit issued under this act.

15 "Primary market area of a racetrack." The land area included
16 in a circle drawn with the racetrack as the center and a radius
17 of 35 land miles.

18 "Racetrack." The physical facility where a licensed
19 [corporation] racing entity conducts thoroughbred or [harness]
20 standardbred race meetings respectively with pari-mutuel
21 wagering.

22 "Racetrack enclosure." For purposes of this act, the term
23 "racetrack enclosure," with respect to each licensed
24 [corporation] racing entity, shall be deemed to include at least
25 one primary racetrack location at which horse race meetings
26 authorized to be held by the licensed [corporation] racing
27 entities are conducted, and all primary, nonprimary, contiguous
28 and noncontiguous locations of the licensed [corporation] racing
29 entity which are specifically approved by the [appropriate]
30 commission for conducting the pari-mutuel system of wagering on

1 the results of horse [races] racing held at such meetings or
2 race meetings conducted by another licensed [corporation] racing
3 entity or televised to such locations by simulcasting.

4 "Secondary market area of a racetrack." The land area
5 included in a circle drawn with the racetrack as the center and
6 a radius of 50 land miles, not including the primary market area
7 of the racetrack.

8 "Simulcast." The transmission of live electronically
9 televised video/audio races from the host racetrack to the [race
10 track] racetrack receiving the television transmission.

11 "Standardbred horse racing" or "harness racing." A form of
12 horse racing in which the horses participating are attached "in
13 harness" to a sulky or other similar vehicle, at a specific
14 gait, either a trot or pace.

15 "Thoroughbred horse racing." The form of horse racing in
16 which each participating horse is mounted by a jockey, is duly
17 registered with The Jockey Club of New York and engages in horse
18 racing on the flat, which may include a steeplechase or hurdle
19 race.

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

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

25 [CHAPTER 2

26 STATE HORSE RACING COMMISSION AND STATE HARNESS

27 RACING COMMISSION

28 Section 201. Establishment of the commissions.

29 (a) The State Horse Racing Commission is hereby established
30 as a departmental administrative commission within the

1 Department of Agriculture. The commission shall have general
2 jurisdiction over all pari-mutuel thoroughbred horse racing
3 activities in the Commonwealth and the corporations engaged
4 therein. For the purposes of this act, "thoroughbred horse
5 racing" means that form of horse racing in which each
6 participating horse is mounted by a jockey, is duly registered
7 with the Jockey Club, New York, New York and engages in races on
8 the flat. Thoroughbred horse racing may include a steeplechase
9 or hurdle race. The commission shall consist of three members
10 who shall be appointed by the Governor, by and with the advice
11 and consent of the Senate. Each commissioner shall hold office
12 for a term of three years and until a successor is qualified.

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

22 (c) The commissioners shall be reimbursed for documented
23 expenses incurred in the performance of their official duties.
24 The commissioners shall be paid \$150 per diem for performing
25 their duties as directed by the Secretary of Agriculture. One of
26 the commissioners for each commission shall be appointed by the
27 Governor as chairperson. The commissioner appointed by the
28 Governor as chairperson shall serve in that position at the
29 pleasure of the Governor. The Secretary of Agriculture or his
30 designee shall be a nonvoting ex officio member of the

1 commissions. The commissions shall meet at least once a month
2 and at other times as the Secretary of Agriculture or the
3 commission chairperson deems necessary. Adequate public notice
4 of the time and place of the meetings shall be given. A
5 commissioner who fails to attend three consecutive meetings
6 shall be subject to removal. A commissioner shall be excused
7 from meetings due to illness or death of an immediate family
8 member. All commissioners shall be licensed under the provisions
9 of section 213.

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

23 (e) It shall be the duty of the executive secretary to keep
24 a full and faithful record of the proceedings of the
25 commissions, preserve at the general office of the commissions
26 all books, maps, documents and papers entrusted to the executive
27 secretary's care, prepare for service the papers and notices as
28 may be required by the commissions and perform other duties as
29 the commissions may prescribe. It shall be the duty of the
30 executive secretary to keep, at the offices of the commissions,

1 a docket setting forth the names of all stockholders in all
2 corporations licensed under this act, the number of shares held
3 by each stockholder and the date on which each shareholder
4 acquired stock in the licensed corporation. The docket shall be
5 open for public inspection. It shall be the duty of the
6 executive secretary to appear before the Appropriations
7 Committees of the Senate and the House of Representatives for
8 budgetary review and recommendations.

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

20 (g) The terms and termination dates of the terms of the
21 three commissioners who constitute the State Horse Racing
22 Commission under the act of December 11, 1967 (P.L.707, No.331),
23 referred to as the Pennsylvania Thoroughbred Horse Racing Law,
24 shall continue under this act. Any commissioner whose term has
25 already expired on the effective date of this act and who has
26 not been replaced by a new member or has not been confirmed for
27 another term, shall continue in his or her present status until
28 replaced by a new member or confirmed for another term.

29 (h) The terms and termination dates of the terms of the
30 three commissioners who constitute the State Harness Racing

1 Commission under the act of December 22, 1959 (P.L.1978,
2 No.728), referred to as the Pennsylvania Harness Racing Law,
3 shall continue under this act. Any commissioner whose term has
4 already expired on the effective date of this section and who
5 has not been replaced by a new member or has not been confirmed
6 for another term, shall continue in his or her present status
7 until replaced by a new member or confirmed for another term.

8 (i) All rules and regulations promulgated under the
9 provisions of the Pennsylvania Thoroughbred Horse Racing Law and
10 the Pennsylvania Harness Racing Law shall remain in effect
11 except to the extent that they are in direct conflict with the
12 provisions of this act. The commissions may amend, revise or
13 alter these rules and regulations as they deem necessary.

14 (j) All licenses issued under the provisions of section 11
15 of the Pennsylvania Thoroughbred Horse Racing Law and under the
16 provisions of section 9 of the Pennsylvania Harness Racing Law,
17 shall remain in effect for the remainder of the term for which
18 these licenses were issued. After these licenses have expired,
19 all renewals or new licenses shall be issued under the
20 provisions of this act.

21 (k) All licenses issued to corporations under the provisions
22 of section 7 of the Pennsylvania Thoroughbred Horse Racing Law
23 and under the provisions of section 7 of the Pennsylvania
24 Harness Racing Law, shall continue with the same force and
25 effect and shall be governed by the provisions of section 209.
26 Section 202. General powers of the commissions.

27 (a) The State Horse Racing Commission shall have the power
28 to supervise all thoroughbred horse race meetings at which pari-
29 mutuel wagering is conducted. The State Harness Racing
30 Commission shall have the power to supervise all harness horse

1 racing meetings at which pari-mutuel wagering is conducted. The
2 commissions may adopt rules and regulations to effect the
3 purposes and provisions of this act.

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

6 (1) Each commission shall have power to fix a minimum
7 charge for admission to horse race meetings at which pari-
8 mutuel wagering is conducted, but the minimum charge shall
9 not be less than 50¢ for general admission, exclusive of
10 taxes. The commissions shall have power to fix the charge for
11 admission of soldiers, sailors and marines, in uniform, at
12 one-half of the amount fixed for general admission, whether
13 or not the one-half of the amount fixed is less than the
14 minimum prescribed therein.

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

18 (3) The rules of the commissions shall also provide that
19 all winning pari-mutuel tickets must be presented for payment
20 before April 1 of the year following the year of their
21 purchase and failure to present the ticket within the
22 prescribed period of time shall constitute a waiver of the
23 right to participate in the award. After April 1 of the year
24 following, all licensed corporations will forward to the
25 State Treasurer through the Department of Revenue for credit
26 to the State Racing Fund all funds so held for the uncashed
27 tickets. Where it is shown to the satisfaction of the
28 appropriate commission and the Department of Revenue, through
29 substantiated and recorded data, that the reason for the
30 pari-mutuel ticket or tickets being outstanding and unclaimed

1 is loss, misplacement or theft within the confines and
2 control of the pari-mutuel department of any licensed
3 corporation and it is shown to the satisfaction of the
4 appropriate commission and the Department of Revenue that the
5 pari-mutuel ticket or tickets in question have been cashed by
6 the pari-mutuel department, the Department of Revenue, with
7 the approval of the appropriate commission, may adjust and
8 credit the licensed corporation's outstanding ticket account
9 accordingly on March 31 of the year following the year of
10 purchase or after a complete audit of the outstanding tickets
11 accounts have been performed. The licensed corporation shall
12 reimburse any employee who has been held personally
13 accountable and paid for the lost, misplaced or stolen
14 tickets.

15 (4) The commissions may adopt a general promotion
16 program to assist the licensed corporations in increasing
17 their attendance and average daily handle. Any expenditures
18 for a promotional program shall be authorized and approved in
19 the same manner as other operational costs of the
20 commissions.

21 (5) In the event that a state bordering Pennsylvania
22 enacts a wagering tax scheme that may place Pennsylvania
23 horse race meetings at a competitive disadvantage in the
24 purses that can be offered for horse races, a licensed
25 corporation may petition the appropriate commission for an
26 emergency financial grant to augment its purse structure. If
27 the appropriate commission finds that the effect of the
28 enacted wagering tax scheme of a bordering state is to place
29 Pennsylvania horse race meetings at a competitive
30 disadvantage in purse structure, the appropriate commission

1 shall make an emergency financial grant to the petitioning
2 licensed corporation for augmentation to its purse structure
3 out of moneys that the commission has budgeted for this
4 purpose; provided, however, that the Secretary of Agriculture
5 and the Secretary of the Office of Budget and Administration
6 have also agreed to the grant.

7 (c) The State Harness Racing Commission shall have
8 jurisdiction over and shall promulgate regulations as necessary
9 for the proper administration of all racing conducted by a
10 county agricultural society or an independent agricultural
11 society, as provided for under section 5(1)(iii) and (iv) of the
12 act of July 8, 1986 (P.L.437, No.92), known as the "Pennsylvania
13 Agricultural Fair Act."
14 Section 203.

15 (c) No corporation shall have the right to conduct any horse
16 race meet except on obtaining a license from the appropriate
17 commission and at the location or locations designated in its
18 license or any amendment thereto or as approved at any time by
19 the commission as the place or places at which it was proposed
20 to conduct its business. This restriction shall not apply to any
21 corporation whose racing plant or usefulness, in the discretion
22 of the appropriate commissions, shall, for any reason beyond the
23 control of the corporation, be totally destroyed or so
24 substantially interfered with as to render same unfit for
25 continued operation. Pending the rebuilding or restoration of
26 its usefulness, or the making of the required repairs to the
27 plant or the part destroyed or damaged, the commissions may
28 license such corporation to conduct its horse race meetings at
29 any other suitable location.

30 Section 204. Filing of information concerning stock transfers;

1 necessity for commissions' approval.

2 (a) Whenever a transfer of stock comprising an interest of
3 5% or more in any licensed corporation, or comprising an
4 interest of 5% or more in any corporation which leases to a
5 licensed corporation the track facility at which it conducts
6 pari-mutuel horse races or comprising an interest of 5% or more
7 in any corporation which owns 25% or more of the stock of the
8 licensed corporation shall be made, there shall be filed,
9 simultaneously, with the corporation which issued such stock the
10 following:

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

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

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

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

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

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

26 If the transferee of the interest is not, or is not to be,
27 the sole beneficial owner, there shall be annexed to the
28 affidavit of the transferee, and expressly stated in such
29 affidavit, a true and complete copy of all terms of the
30 agreement pursuant to which the interest in the corporation

1 is to be held by the transferee, including a detailed
2 statement of the interest of each person who is to have any
3 interest therein.

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

7 (i) has been convicted of a crime involving moral
8 turpitude;

9 (ii) has engaged in bookmaking or other forms of
10 illegal gambling;

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

13 (iv) has been guilty of any violation or attempt to
14 violate any law, rule or regulation of any racing
15 jurisdiction, for which suspension from racing might be
16 imposed in such jurisdiction; or

17 (v) has violated any rule, regulation or order of
18 the commissions.

19 To each of the affidavits shall be annexed, and expressly
20 stated in such affidavit, a true and complete copy of all the
21 terms of the agreement pursuant to which the interest is to
22 be held by the transferee, including a detailed statement of
23 the interest of each person who is to have any interest
24 therein. The corporation shall file with the appropriate
25 commission one of each duplicate affidavits.

26 (b) If, after the filing of any affidavit required to be
27 filed, there shall be any change in the status of any affiant
28 with respect to any of the matters set forth in subsection (a)
29 (1) of the affidavit filed, the affiant shall file with the
30 corporation with which his affidavit was so filed a new

1 affidavit, executed by him in duplicate, setting forth the
2 change of status and the corporation shall file one of these
3 affidavits with the appropriate commission.

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

16 (d) If the appropriate commission determines that it is
17 inconsistent with the public interest, convenience, or
18 necessity, or with the best interest of racing generally, that
19 any person continue to be a stockholder of record, or the
20 beneficial owner of any interest in stock standing in the name
21 of another in any licensed corporation or of any corporation
22 which leases to such licensed corporation the track at which it
23 conducts pari-mutuel horse racing or which owned 25% or more of
24 the stock of the licensee, the appropriate commission shall have
25 full power and authority to order each stockholder or beneficial
26 owner to dispose of his stock or interest within a period of
27 time to be specified by the appropriate commission, which period
28 the appropriate commission shall have full power to extend.

29 (e) If the commissions shall make any order or direction as
30 provided in subsection (d), the person aggrieved shall be given

1 notice of the time and place of a hearing before the appropriate
2 commission, at which time the appropriate commission will hear
3 the person in reference thereto.

4 Section 205. Number of horse racing corporations.

5 (a) No more than six corporations shall be licensed by the
6 State Horse Racing Commission to conduct a pari-mutuel meet or
7 meets. No corporation licensed under this act to conduct harness
8 racing with pari-mutuel wagering or under the act of December
9 22, 1959 (P.L.1978, No.728), referred to as the Pennsylvania
10 Harness Racing Law, shall be licensed to conduct thoroughbred
11 horse racing with pari-mutuel wagering.

12 (b) No more than five corporations shall be licensed by the
13 State Harness Racing Commission to conduct a pari-mutuel meet or
14 meets. No corporation licensed under this act to conduct
15 thoroughbred horse racing with pari-mutuel wagering or under the
16 act of December 11, 1967 (P.L.707, No.331), referred to as the
17 Pennsylvania Thoroughbred Horse Racing Law, shall be licensed to
18 conduct harness horse racing with pari-mutuel wagering.

19 Section 206. Responsibilities of the Department of Revenue.

20 The Department of Revenue is charged with the financial
21 administration of pari-mutuel wagering under this act, as
22 supplemented by the rules and regulations of the commissions.
23 The Department of Revenue shall have authority to prescribe the
24 forms and the system of accounting to be employed, and through
25 its representatives shall, at all times, have power of access
26 to, and examination of, any equipment relating to such wagering.

27 Section 207. Allocation of racing days.

28 (a) Up to 125 but no less than 25 racing days shall be
29 allocated to each licensed corporation conducting thoroughbred
30 horse race meetings in any calendar year; except, that upon

1 request, the State Horse Racing Commission may grant up to an
2 additional 25 racing days over the 125 days to a licensed
3 corporation in each calendar year, if racing meet schedules can
4 accommodate these extra days. Whenever two or more corporations
5 licensed to conduct racing at the same facility apply to the
6 State Horse Racing Commission for an allocation of racing days
7 at the same facility, the commission shall allocate the racing
8 days in the following manner:

9 (1) If there is an agreement between the licensed
10 corporations as to the allocation of racing days then as
11 provided for therein.

12 (2) If there is no agreement between the licensed
13 corporations as to the allocation of racing days, then
14 equally between them.

15 (b) No more than 125 racing days shall be allocated to each
16 licensed corporation conducting harness horse race meetings in
17 any calendar year. Every corporation shall hold its license
18 under the provisions of section 209. The State Harness Racing
19 Commission shall allocate the racing days in accordance with the
20 following guidelines:

21 (1) A licensed corporation that has an ownership
22 interest in the facility at which the racing days are to be
23 conducted shall be granted up to 125 racing days in any
24 calendar year upon request to the State Harness Racing
25 Commission. The State Harness Racing Commission shall grant
26 all racing days requested by licensed corporations described
27 in this paragraph before any other racing days are granted to
28 any other licensed corporation that desires to conduct a meet
29 at the same facility owned in part or in whole by a licensed
30 corporation that also desires to conduct a meet there.

1 (2) Whenever one or more licensed corporations that have
2 an ownership interest in the facility at which the racing
3 days are to be conducted apply to the State Harness Racing
4 Commission for an allocation of racing days, the State
5 Harness Racing Commission shall allocate an equal number of
6 racing days to each licensed corporation or to each licensed
7 corporation based upon an agreement between the licensed
8 corporations as to the allocation of racing days.

9 (3) Upon request the State Harness Racing Commission may
10 grant up to an additional 25 racing days over the 125 racing
11 days to a licensed corporation in each calendar year, and the
12 commission may grant up to 50 additional days of racing if
13 that corporation is the only corporation operating at the
14 facility, if racing meet schedules can accommodate these
15 extra racing days.

16 (4) For purposes of this section, an ownership interest
17 shall mean that a licensed corporation directly or through a
18 parent or subsidiary has at least 35% equity interest in the
19 track facility at which it conducts harness horse race
20 meetings or is the primary tenant at such facility. For
21 purposes of this subsection, a primary tenant shall be that
22 licensed corporation, if any, which is a tenant conducting
23 horse race meetings at a track facility at which no licensed
24 corporation conducting horse race meetings has directly or
25 through a parent or subsidiary at least a 35% equity interest
26 in such facility, and if there is more than one such tenant
27 at any such facility during the year prior to the year for
28 which dates are requested, then among or between such tenants
29 the primary tenant, if any, shall be designated by agreement
30 among or between those licensed corporations which propose to

1 conduct horse race meetings at the said track facility during
2 the year for which dates are requested.

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

6 (1) the names and addresses of the corporations;

7 (2) the names and addresses of the presidents and
8 general managers of the corporations;

9 (3) the names and locations of the facilities where the
10 racing days are to be conducted;

11 (4) the number of racing days allocated to each
12 corporation; and

13 (5) a numbered list of each racing day assigned to each
14 calendar day of the year for the purposes of taxation.

15 (d) If a racing day is cancelled by a licensed corporation
16 for reasons beyond its control, the appropriate commission shall
17 grant the licensed corporation the right to conduct that racing
18 day in the same or the next ensuing calendar year, if schedules
19 permit. The racing day for purposes of taxation under section
20 222 shall be at the lowest tax rate at which the licensed
21 corporation conducted a racing day during that year.

22 Section 208. State admissions taxes.

23 (a) Every corporation holding a thoroughbred horse race
24 meeting under this act shall collect, in addition to the
25 admission price of tickets sold or otherwise disposed of, for
26 each meeting held by the corporation, a tax equivalent to 15% of
27 the admission price, or 15¢ whichever is greater. In case of
28 failure to collect the tax, the tax shall be imposed upon the
29 corporation holding the race meeting. The tax shall be paid to
30 the Department of Revenue within ten days of collection. The

1 amounts collected shall be paid into the State Treasury to the
2 credit of the State Racing Fund. Before any corporation liable
3 to pay the tax shall hold any race meeting, or exercise any of
4 the powers conferred by this act, the corporation shall pay all
5 taxes due, and shall file a statement with the Department of
6 Revenue containing the name of the place and stating the time
7 when the races are to be held. Nothing in this section shall
8 apply to a race meeting conducted by any state, county or other
9 agricultural association. Retroactive to September 1, 1981 and
10 thereafter, the admission tax shall be decreased to a tax
11 equivalent to 10% of the admission price. Then on September 1,
12 1982 and thereafter, the admission tax shall be decreased to a
13 tax equivalent to 5% of the admission price.

14 (b) Every corporation holding a harness horse race meeting
15 shall collect, in addition to the admission price of tickets
16 sold or otherwise disposed of, for each such meeting held by the
17 corporation, a tax equivalent to 5% of the admission price. In
18 case of failure to collect the tax, the tax shall be imposed
19 upon the corporation holding the race meeting. The tax shall be
20 paid to the Department of Revenue within ten days after the
21 close of each race meeting. The amounts collected shall be paid
22 into the State Treasury to the credit of the State Racing Fund.
23 Before any corporation liable to pay the tax shall hold any race
24 meeting, or exercise any of the powers conferred by this act,
25 the corporation shall pay all taxes due and file a statement
26 with the Department of Revenue containing the name of the place
27 and stating the time when the races are to be held. Nothing in
28 this section shall apply to a race meeting conducted by any
29 state, county or other agricultural association.

30 (c) The Department of Revenue shall have the power to

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

10 Section 209. Licenses for horse race meetings.

11 (a) Any corporation desiring to conduct horse race meetings
12 at which pari-mutuel wagering shall be permitted may apply to
13 the appropriate commission for a license. The license gives its
14 holder the privilege to conduct horse race meetings at which
15 pari-mutuel wagering is permitted. The license does not give its
16 holder a property right. If, in the judgment of the appropriate
17 commission, the public interest, convenience or necessity will
18 be served and a proper case for the issuance of the license is
19 shown, the appropriate commission may issue the license. The
20 license shall remain in effect so long as the licensed
21 corporation complies with all conditions, rules and regulations
22 and provisions of this act. A commission may revoke or suspend
23 the license of any corporation, if the commission finds by a
24 preponderance of the evidence that the corporation, its
25 officers, employees or agents, has not complied with the
26 conditions, rules, regulations and provisions of this act and
27 that it would be in the public interest, convenience or
28 necessity to revoke or suspend the license. A license is not
29 transferable.

30 (b) Every license shall be issued upon the following

1 conditions:

2 (1) A horse race meeting at which pari-mutuel wagering
3 is conducted is subject to the supervision of and to the
4 reasonable rules and regulations prescribed by the
5 appropriate commission.

6 (2) Pari-mutuel wagering conducted is also subject to
7 the supervision of and to the reasonable regulations
8 prescribed by the Department of Revenue. Any license may also
9 be issued upon any other condition that the appropriate
10 commission determines to be necessary or desirable to insure
11 that the public interest, convenience or necessity is served.

12 (3) The corporation can prove by a preponderance of the
13 evidence that it has obtained the use of a facility to
14 conduct horse race meetings. The proof may be demonstrated by
15 documentation of an ownership interest in the facility or by
16 a written lease for use of the facility. For purposes of this
17 paragraph, an ownership interest shall mean that a licensed
18 corporation directly or through a parent or subsidiary has at
19 least a 35% equity interest in the track facility at which it
20 conducts horse race meetings or is the primary tenant at such
21 facility. For purposes of this paragraph, a primary tenant
22 shall be that licensed corporation, if any, which is a tenant
23 conducting horse racing meetings at a track facility at which
24 no licensed corporation conducting horse race meetings has
25 directly or through a parent or subsidiary at least a 35%
26 equity interest in such facility, and if there is more than
27 one such tenant at any such facility during the year prior to
28 the year for which dates are requested, then among or between
29 such tenants the primary tenant, if any, shall be designated
30 by agreement among or between those licensed corporations

1 which propose to conduct horse race meetings at the said
2 track facility during the year for which dates are requested.

3 (4) The corporation posts, in favor of the appropriate
4 commission, a bond or irrevocable letter of credit in an
5 amount equal to the sum of the corporation's average weekly
6 payment, during active racing, into the State Racing Fund, as
7 determined by the appropriate commission on the basis of the
8 immediately preceding year, during the year for which dates
9 are requested.

10 (5) The licensed corporation prints in its racing
11 programs the procedure for filing a complaint with the
12 appropriate commission.

13 (c) Applications for licenses shall be in the form
14 prescribed by the appropriate commission and shall contain
15 information, material or evidence as the appropriate commission
16 may require. The term "racing week" shall include Sunday at the
17 discretion of the licensed corporation.

18 (d) In considering an application for a license to a
19 corporation, the commissions may give consideration to the
20 number of licenses already granted. No license shall be granted
21 to any track located within ten miles of a State, county or
22 other political subdivision fair conducting horse racing unless
23 the association, corporation, society, political subdivision or
24 State agency conducting the fair shall affirmatively waive
25 objection to the issuance of the license for dates within the
26 period.

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

29 (1) Any officer, director, member or stockholder of the
30 corporation applying for a license or of any corporation

1 which owns stock in or shares in the profits, or participates
2 in the management of the affairs of the applicant, or which
3 leases to the applicant the track where it shall operate:

4 (i) has been convicted of a crime involving moral
5 turpitude;

6 (ii) has engaged in bookmaking or other forms of
7 illegal gambling;

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

10 (iv) has been guilty of any violation or attempt to
11 violate any law, rule or regulation of any racing
12 jurisdiction, for which suspension from racing might be
13 imposed in such jurisdiction; or

14 (v) has violated any rule, regulation or order of
15 the commissions.

16 (2) The experience, character or fitness of any officer,
17 director or stockholder of any of the corporations is such
18 that the participation of the person in horse racing or
19 related activities would be inconsistent with the public
20 interest, convenience or necessity or with the best interests
21 of racing. If the commission determines that the interest of
22 any stockholder referred to in this paragraph or in paragraph
23 (1) is insufficient to affect adversely the conduct of pari-
24 mutuel horse racing by the corporation in accordance with the
25 provisions of this act, the commissions may disregard the
26 interest in determining whether or not to grant a license to
27 the corporation.

28 (3) The applicant is not the owner or the lessee of the
29 track at which it will conduct pari-mutuel horse racing under
30 the license applied for, or that any person, firm,

1 association or corporation other than the applicant shares,
2 or will share, in the profits of the applicant, other than by
3 dividends as a stockholder, or participates, or will
4 participate in the management of the affairs of the
5 applicant.

6 (4) The corporation does not have the use of a facility
7 to conduct horse race meetings. Such use must be proved by a
8 preponderance of the evidence. The proof may be demonstrated
9 by documentation of an ownership interest in the facility or
10 by a written lease for use of the facility.

11 (5) A licensed corporation does not have proof of a
12 written lease of a facility to conduct horse race meetings.
13 Under this paragraph, the appropriate commission may suspend
14 a license for a period of two years. After the expiration of
15 the suspension, the appropriate commission may then revoke
16 the license, if the licensed corporation has failed to
17 contract for a facility at which to conduct horse race
18 meetings.

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

22 (f) The commissions shall also have power to refuse to
23 grant, revoke or suspend a license:

24 (1) To any corporation, the charter or certificate of
25 incorporation of which shall fail to contain a provision
26 requiring any stockholder, upon written demand of the
27 corporation, to sell his stock to the corporation at a price
28 to be fixed by the appropriate commission, provided the
29 demand be made pursuant to written direction of the
30 appropriate commission and from the date of the making of the

1 demand prohibiting the transfer of the certificate of stock
2 except to the corporation.

3 (2) To any corporation which, having been a licensee,
4 has failed, in the opinion of the appropriate commission, to
5 properly maintain its track and plant in good condition or
6 has failed to make adequate provision for rehabilitation and
7 capital improvements to its track and plant.

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

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

24 Section 210. Shareholders.

25 (a) Each licensed corporation shall, once a year, provide
26 the appropriate commission with a complete list of all its
27 shareholders, indicating the number of shares by each
28 shareholder.

29 (b) It shall be the duty of each licensed corporation within
30 ten days after any transfer of stock comprising an interest of

1 5% or more in such licensee, to notify the appropriate
2 commission of the transfer.

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

19 (d) No property rights shall exist in any shares of stock of
20 any licensed corporation which are held in trust contrary to the
21 provisions of this section and the same shall be forfeited to
22 the Commonwealth after reasonable notice and upon hearing and
23 proof thereof in any suit instituted by the Attorney General of
24 Pennsylvania. Upon it being established that the stock is
25 subject to forfeiture by legal adjudication, the appropriate
26 commission shall sell the forfeited stock at public sale, upon
27 proper notice, to the highest bidder. The proceeds from the sale
28 shall be deposited in the General Fund of the Commonwealth of
29 Pennsylvania.

30 (e) As used in this section, the term "licensed corporation"

1 shall include any licensed corporation as defined in section 102
2 and also any firm, association or corporation which owns or
3 leases to any licensed association or corporation a race track
4 at which pari-mutuel racing is conducted, or any firm,
5 association or corporation which participates in the management
6 of any such licensed corporation.

7 Section 211. Prohibition of interest by public officers, public
8 employees and party officers in pari-mutuel racing
9 activities.

10 (a) No public officer, public employee or party officer
11 shall:

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

14 (2) own or hold, directly or indirectly, any proprietary
15 interest, stock or obligation of any firm, association or
16 corporation:

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

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

22 (iii) which owns or leases to any licensed
23 association or corporation a race track at which pari-
24 mutuel racing is conducted; or

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

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

29 (4) sell or be a member of a firm or own 10% or more of
30 the stock of any corporation which sells any goods or

1 services to any firm, association or corporation specified in
2 paragraph (2).

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

9 (b) A knowing and willful violation of this section shall be
10 cause for removal from public office, public employment or party
11 office. In any such case, the public officer, public employee or
12 party officer, violating this section, shall be removed from
13 office by appropriate authority having the power of removal.

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

17 "Party officer." The following members or officers of any
18 political party:

19 (1) a member of a national committee;

20 (2) a chairman, vice-chairman, secretary, treasurer or
21 counsel of a State committee or member of the executive
22 committee of a State committee;

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

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

27 "Public employee." Every person employed by the Commonwealth
28 or any political subdivision thereof.

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

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

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

10 Section 212. Officials at horse race meetings.

11 (a) At all thoroughbred horse race meetings licensed by the
12 State Horse Racing Commission, qualified judges and starters
13 shall be approved by the commission. These officials shall
14 enforce the rules and regulations of the State Horse Racing
15 Commission and shall render written reports of the activities
16 and conduct of such race meetings to the State Horse Racing
17 Commission. The compensation of these judges and starters shall
18 be paid by the corporation conducting the race meeting.

19 (b) At all harness race meetings licensed by the State
20 Harness Racing Commission, qualified judges and starters shall
21 be approved by the commission. No person shall be approved as a
22 judge or starter unless he is licensed by the United States
23 Trotting Association as a duly qualified pari-mutuel race
24 meeting official. The officials shall enforce the rules and
25 regulations of the State Harness Racing Commission and shall
26 render regular written reports of the activities and conduct of
27 the race meetings to the State Harness Racing Commission. The
28 compensation of the presiding judge and two associate judges at
29 each race track shall be fixed and paid by the State Harness
30 Racing Commission. The commission shall adopt a selection

1 process to approve the appointment of these officials. The
2 licensed corporations shall participate in this selection
3 process for approval of these officials.

4 Section 213. Licenses for commissioners, employees and
5 participants at horse race meetings.

6 (a) Each commission shall license trainers, jockeys,
7 drivers, persons participating in thoroughbred and harness horse
8 race meetings, horse owners and all other persons and vendors
9 exercising their occupation or employed at thoroughbred and
10 harness horse race meetings. The license gives its holder a
11 privilege to engage in the specified activity, but the license
12 does not give its holder a property right. Licenses are not
13 transferable. Each commission shall fix the license fees to be
14 paid by persons or corporations so licensed; provided, however,
15 that such occupational license fees shall not exceed \$100. All
16 fees shall be paid to the commissions and by them paid into the
17 State Treasury through the Department of Revenue and credited to
18 the State Racing Fund. The application shall be in the form and
19 contain the information as each commission may require.
20 Applicants must have their fingerprints taken or have
21 fingerprint records on file with the respective commission, the
22 Federal Bureau of Investigation, the State Police or any other
23 organization recognized by the respective commission as part of
24 the background investigation. Each commission may exempt
25 applicants from the fingerprint requirement for positions not
26 related to the care or training of horses, racing, wagering,
27 security or the management operations of the racing corporation
28 or racetrack. All licenses shall be issued for three-year terms
29 and shall be automatically renewed, upon payment of the required
30 fee, unless subsection (f) applies. Each commission may

1 establish a temporary license and fee valid for four months
2 within a twelve-month period. No applicant, however, may receive
3 more than one temporary license within 12 months of the issuance
4 of his or her preceding temporary license. The commissions may
5 also stagger the termination dates and renewal dates of the
6 licenses, in order to process and issue the licenses in an
7 orderly manner that provides for approximately one-third of the
8 licenses to be renewed each year. The commissions shall fix the
9 manner by which licenses are processed and issued by rule or
10 regulation.

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

16 (c) If the commissions find that the experience, character
17 and general fitness of the applicant are such that the
18 participation of the person in horse race meets is consistent
19 with the public interest, convenience and necessity, and with
20 the best interests of racing generally in conformity with the
21 purposes of this act, it may grant a license.

22 (d) The commissions may refuse to issue a license under this
23 section, if they shall find that the applicant:

24 (1) Has been convicted of a crime involving moral
25 turpitude.

26 (2) Has engaged in bookmaking or other form of illegal
27 gambling.

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

30 (4) Has been found guilty of any violation or attempt to

1 violate any law, rule or regulation of racing in any
2 jurisdiction, for which suspension from racing might be
3 imposed in that jurisdiction.

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

6 (d.1) The commissions shall refuse to issue a license under
7 this section if they shall find that the applicant has been
8 convicted of an offense relating to fixing races. This
9 subsection shall not apply if the conviction is overturned on
10 appeal under the laws of the jurisdiction of the original
11 finding.

12 (e) Each commission shall have the right to inspect all
13 contracts between licensed corporations and vendors for goods
14 and services. Each commission shall require by rule or
15 regulation that vendors disclose to the appropriate commission
16 all principal officers and a description of their interests in
17 the vendors' business. Failure to properly disclose this
18 information shall constitute grounds to deny, to revoke or to
19 suspend any vendor's license issued under the provisions of this
20 act.

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

23 (1) The applicant or licensee:

24 (i) has been convicted of a crime involving moral
25 turpitude;

26 (ii) has engaged in bookmaking or other form of
27 illegal gambling;

28 (iii) has been found guilty of any fraud in
29 connection with racing or breeding;

30 (iv) has been guilty of any violation or attempt to

1 violate any law, rule or regulation of any racing
2 jurisdiction for which suspension from racing might be
3 imposed in that jurisdiction;

4 (v) has violated any rule, regulation or order of
5 the commissions; or

6 (vi) has been convicted of a felony offense related
7 to the use, possession or sale of drugs or alcohol.

8 (2) That the experience, character or general fitness of
9 any applicant or licensee is such that the participation of
10 the person in horse racing or related activities would be
11 inconsistent with the public interest, convenience or
12 necessity or with the best interests of racing.

13 (f.1) The commissions shall suspend, refuse to renew or
14 revoke a license issued under this section if it shall determine
15 that the applicant or licensee has been convicted of an offense
16 related to fixing races unless the conviction has been
17 overturned on appeal under the laws of the jurisdiction of the
18 original finding.

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

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

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

29 Section 214. Power of commissions to impose fines and
30 penalties.

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

17 (b) No officer or employee of a licensed corporation or
18 their spouses, parents, fathers-in-law, mothers-in-law, sons,
19 daughters, sons-in-law or daughters-in-law shall have any direct
20 or indirect interest in a race horse that is participating in a
21 race at a meet at which such person or heretofore-mentioned
22 relative holds any interest in the licensed corporation
23 conducting the meet and/or the track facility. An officer or
24 employee of a licensed corporation or their spouses, parents,
25 fathers-in-law, mothers-in-law, sons, daughters, sons-in-law or
26 daughters-in-law may have an interest in a race horse and enter
27 it at meets that are conducted by licensed corporations or at
28 race tracks in which such a person or heretofore-mentioned
29 relative holds no direct or indirect interest. Each commission
30 shall impose a fine or penalty upon any person for violation of

1 this subsection as provided for under subsection (a). For
2 purposes of this subsection an interest shall not include:

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

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

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

10 (a) The commissions and any licensed corporations are
11 authorized and empowered to employ persons as security
12 personnel. These persons shall possess the powers and duties of
13 a peace officer with respect to the enforcement of the criminal
14 laws of the Commonwealth within the race meeting grounds or
15 enclosure. The designated persons are also authorized to
16 interrogate and eject from the race meeting grounds or enclosure
17 any persons suspected of violating any rule or regulation
18 promulgated by the commissions. The commissions may refuse
19 admission to and eject from enclosure of the race track operated
20 by any licensed corporation, any person whose presence there is,
21 in the judgment of the commission, inconsistent with the orderly
22 or proper conduct of a race meeting or whose presence or conduct
23 is deemed detrimental to the best interest of horse racing. The
24 action of the commissions in refusing any person admission, or
25 ejecting him from, a race meeting ground or enclosure shall not
26 be because of the race, creed, color, sex, national origin or
27 religion of that person and shall be reviewable by the
28 Commonwealth Court.

29 (b) Except as provided for in subsections (c) and (d), any
30 licensed corporation may refuse admission to and eject from the

1 enclosure of the race track operated by any association any
2 person except that no person shall be refused admission or be
3 ejected because of the race, color, creed, sex, national origin
4 or religion of that person.

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

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

21 (e) A person found within a race track enclosure after
22 having been refused admission thereto or ejected therefrom
23 shall, upon conviction thereof in a summary proceeding, be
24 sentenced to pay a fine not exceeding \$300 or undergo
25 imprisonment for a term not exceeding 90 days, or both.

26 Section 216. Interstate simulcastings of horse races.

27 Each commission may, upon request by any licensed
28 corporation, grant permission for electronically televised
29 simulcasts of horse races to be operated by the licensed
30 corporation at the race track enclosure where a horse race

1 meeting is being conducted during, between, before or after
2 posted races for that racing day. The posted races for that
3 racing day shall include a minimum of eight live races, except,
4 at thoroughbred tracks on the one day designated as Breeders'
5 Cup Event Day, there shall be a minimum of five live races. The
6 simulcasts shall be limited to horse races conducted at
7 facilities outside this Commonwealth and televised to race track
8 enclosures within this Commonwealth. The simulcasts shall also
9 be limited to thoroughbred races designated as Grade I stakes,
10 or the international equivalent thereto, with purses of at least
11 \$100,000; standard bred races with purses of at least \$100,000;
12 and other stakes races which have, in the opinion of the
13 appropriate commission, significant value to the Pennsylvania
14 racing industry. Cross simulcasting of the aforementioned races
15 shall be permitted as long as the particular race is available
16 to all race tracks in the Commonwealth which are operating live
17 racing that day. All simulcasts of horse races from outside this
18 Commonwealth shall also comply with the provisions of the
19 Interstate Horse Racing Act of 1978, 92 Stat. 1811, 15 USC 3001
20 et seq. All forms of pari-mutuel wagering as described under
21 section 221 shall be allowed on horse races to be televised by
22 simulcasting. Each commission may promulgate rules or
23 regulations to regulate the wagering and the operation of these
24 horse races. All moneys wagered by patrons on these horse races
25 shall be computed in the amount of money wagered each racing day
26 for purposes of taxation under section 222.

27 Section 216.1. Televised international and interstate
28 simulcastings of horse races.

29 (a) Each commission may, upon request by a licensed
30 corporation, grant permission to maintain common pari-mutuel

1 pools on international and interstate races transmitted to and
2 from the racetrack enclosures within this Commonwealth, such
3 licensed corporation to be designated as the "host licensee."
4 The permission to act as host licensee for international and
5 interstate simulcast races shall be limited to licensed
6 corporations:

7 (1) which have a live racing agreement with a horseman's
8 organization representing a majority of owners and trainers
9 at the facility where the licensed corporation conducts
10 racing dates;

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

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

22 A horseman's organization representing a majority of owners and
23 trainers at a racetrack may consent to waiving or modifying the
24 provisions pertaining to the required number of racing days and
25 races per day scheduled by a licensed corporation at that
26 racetrack.

27 (b) Cross simulcasting of the races described in subsection
28 (a) shall be permitted if all amounts wagered on the races in
29 this Commonwealth are included in common pari-mutuel pools. A
30 host licensee seeking permission to cross simulcast must obtain

1 approval from both the State Harness Racing Commission and the
2 State Horse Racing Commission. All simulcasts of horse races
3 shall also comply with the provisions of the Interstate Horse
4 Racing Act of 1978 (92 Stat. 1811, 15 U.S.C. § 3001 et seq.).
5 All forms of pari-mutuel wagering as described under section 221
6 shall be allowed on horse races to be televised by simulcasting.
7 Each commission may permit pari-mutuel pools in this
8 Commonwealth to be combined with pari-mutuel pools created under
9 the laws of another jurisdiction and may permit pari-mutuel
10 pools created under the laws of another jurisdiction to be
11 combined with pari-mutuel pools in this Commonwealth. Each
12 commission may promulgate rules or regulations to regulate
13 wagering on televised simulcasts.

14 (c) All moneys wagered by patrons in this Commonwealth on
15 these horse races shall be computed in the amount of money
16 wagered each racing day for purposes of taxation under section
17 222 and all thoroughbred races shall be considered a part of a
18 thoroughbred horse race meeting and all harness races shall be
19 considered a part of a harness horse race meeting for purposes
20 of section 222(b)(5).

21 Section 217. Refunds.

22 (a) Money received by the commissions may, within one year
23 from receipts thereof, be refunded, to the party for whose
24 account the same were received, on proof satisfactory to the
25 commissions that:

26 (1) the moneys were in excess of the amount required by
27 law;

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

30 (3) the moneys were received as a fine and the

1 commission has, after review, reduced the amount of the fine;
2 or

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

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

8 Section 218. Place and manner of conducting pari-mutuel
9 wagering.

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

25 (b) Each commission may upon request by any licensed
26 corporation grant permission to the licensed corporation to
27 conduct a telephone account wagering system: Provided, however,
28 That all telephone messages to place wagers must be to a place
29 within the race track enclosure: And further provided, That all
30 moneys used to place telephone wagers be on deposit in an amount

1 sufficient to cover the wager at the race track where the
2 account is opened. Each commission may promulgate rules or
3 regulations to regulate telephone account wagering. All moneys
4 wagered as a result of telephone account wagering shall be
5 included in the amount wagered each racing day for purposes of
6 taxation under section 222 and shall be included in the same
7 pari-mutuel pools for each posted race. All telephone account
8 wagering systems shall be solely operated by the licensed
9 corporations.

10 (c) A licensed corporation shall only accept and tabulate a
11 wager by a direct telephone call from the holder of a telephone
12 wagering account. No person shall directly or indirectly act as
13 an intermediary, transmitter or agent in the placing of wagers
14 for a holder of a telephone wagering account. No person shall in
15 any manner place any wager by telephone to a facility in the
16 race track enclosure on behalf of a holder of a telephone
17 wagering account. Only the holder of a telephone wagering
18 account shall place a telephone wager. Any person violating this
19 subsection shall be guilty of a misdemeanor of the first degree.

20 (d) A licensed corporation shall not accept a telephone
21 wager from, nor establish a telephone betting account for, any
22 person located in or residing in an area defined herein as the
23 primary market area of a race track, other than the race track
24 at which the licensed corporation is conducting a racing meet.
25 Nothing herein shall prohibit the licensed corporation from
26 accepting a telephone wager from, or establishing a telephone
27 betting account for, any person located in or residing in the
28 primary market area of the track at which the licensed
29 corporation is conducting a meet and, if two tracks share
30 primary market area as defined herein, both tracks shall have

1 equal rights to the market in the shared area.

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

6 (f) The secondary market area of a racetrack, for purposes
7 of this act, is defined as that land area included in a circle
8 drawn with the racetrack as the center and a radius of 50 air
9 miles, but not including the primary market area of the
10 racetrack.

11 (g) Notwithstanding any other provisions of this act to the
12 contrary, upon approval by the appropriate commission, a
13 licensed corporation may establish one or more nonprimary
14 locations at which it shall conduct pari-mutuel wagering on all
15 horse races conducted by such licensed corporation and may
16 conduct pari-mutuel wagering on horse races conducted by another
17 licensed corporation, which horse races may be televised to the
18 locations, or on horse races simulcast to the locations pursuant
19 to section 216, provided that:

20 (1) No licensed corporation may establish nonprimary
21 locations within the primary market area, as set forth in
22 subsection (e), of any racetrack other than a racetrack at
23 which the licensed corporation conducts race meetings.
24 Establishment of a nonprimary location by a licensed
25 corporation within the primary market area of a racetrack at
26 which the licensed corporation conducts race meetings shall
27 require approval of the commission regulating the activities
28 of such licensed corporation.

29 (2) Any licensed corporation may establish a nonprimary
30 location within the secondary market area of a racetrack as

1 set forth in subsection (f), provided that the nonprimary
2 location is approved by both the State Harness Racing
3 Commission and the State Horse Racing Commission.

4 (3) Any licensed corporation may establish a nonprimary
5 location in areas outside the primary and secondary market
6 areas of any racetrack, provided that the location is
7 approved by the commission which regulates the activities of
8 the licensed corporation establishing the location.

9 (4) Where a site is approved by the commission as a
10 nonprimary location established by more than one licensed
11 corporation, by agreement between the licensed corporations
12 and with the approval of the appropriate commission, one
13 licensed corporation may operate the pari-mutuel equipment
14 for one or more of the licensed corporations at that
15 location, but the location may still be considered a part of
16 the racetrack enclosure of each of the licensed corporations
17 approved to conduct pari-mutuel wagering at that location.

18 (5) (i) Any licensed corporation, planning to establish
19 a nonprimary location, shall submit to the appropriate
20 commission a nonprimary location statement in a form
21 prescribed by the appropriate commission which specifies,
22 but is not limited to, the following:

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

25 (B) The population of the town or municipality,
26 and surrounding area, where the proposed facility is
27 to be located.

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

30 (D) The type of seating to be provided,

1 including areas in the proposed facility where
2 patrons can handicap races.

3 (E) The total seating capacity of the proposed
4 facility.

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

6 (G) The availability of food and beverages,
7 including the number of tables, chairs, kitchen
8 facilities and concession stands.

9 (H) The number of available parking spaces.

10 (I) A description of the general demeanor of the
11 facility, including lighting, decor and plans for the
12 exterior of the facility.

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

15 (K) A description of the heating and air
16 conditioning units, the smoke removal equipment and
17 other climate control devices.

18 (L) The total square feet of the proposed
19 facility.

20 (ii) The General Assembly recognizes the economic
21 importance of the horse racing industry in this
22 Commonwealth; and further recognizes that the
23 Pennsylvania horse racing industry is in a state of
24 decline. Therefore, it is the intent of the General
25 Assembly through this amendatory act to revitalize and
26 secure the economic future of the horse racing industry
27 and to encourage statewide economic development by
28 assisting in the development of nonprimary locations. It
29 is the further intent of the General Assembly through
30 this amendatory act that in no case shall the appropriate

1 commission approve a nonprimary location statement when
2 the sole purpose of that statement is to provide wagering
3 opportunities pursuant to this act; rather, the
4 appropriate commission shall only approve a nonprimary
5 location statement that plans for a public facility
6 offering not only wagering opportunities, but other
7 amenities, such as high class restaurants and quality
8 handicapping facilities, so that all or part of the
9 nonprimary facility will resemble the clubhouse
10 facilities of a racetrack. It is the further intent of
11 the General Assembly through this amendatory act to offer
12 the potential for the creation of jobs, not only in the
13 racing and wagering industry, but more particularly in
14 other service jobs, such as parking attendants, waiters
15 and waitresses, security guards, custodial workers and
16 food service personnel.

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

21 (A) The purposes and provisions of this
22 amendatory act.

23 (B) The public interest.

24 (C) The integrity of live racing.

25 (D) The impact on the local community.

26 (E) The potential for job creation.

27 (F) The quality of the physical facilities and
28 all services to be provided therein.

29 (iv) In considering whether the appropriate
30 commission will grant, suspend or revoke approval of

1 nonprimary locations, the provisions of section 209(f)(2)
2 shall apply. In connection therewith, the commission
3 shall annually conduct inspections of the primary
4 facility.

5 (v) The rights, duties and obligations of the
6 appropriate commission, as set forth in this amendatory
7 act, shall apply to nonprimary locations and any
8 employees or vendors of the licensed corporation
9 establishing the nonprimary location.

10 (6) (i) In addition to the requirements of paragraph
11 (10), any licensed corporation which is authorized to
12 conduct racing at any primary racetrack location at which
13 there has not been, in the previous calendar year, a
14 minimum of 142 days of live racing shall not be eligible
15 to establish nonprimary locations outside its primary
16 market area and shall only be eligible to establish
17 nonprimary locations within its primary market area
18 according to the following schedule.

19 Year	Number of 20 live racing 21 days 22 conducted	Number of days 23 in subsequent 24 year permitted 25 to operate 26 nonprimary locations within primary market area	Number of 27 live racing 28 days 29 conducted	Number of days 30 in subsequent year permitted to operate nonprimary locations within primary market area
1988	50	365		
1989	69	365	Under 69	307
1990	88	365	Under 88	259
1991	107	365	Under 107	191

1 1992 126 365 Under 126 133
2 1993 142 365 Under 142 75

3 (ii) Notwithstanding the chart contained in
4 subparagraph (i), if any such licensed corporation
5 schedules 69 or more racing days in calendar year 1989,
6 it may, upon approval of the appropriate commission,
7 establish nonprimary locations within its primary market
8 area for that calendar year.

9 (7) (i) The licensed corporation authorized to hold
10 race meetings at a primary racetrack location at which
11 more than one license is so authorized may be granted up
12 to two nonprimary locations by the appropriate
13 commission, up to a maximum of four per primary racetrack
14 location. The licensed corporation authorized to hold
15 race meetings at a primary racetrack location at which
16 there is only one such licensed corporation so authorized
17 may be granted up to three nonprimary locations.

18 (ii) In addition to the nonprimary locations
19 authorized by subparagraph (i), during each of the
20 calendar years 1989 and 1990, the appropriate commission
21 may approve no more than one additional nonprimary
22 location per primary racetrack location, for one licensed
23 corporation authorized to conduct racing at the primary
24 racetrack location.

25 (iii) The General Assembly may, at any time, stop
26 the further approval of any nonprimary locations. The
27 State Harness Racing Commission and the State Horse
28 Racing Commission shall not have the authority to approve
29 any greater number of nonprimary locations after December
30 31, 1990, unless further authorized by the General

1 Assembly.

2 (iv) It shall be the duty of both the State Harness
3 Racing Commission and the State Horse Racing Commission
4 to annually report to the General Assembly on the effect
5 of nonprimary locations on such factors as the local
6 economy, the public interest and the integrity of live
7 racing, and make suggestions and recommendations.

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

17 (ii) The retained moneys as provided for in section
18 222(e) shall be calculated for each location where pari-
19 mutuel wagering is being conducted. If wagering has taken
20 place at a nonprimary location where the wagering is
21 conducted by a licensed corporation other than the
22 licensed corporation conducting the race meeting, the
23 licensed corporation conducting the race meeting shall
24 retain any moneys to which it is entitled by agreement
25 between such licensed corporations and shall pay over the
26 balance of the retained moneys to the licensed
27 corporation conducting the wagering at the nonprimary
28 location.

29 (9) (i) A licensed corporation conducting a race
30 meeting on which pari-mutuel wagering is conducted at one

1 or more nonprimary locations shall distribute to the
2 horseman's organization representing a majority of owners
3 and trainers at its racetrack, or in accordance with the
4 practice of the parties, to be used for payment of purses
5 at that racetrack, an amount equal to not less than 6% of
6 the daily gross wagering handle on such races at a
7 nonprimary location: Provided, however, That when the
8 gross wagering handle on such races at any such
9 nonprimary location on a given day is less than \$30,000,
10 the above-referenced percentage shall be not less than
11 3%, and when the gross wagering handle on such races at
12 any such nonprimary location on a given day is between
13 \$30,000 and \$75,000 inclusive, the above-referenced
14 percentage shall be not less than 4.75%: And provided
15 further, That whenever a nonprimary location is within
16 the primary market area of a licensed corporation other
17 than the licensed corporation conducting such races, the
18 applicable percentage shall be distributed one-half to
19 the horseman's organization representing a majority of
20 owners and trainers at the racetrack, or in accordance
21 with the practice of the parties, where the race meeting
22 is being conducted to be used for the payment of purses
23 at that racetrack and one-half to such horseman's
24 organization, or in accordance with the practice of the
25 parties, at the racetrack within the primary market area
26 to be used for the payment of purses at that racetrack.
27 Nothing in this subparagraph shall prevent a licensed
28 corporation from agreeing to distribute amounts greater
29 than the percentages set forth in this subparagraph.
30 However, if no alternative agreement has been reached,

1 the total percentage paid for purses under this
2 subparagraph shall be in accordance with the minimum
3 percentages set forth in this subparagraph.

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

19 (10) The provisions of section 234 relating to the
20 required number of racing days apply to this subsection.

21 However, a horseman's organization representing a majority of
22 owners and trainers at a racetrack may consent to waiving or
23 modifying the provisions as pertaining to the required number
24 of racing days scheduled by a licensed corporation at that
25 racetrack.

26 Section 218-A. Wagering at nonprimary locations.

27 (a) Notwithstanding any other provisions of this act to the
28 contrary, licensed corporations shall not be authorized to
29 provide live telecasts of races to any locations open to the
30 public which are not primary to or contiguous with the licensed

1 corporation's racetrack and at which telephone account wagering
2 is also conducted and shall not be permitted to establish or
3 utilize master accounts or transfer accounts for telephone
4 account wagering or to accept credit or debit card telephone
5 account wagers or any other form of electronic signal
6 transmissions unless:

7 (1) after completion of the 1986 racing season, such
8 activities are conducted pursuant to regulations adopted by
9 the appropriate racing commission and approved pursuant to
10 the act of June 25, 1982 (P.L.633, No.181), known as the
11 "Regulatory Review Act"; or

12 (2) during the 1986 racing season, any such activities
13 are limited to areas, accounts and credit arrangements for
14 which applications are submitted to the appropriate
15 commission prior to June 1, 1986, and which are subsequently
16 approved by the respective commission after appropriate
17 investigation and review.

18 (b) Regulations authorizing activities subject to the
19 moratorium provided by subsection (a) shall not be published for
20 Notice Of Proposed Rulemaking until completion of the evaluation
21 as required by subsection (c). Nothing in this section shall be
22 construed to expand or enlarge any regulatory authority
23 otherwise conferred upon the respective commissions by this act.

24 (c) The commissions shall jointly conduct an evaluation of
25 the use of telephone account wagering, including the use of
26 master accounts, transfer accounts, credit or debit cards, any
27 other form of electronic signal transmission and live
28 telecasting to or from areas open to the public not primary to
29 or contiguous with a racetrack. The evaluation shall consider
30 whether such activities are in the public interest and are

1 beneficial to racing and shall recommend, if such activities are
2 deemed desirable by the commissions, appropriate rules and
3 regulations for the conduct of such activities: Provided, That a
4 licensed corporation shall not be permitted to conduct pari-
5 mutuel wagering at any location which is within the primary
6 market area of another licensed corporation, as defined in
7 section 102 and section 218(e). The evaluation shall also
8 recommend whether any enlargement or modification to the laws
9 regulating such activities is necessary or desirable. In
10 performing the evaluation, the commissions shall study in detail
11 experimental activities authorized by the commissions, including
12 an analysis of the impact of conducting such activities at each
13 experimental site approved by the commissions. The evaluation is
14 to be completed by October 31, 1986, with copies of the
15 commissions' report being forwarded, within two weeks of that
16 date, to the Governor, the President pro tempore of the Senate,
17 the Speaker of the House, the Chairman of the Senate State
18 Government Committee and the Chairman of the State Government
19 Committee of the House of Representatives. The evaluation shall
20 include, but not be limited to, an investigation and study of
21 the following matters:

22 (1) Which laws permit or prohibit the use of telephone
23 account wagering in coordination with live telecasting to
24 public locations and the utilization of transfer accounts,
25 master accounts, credit or debit cards or other forms of
26 electronic signal transmissions for pari-mutuel wagering at
27 such locations.

28 (2) In situations where such activities occur at
29 premises licensed by the Liquor Control Board to serve
30 alcoholic beverages, whether such activities violate any

1 portion of the act of April 12, 1951 (P.L.90, No.21), known
2 as the "Liquor Code."

3 (3) The financial viability of live telecasting to
4 public locations, together with the use of telephone account
5 wagering, transfer accounts, electronic signal transmissions,
6 or credit or debit card wagering, including the benefits or
7 disadvantages for the commissions, the licensed racing
8 corporation, horsemen and the general public.

9 (4) The local and Statewide community, fiscal and social
10 impact of such wagering activities at public locations.

11 (5) An analysis of the commissions' ability to properly
12 regulate and control such wagering at public locations in
13 order to protect the public and the integrity of the racing
14 industry.

15 (6) The ability of the commissions to investigate the
16 background of individuals owning or having an interest in
17 premises upon which such wagering takes place.

18 (7) Patron betting behavior and satisfaction or abuse of
19 telephone account wagering, transfer accounts, credit or
20 debit cards or other forms of electronic signal transmissions
21 for the purpose of pari-mutuel wagering.

22 (8) What types of promotional activities have taken
23 place by the racing corporation or particular wagering sites
24 to encourage such wagering and what types of promotional
25 activities are proper and appropriate.

26 (9) What types of reporting procedures and records have
27 been and should be required from the licensed racing
28 corporation and individual wagering sites so as to assure all
29 revenues are accounted for and winners names are filed with
30 the proper taxing authorities.

1 (10) What minimum requirements with regard to physical
2 structures, facilities, equipment, security and public health
3 and safety are necessary and appropriate for locations at
4 which such wagering occurs.

5 (d) As used in this section "public locations" are deemed to
6 be areas open to the public and shall include all types of
7 commercial establishments, whether open to the public at large
8 or any segment of the public.

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

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

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

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

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

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

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

4 (2) seventeen percent of the moneys plus the breakage
5 from regular wagering pools shall be retained by the licensed
6 corporations for further distribution under section 222; or

7 (3) nineteen percent of the moneys plus the breakage
8 from regular wagering pools from licensed corporations whose
9 total deposits in all pari-mutuel pools averaged less than
10 \$300,000 per racing day for their previous meeting at the
11 same facility; or

12 (4) twenty percent of the moneys plus the breakage from
13 the exacta, daily double, quinella and other wagering pools
14 involving two horses each racing day shall be retained by the
15 licensed corporations for further distribution under section
16 222; or

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

22 (6) except as provided for in subsection (d.1) of
23 section 222, every corporation may retain less than 17%, 19%
24 or 20% of the moneys in the wagering pools under paragraphs
25 (2), (3) and (4) or less than 26% of the moneys in the
26 wagering pools under paragraph (5) upon approval from the
27 appropriate commission; and

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

1 and

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

5 (b) Breakage shall mean the odd cents of redistributions to
6 be made on all contributions to pari-mutuel pools exceeding a
7 sum equal to the next lowest multiple of ten.

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

11 Section 222. Distribution of moneys retained from pari-mutuel
12 pools; taxation.

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

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

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

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

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

5 (a.2) Corporations not annually conducting at least 100 days
6 of racing, or 175 days of racing in conjunction with another
7 licensee at the same facility as described above, will pay 2.5%
8 from July 1, 1984 to June 30, 1986, and 2.0% thereafter. This
9 subsection shall not apply if races are not conducted because of
10 an act of God or because of a strike resulting from a labor
11 dispute.

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

18 (a.4) Any corporation which does not hold a license under
19 section 209 on the effective date of this act and which is
20 granted a license under this act shall be subject to payment out
21 of moneys retained under section 221, through the Department of
22 Revenue for credit to the State Horse Racing Fund, of the
23 following tax for a period of four years from the issuance date
24 of the license - 1.0%, at which time said licensee shall be
25 subject to the lawful rate then in effect under subsection (a.1)
26 (3).

27 (a.5) In order to qualify for the 1.0% tax rate authorized
28 under subsection (a.4), the newly licensed corporation may not
29 include any officer, director or the immediate relative (spouse,
30 children or parents) of any officer or director of any licensed

1 racing corporation which conducted, at any time within the
2 immediately preceding five years, any horse or harness race
3 meetings at the racetrack enclosure for which the license is
4 sought. Also, the newly licensed corporation may not include any
5 shareholder (or their immediate relative) holding a 5% or
6 greater interest who also held a 5% or greater interest in any
7 corporation licensed at any time within the immediately
8 preceding five years to conduct horse or harness race meetings
9 at the racetrack enclosure for which the license is sought.

10 (b) The commissions shall distribute moneys from the State
11 Racing Fund, together with the interest earned thereon, in the
12 following manner:

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

18 (2) The payment of the compensation of employees of the
19 Department of Revenue when used in collecting taxes and
20 penalties imposed by this act.

21 (3) The expenses of the Secretary and the Department of
22 Agriculture incurred in administering their duties under this
23 act.

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

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

28 (i) An amount equivalent to one percent of the
29 amount wagered each racing day at thoroughbred horse race
30 meetings shall be paid by the Horse Racing Commission

1 from the State Racing Fund through the Department of
2 Revenue for credit to the Pennsylvania Breeding Fund.

3 (ii) An amount equivalent to one and one-half
4 percent of the amount wagered each racing day at harness
5 horse race meetings shall be paid by the Harness Racing
6 Commission from the State Racing Fund through the
7 Department of Revenue for credit to the Pennsylvania Sire
8 Stakes Fund, beginning on July 1, 1983.

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

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

14 (1) Fifty percent of the breakage shall be retained by
15 the licensed corporations.

16 (2) Twenty-five percent of the breakage shall be
17 retained by the licensed corporations to be used solely for
18 purses to the horsemen.

19 (3) Twenty-five percent of the breakage shall be paid to
20 the Department of Revenue for credit to the State Horse
21 Racing Fund.

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

25 (1) Fifty percent of the breakage shall be retained by
26 the licensed corporations.

27 (2) The remaining 50% of the breakage shall be retained
28 by the licensed corporations of which one-half of this
29 breakage shall be used solely by the licensed corporations
30 for claiming and nonclaiming races where entry is restricted

1 to Pennsylvania-sired horses in the following manner:

2 (i) On January 1, 1982, and thereafter at least five
3 of the horses programmed to start shall be Pennsylvania-
4 sired horses. If at least five of the horses programmed
5 to start are not Pennsylvania-sired horses, then the
6 licensed corporation conducting the meet shall cancel the
7 race.

8 (ii) On January 1, 1983, and thereafter at least
9 seven of the horses programmed to start shall be
10 Pennsylvania-sired horses. If at least seven of the
11 horses programmed to start are not Pennsylvania-sired
12 horses, then the licensed corporation conducting the meet
13 shall cancel the race.

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

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

27 (d.1) An amount equivalent to one percent of the amount
28 wagered at each racing day at thoroughbred and harness horse
29 race meetings as set forth in section 221(a)(4) and (5) shall be
30 paid through the Department of Revenue for credit to the State

1 Racing Fund.

2 (e) All remaining moneys retained under section 221 and not
3 heretofore distributed shall be kept by the licensed
4 corporations for their use.

5 Section 223. Pennsylvania Breeding Fund.

6 (a) There is hereby created a restricted account in the
7 State Racing Fund to be known as the Pennsylvania Breeding Fund
8 which shall consist of the money appropriated under the
9 provisions of section 222 and which shall be administered by the
10 State Horse Racing Commission.

11 (b) After the deduction of expenses related to the
12 administration and development of the Pennsylvania Breeding Fund
13 program incurred by the Pennsylvania Horse Breeders'
14 Association, the State Horse Racing Commission shall, by rule or
15 regulation, provide for awards as follows:

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

27 (2) An award of 10% of the purse earned by any
28 Pennsylvania-bred thoroughbred horse which finishes first,
29 second or third in any race conducted by a licensed
30 corporation under this act shall be paid to the owner of the

1 registered Pennsylvania sire which regularly stood in
2 Pennsylvania at the time of conception of said Pennsylvania-
3 bred thoroughbred horse. A single award under this paragraph
4 may not exceed .5% of the total annual fund money.

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

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

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

1 follows:

2 (1) Claiming and nonclaiming Pennsylvania Breeding Fund
3 races which restrict entry to registered Pennsylvania-bred
4 thoroughbred horses.

5 (2) Claiming and nonclaiming Pennsylvania Breeding Fund
6 races which prefer registered Pennsylvania-bred thoroughbred
7 horses as starters. In these races, should eight or more
8 registered Pennsylvania-bred horses pass the entry box, the
9 race shall be considered closed to horses other than
10 registered Pennsylvania-bred thoroughbred horses.

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

17 (f) The Pennsylvania Breeding Fund Advisory Committee, under
18 the jurisdiction of the State Horse Racing Commission, is hereby
19 established and shall be part of the Pennsylvania State Horse
20 Racing Commission. The commission shall consist of five members,
21 all of whom shall be residents of Pennsylvania, to be appointed
22 by the commission by June 1 of each year. The committee shall
23 consist of two members of the Pennsylvania Horse Breeders'
24 Association, one member from the licensed corporations, one
25 member from the association representing horsemen racing in
26 Pennsylvania and one member of the commission. If any member
27 other than the commission member has not been recommended by
28 June 1 of each year, the commission shall make an appointment
29 for the organization failing to so recommend a member of the
30 committee. The committee shall assist and advise the commission

1 under the provisions of this act but shall have no power in
2 administering the fund. The members of the committee shall
3 receive no compensation for their services as members.

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

21 Section 224. Pennsylvania Sire Stakes Fund.

22 (a) There is hereby created a restricted account in the
23 State Racing Fund to be known as the Pennsylvania Sire Stakes
24 Fund which shall consist of the money appropriated under the
25 provisions of section 222 and which shall be administered by the
26 State Harness Racing Commission.

27 (b) Sixty percent of the money remaining in the excess fund
28 account of the Pennsylvania Sire Stakes Fund at the end of the
29 calendar year in which this subsection is enacted shall be
30 distributed to licensed corporations that conduct harness horse

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

1 allocation for the championship final races has been determined,
2 the remaining funds to be distributed to licensed corporations
3 that conduct harness horse race meetings shall be divided
4 equally among the licensed corporations. Each licensed
5 corporation shall divide the funds received equally for each of:

6 (1) four two-year-old races; one pace for colts, one
7 pace for fillies, one trot for colts and one trot for
8 fillies; and

9 (2) four three-year-old races; one pace for colts, one
10 pace for fillies, one trot for colts and one trot for
11 fillies.

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

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

21 (e) The remaining moneys in the Pennsylvania Sire Stakes
22 Fund up to a total of and not exceeding \$25,000 for each
23 agricultural fair and one- or two-day events as defined in
24 harness racing commission regulations shall be divided equally
25 among those agricultural fairs and one- or two-day events, not
26 to exceed more than five one- or two-day events per year and as
27 authorized by the State Harness Racing Commission, provided that
28 no more than two one-day or two-day events per county are
29 authorized unless, after a date established by the commission,
30 all five of the events have not been allocated, conducting

1 harness horse races for two-year-old and three-year-old harness
2 horses: Provided, however, That in no event shall less than
3 \$225,000 be allocated from the Pennsylvania Sire Stakes Fund and
4 be divided equally among those agricultural fairs and one- or
5 two-day events conducting these races. Each fair or one- or two-
6 day events receiving the funds shall divide the total amount
7 equally among all eligible races for two-year-old and three-
8 year-old harness horses and shall apply the funds solely as
9 additional purse funds. Only races to which entry is restricted
10 to Pennsylvania-sired horses shall be eligible. The State
11 Harness Racing Commission shall make the provisions and
12 regulations as it shall deem necessary for the proper
13 administration of all racing provided for in this subsection,
14 including, but not limited to, portable stall rentals at one-day
15 or two-day events.

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

23 (1) A minimum of four races, claiming and nonclaiming,
24 shall be carded per week on the condition sheet for overnight
25 claiming and nonclaiming Pennsylvania Fund races which
26 restrict entry to registered Pennsylvania-sired or wholly
27 Pennsylvania-owned harness horses.

28 (2) Claiming and nonclaiming Pennsylvania Fund races
29 which prefer registered Pennsylvania-sired harness horses as
30 starters. In these races, should seven or more registered

1 Pennsylvania-sired harness horses pass the entry box, the
2 race shall be considered closed to horses other than
3 registered Pennsylvania-sired harness horses.

4 Section 225.1. Fair Fund proceeds.

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

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

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

30 The commissions shall not grant to a corporation formed under

1 this act a license to conduct a horse race meeting at which
2 pari-mutuel betting may be conducted, until the corporation has
3 submitted to the appropriate commission a statement of the
4 location of its proposed grounds and race track, together with a
5 plan of the track and plans of all buildings, seating stands and
6 other structures in a form as the appropriate commission may
7 prescribe. All plans shall be approved by the appropriate
8 commission before the issuance of any license to conduct a pari-
9 mutuel horse race meeting.

10 Section 228. Prohibition of wagering by certain officials,
11 employees and minors.

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

27 Section 229. State horse racing veterinarians and State
28 stewards.

29 (a) The State Horse Racing Commission shall appoint and
30 employ licensed veterinarians and stewards to serve as the horse

1 racing veterinarians and State stewards for horse racing,
2 respectively, at each meeting conducted by a corporation
3 licensed by the State Horse Racing Commission. The State Horse
4 Racing Commission shall have the authority to employ other
5 individuals as shall be necessary to carry out the
6 responsibilities of this section.

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

10 (c) The State Horse Racing Commission shall establish a job
11 description and professional criteria for stewards to assure
12 that they have a working knowledge of the horse racing industry.

13 Section 230. State harness racing veterinarians.

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

21 (b) The costs and compensation of the harness racing
22 veterinarians and other individuals employed to carry out the
23 provisions of this act shall be fixed and paid by the State
24 Harness Racing Commission.

25 Section 231. Free passes, cards or badges.

26 (a) A licensed corporation shall not issue free passes,
27 cards or badges without admission tax, except to persons
28 hereafter described: officers, employees and shareholders of the
29 corporation conducting the race meeting; members, officers and
30 employees of the commissions; members of horse racing

1 associations of other states and foreign countries; public
2 officers engaged in the performance of their duties; persons
3 employed and accredited by the press to attend such meeting;
4 owners, stable managers, trainers, jockeys, concessionaries and
5 other persons whose actual duties require their presence at the
6 race tracks.

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

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

20 Section 232. Political subdivision agricultural fairs and horse
21 race meetings not licensed to conduct pari-mutuel
22 wagering.

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

30 Section 233. Monitoring of wagering on video screens.

1 Every corporation licensed to conduct pari-mutuel betting
2 shall display on video screens the approximate odds or
3 approximate will-pays on each horse for each race as well as any
4 combination of races including, but not limited to, quinellas,
5 exactas, perfectas and any other combination or pool of races.
6 No display of approximate odds or approximate will-pays shall be
7 required where the wager is on horses in four or more races,
8 such as "Pick 4, Pick 5 or Pick 6." In addition to displaying
9 the amount of money wagered, the approximate odds or approximate
10 will-pays on each horse or combination of horses shall be shown
11 on video screens in each wagering division. For trifectas, in
12 lieu of odds or approximate will-pays, the amount of money being
13 wagered on each horse to win in the trifecta pool shall be
14 displayed on video screens separately from any other
15 information. The above required information shall be displayed
16 from the opening of bets or wagering and be continually
17 displayed until the wagering is closed. At least one video
18 screen in each wagering division shall display the amount of
19 money wagered on each horse involved in any trifecta pool.

20 Section 234. Simulcasting.

21 The State Horse Racing Commission and the State Harness
22 Racing Commission shall only permit intrastate simulcasting of
23 live racing between two licensed corporations when each
24 continues to schedule 95% of the total number of horse or
25 harness racing days scheduled in 1986 at the facility where each
26 said licensed corporation conducts its horse or harness racing
27 dates, and when the average number of live horse or harness
28 races per race day equals 90% of the average number of live
29 horse or harness races conducted per day in 1985 at the facility
30 where each said licensed corporation conducts its horse or

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

1 when those corporations first schedule a minimum of 200 days of
2 racing in the calendar year in which they wish to simulcast. For
3 purposes of this section a racing day shall consist of a minimum
4 of eight live races, except at thoroughbred tracks on Breeders'
5 Cup Event Day. For any licensed racing corporation engaged in
6 simulcasting, regardless of location or distance from another
7 licensed racing corporation, there shall exist a written
8 agreement with the horseman's organization representing a
9 majority of the owners and trainers at both the sending and
10 receiving racetracks. If no agreement can be reached, then the
11 licensed corporation may petition the court of common pleas in
12 the county in which the licensed corporation racetrack is
13 located, which may, upon good cause shown by the licensed
14 corporation that failure to consent would be detrimental to the
15 Pennsylvania racing industry, direct the organization
16 representing the horsemen to approve the simulcast agreement.
17 The respective commission may then authorize the simulcasting,
18 if, in the opinion of the appropriate commission, such
19 simulcasting will have significant value to the Pennsylvania
20 racing industry. The simulcast signal shall be encoded, and the
21 racetrack receiving the simulcast signal shall not send this
22 signal anywhere other than public locations authorized under
23 section 218 or 218-A. All forms of pari-mutuel wagering
24 described in section 221 shall be allowed on races to be
25 televised by simulcasting under this section. The State Horse
26 Racing Commission and the State Harness Racing Commission may
27 promulgate regulations on wagering and the operation of these
28 races. All money wagered by patrons on these races shall be
29 computed in the amount of money wagered each racing day for
30 purposes of taxation under section 222. In the event the

1 simulcast is between a thoroughbred racetrack and a harness
2 racetrack, both commissions shall have jurisdiction, and any
3 approval required hereunder must be received from both
4 commissions: Provided, however, That if no agreement can be
5 reached between the horseman's organization aforementioned, then
6 the licensed corporation may petition the court of common pleas
7 in the county in which the licensed corporation racetrack is
8 located, which may, upon good cause shown by the licensed
9 corporation that failure to consent would be detrimental to the
10 Pennsylvania racing industry, direct the organization
11 representing the horsemen to approve the simulcast agreement.
12 The respective commissions may then authorize the simulcasting
13 if, in the opinions of the respective commission, such
14 simulcasting will have a significant value to the Pennsylvania
15 racing industry. The provisions of this section with regard to
16 the required number of racing days may be waived or modified by
17 the applicable commission if the waiver or modification has been
18 consented to by the horseman's organization representing a
19 majority of the owners and trainers at the racetrack where the
20 racing days are to be scheduled or raced.

21 Section 235. Commingling.

22 (a) This section shall be applicable only to licensed
23 thoroughbred racing corporations.

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

1 which the race secretary or designee is acting.

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

30 (d) A licensed corporation shall designate a bookkeeper who

1 is authorized to receive and disburse funds from the Horsemen's
2 Account. The bookkeeper must be bonded to provide indemnity for
3 malfeasance, nonfeasance and misfeasance. A certified copy of
4 the bond shall be filed with the commission.

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

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

21 (g) Fifty percent of the money earned as interest on funds
22 in the Horsemen's Account shall be paid to the organization
23 which represents a majority of the owners and trainers racing
24 with the licensed corporation on a weekly basis. This amount
25 shall be for the benefit of the horsemen as determined by the
26 organization which represents the majority of the owners and
27 trainers racing with the licensed corporation. The remaining 50%
28 of the interest earned shall be for the benefit of the licensed
29 corporation which shall have the responsibility to fund all
30 costs associated with the administration of the fund. Interest

1 each month must be earned in an amount equal to the Federal
2 Reserve Discount Rate on the first day of the month.
3 Section 236. Harness racing purse moneys.

4 Each licensed harness horse racing association must place on
5 deposit with the State Harness Racing Commission by March 1 of
6 each year an irrevocable letter of credit equivalent to its
7 average weekly purse total from the immediate prior year. The
8 commission shall hold the letter of credit in trust for the
9 harness horsemen racing at that licensed corporation in the
10 event that purse checks are not issued or that insufficient
11 funds are available to cover the purse checks.

12 Section 237. Limitations on day and night racing.

13 (a) For the purpose of this section day racing shall be
14 racing days for which the starting time for the first race is at
15 or before 2:00 p.m., and night racing shall be racing days for
16 which the starting time for the first race is after 5:00 p.m.
17 Day racing may not be conducted at any racing facility after
18 1985 on any comparable type racing day or holiday on which day
19 racing was not conducted in 1985 unless all presently operating
20 licensed corporations conducting day racing agree, in writing,
21 to allow such day racing activities.

22 (b) Night racing may not be conducted at any racing facility
23 after 1985 on any comparable type racing night or holiday on
24 which night racing was not conducted in 1985 unless all
25 presently operating racing facilities conducting night racing
26 agree, in writing, to allow night racing activities.

27 (c) Each appropriate commission shall have the authority to
28 grant exceptions to this section upon application by a licensed
29 racing corporation for not more than five racing days per
30 calendar year with respect to each licensed corporation. The

1 provisions of this section shall be effective until July 1,
2 1991.]

3 Section 3. The act is amended by adding chapters to read:

4 CHAPTER 2-A

5 RACING OVERSIGHT

6 Section 201-A. State Racing Commission.

7 (a) Establishment.--The State Racing Commission is
8 established as an independent administrative commission to
9 regulate the operations of horse racing and the conduct of pari-
10 mutuel wagering in this Commonwealth in accordance with this
11 act.

12 (b) (Reserved).

13 (c) Membership.--

14 (1) The commission shall consist of five members
15 appointed as follows:

16 (i) One member appointed by the Governor.

17 (ii) One member appointed by the President pro
18 tempore of the Senate.

19 (iii) One member appointed by the Minority Leader of
20 the Senate.

21 (iv) One member appointed by the Speaker of the
22 House of Representatives.

23 (v) One member appointed by the Minority Leader of
24 the House of Representatives.

25 (2) The commissioner appointed under paragraph (1) (i)
26 shall hold office for a term of three years and until a
27 successor is qualified. Each commissioner appointed under
28 paragraph (1) (ii), (iii), (iv) and (v) shall hold office for
29 a term of two years and until a successor is qualified. a
30 commissioner appointed under paragraph (1) (i) may not serve

1 more than two three-year terms. A commissioner appointed
2 under paragraph (1)(ii), (iii), (iv) and (v) may not serve
3 more than three two-year terms. An appointment to fill a
4 vacancy shall be for the remainder of the unexpired term.

5 (3) Each appointing authority shall make its
6 appointments within 30 days of the effective date of this
7 section. Appointments to fill a vacancy shall be made within
8 10 days of the creation of the vacancy. An appointment shall
9 not be final until receipt by the appointing authority of a
10 background investigation of the appointee by the Pennsylvania
11 State Police, which shall be completed within 30 days of the
12 appointment. A person who has been convicted in a domestic or
13 foreign jurisdiction of a felony, infamous crime, gambling
14 offense or an offense related to fixing horse races or animal
15 cruelty may not be appointed to the commission.

16 (4) The following shall apply to appointees and
17 commissioners:

18 (i) Each commissioner at the time of appointment
19 must be at least 25 years of age and must have been a
20 resident of this Commonwealth for a period of at least
21 one year immediately preceding appointment. Each
22 commissioner must remain a resident of this Commonwealth
23 during the term of membership on the commission.

24 (ii) A person may not be appointed a commissioner if
25 the person is a public official or party officer as
26 defined in 4 Pa.C.S. § 1512 (relating to financial and
27 employment interests) in this Commonwealth or any of its
28 political subdivisions.

29 (iii) Each commissioner, employee and independent
30 contractor of the commission must sign an agreement not

1 to disclose confidential information.

2 (iv) Except for a commissioner appointed under
3 paragraph (1)(ii) and (iii), a commissioner, employee or
4 independent contractor of the commission or other agency
5 having regulatory authority over horse racing under this
6 act may not be employed, hold an office or position or be
7 engaged in an activity which is incompatible with the
8 position, employment or contract.

9 (v) A commissioner may not be paid or receive a fee
10 or other compensation for any activity related to the
11 duties or authority of the commission other than
12 compensation and expenses provided by law.

13 (vi) A commissioner, employee or independent
14 contractor of the commission may not participate in a
15 hearing, proceeding or other matter in which the member,
16 employee or independent contractor, or the immediate
17 family thereof, has a financial interest in the subject
18 matter of the hearing or proceeding or other interest
19 that could be substantially affected by the outcome of
20 the hearing or proceeding without first fully disclosing
21 the nature of the interest to the commission and other
22 persons participating in the hearing or proceeding. The
23 commission shall determine if the interest is a
24 disqualifying interest that requires the disqualification
25 or nonparticipation of an employee or independent
26 contractor. For purposes of this paragraph, the term
27 "immediate family" shall mean a spouse, parent, brother,
28 sister or child.

29 (vii) At the time of appointment and annually
30 thereafter, each commissioner shall disclose the

1 existence of any financial interest in any applicant,
2 licensed racing entity or licensed facility and in an
3 affiliate, intermediary, subsidiary or holding company
4 thereof held by the member or known to be held by a
5 commissioner's immediate family. The disclosure statement
6 shall be filed with the executive director of the
7 commission and with the appointing authority for such
8 member and shall be open to inspection by the public at
9 the office of the commission during the normal business
10 hours of the commission and posted on the commission's
11 Internet website for the duration of a commissioner's
12 term and for two years after a commissioner leaves
13 office. For purposes of this paragraph, the term
14 "immediate family" shall mean a spouse, parent, brother,
15 sister or child.

16 (viii) Prior to entering into employment or a
17 contract with the commission and annually thereafter, an
18 employee or independent contractor must disclose the
19 existence of any financial interest in any applicant,
20 licensed racing entity or licensed facility and in an
21 affiliate, intermediary, subsidiary or holding company
22 thereof owned or held by the employee or independent
23 contractor or known to be held by the immediate family of
24 the employee or independent contractor. The disclosure
25 statement shall be filed with the commission and shall be
26 open to inspection by the public at the office of the
27 commission during the normal business hours of the
28 commission and posted on the commission's Internet
29 website for the duration of the employment or contract
30 and for two years after termination of employment or a

1 contract with the commission. For purposes of this
2 paragraph, the term "immediate family" shall mean a
3 spouse, parent, brother, sister or child.

4 (ix) A commissioner or employee of the commission
5 may not directly or indirectly solicit, request, suggest
6 or recommend to any applicant, licensed racing entity, or
7 an affiliate, intermediary, subsidiary or holding company
8 thereof or to an employee or agent thereof, the
9 appointment or employment of any person in any capacity
10 by the applicant, licensed racing entity or an affiliate,
11 intermediary, subsidiary or holding company thereof
12 during the term of office or employment with the
13 commission.

14 (x) Except for a commissioner appointed under
15 paragraph (1)(ii) and (iii), a commissioner may not
16 accept employment with an applicant for a horse racing
17 license, a licensed racing entity, or an affiliate,
18 intermediary, subsidiary or holding company thereof, for
19 a period of two years from the termination of term of
20 office.

21 (xi) A former commissioner may not appear before the
22 commission in any hearing or proceeding or participate in
23 any other activity on behalf of any applicant for a horse
24 racing license, a licensed racing entity, or an
25 affiliate, intermediary, subsidiary or holding company of
26 an applicant or licensed racing entity for a period of
27 two years from the termination of term of office.

28 (xii) A commissioner or employee of the commission
29 may not accept a complimentary service, and except for a
30 commissioner appointed under paragraph (1)(ii) and (iii)

1 place a wager or be paid any prize from any wager on a
2 horse race at a racetrack or nonprimary location within
3 this Commonwealth or at any other racetrack or nonprimary
4 location outside this Commonwealth which is owned or
5 operated by a licensed racing entity or any of its
6 affiliates, intermediaries, subsidiaries or holding
7 companies for the duration of the commissioner's or
8 employee's term of office or employment.

9 (xiii) A commissioner who has been convicted during
10 his term of office in a domestic or foreign jurisdiction
11 of a felony, infamous crime, offense related to fixing or
12 rigging horse races or gambling offense shall, upon
13 conviction, be automatically removed from the commission
14 and shall be ineligible to become a commissioner in the
15 future.

16 (xiv) The following shall apply to an employee of
17 the commission whose duties substantially involve
18 licensing, enforcement, development of law, promulgation
19 of regulations or development of policy, relating to
20 horse racing under this act or who has other
21 discretionary authority which may affect or influence the
22 outcome of an action, proceeding or decision under this
23 act, including the director of a bureau:

24 (A) The individual may not, for a period of two
25 years following termination of employment, accept
26 employment with or be retained by an applicant for a
27 horse racing license or a licensed racing entity or
28 by an affiliate, intermediary, subsidiary or holding
29 company of an applicant or a licensed racing entity.

30 (B) The individual may not, for a period of two

1 years following termination of employment, appear
2 before the commission in a hearing or proceeding or
3 participate in activity on behalf of any applicant,
4 licensee, permittee or licensed racing entity or on
5 behalf of an affiliate, intermediary, subsidiary or
6 holding company of any applicant, licensee, permittee
7 or licensed racing entity.

8 (xv) Nothing under subparagraph (xiv) shall prevent
9 a current or former employee of the commission from
10 appearing before the commission in a hearing or
11 proceeding as a witness or testifying as to a fact or
12 information.

13 (xvi) The State Ethics Commission shall issue a
14 written determination of whether a person is subject to
15 subparagraph (xiv) upon the written request of the person
16 or the person's employer or potential employer. A person
17 that relies in good faith on a determination issued under
18 this paragraph shall not be subject to any penalty for an
19 action taken, if all material facts set forth in the
20 request for the determination are correct.

21 (xvii) The State Ethics Commission shall publish a
22 list of all employment positions within the commission
23 whose duties would subject the individuals in those
24 positions to the provisions of subparagraph (xiv). The
25 commission shall assist the State Ethics Commission in
26 the development of the list, which shall be published by
27 the State Ethics Commission in the Pennsylvania Bulletin
28 biennially and posted by the commission on the
29 commission's Internet website. Upon request, employees of
30 the commission shall have a duty to provide the State

1 Ethics Commission with adequate information to accurately
2 develop and maintain the list. The State Ethics
3 Commission may impose a civil penalty under 65 Pa.C.S. §
4 1109(f) (relating to penalties) upon an individual who
5 fails to cooperate with the State Ethics Commission under
6 this subparagraph. An individual who relies in good faith
7 on the list published by the State Ethics Commission
8 shall not be subject to any penalty for a violation of
9 subparagraph (xiv).

10 (xviii) A commissioner may not solicit, request,
11 suggest or recommend the employment by the commission of:

12 (A) an individual related to the commissioner
13 within the second degree of consanguinity as provided
14 in 23 Pa.C.S. § 1304(e) (relating to restrictions on
15 issuance of license); or

16 (B) the spouse of the individual.

17 (xix) If a commissioner violates any provision of
18 this section, the appointing authority may remove the
19 person from the commission. A commissioner removed under
20 this paragraph shall, for a period of five years
21 following removal, be prohibited from future appointment
22 to the commission and shall be prohibited from applying
23 for a license, permit or other authorization under this
24 act and from becoming an independent contractor with the
25 commission or registering as a licensed racing entity
26 representative.

27 (xx) Except for a commissioner appointed under
28 paragraph (1)(ii) and (iii), a commissioner or employee
29 of the commission may not directly or indirectly have an
30 ownership interest in a race horse which is entered in a

1 race meeting in this Commonwealth.

2 (5) The commissioner or employee of the commission shall
3 serve as a fiduciary of the Commonwealth.

4 (6) Commissioners shall exercise the standard of care
5 required by 20 Pa.C.S. Ch. 73 (relating to municipalities
6 investments) in the performance of their duties under this
7 act.

8 (7) A commissioner shall not be personally liable for
9 any of the following:

10 (i) Obligations of the commission.

11 (ii) Actions which were within the scope of their
12 office and made in good faith.

13 (c.1) Chairperson.--The governor shall appoint the
14 chairperson of the commission.

15 (c.2) Compensation.--Commissioners shall be reimbursed for
16 documented expenses incurred in the performance of their
17 official duties. Commissioners shall be paid \$300 per diem for
18 performing their duties.

19 (c.3) Meetings.--The commission shall meet at least once a
20 month and at other times as the commission chairperson deems
21 necessary. Public notice of the time and place of meetings of
22 the commission shall be given in accordance with 65 Pa.C.S. Ch.
23 7 (relating to open meetings).

24 (c.4) Employees.--Commission employees shall be considered
25 State employees for purposes of 71 Pa.C.S. Pt. XXV (relating to
26 retirement for State employees and officers).

27 (c.5) Legal counsel.--Legal counsel for the commission shall
28 be appointed in accordance with the act of October 15, 1980
29 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

30 (c.6) Employee classification.--The commission shall be

1 subject to the provisions of the act of April 9, 1929 (P.L.177,
2 No.175), known as The Administrative Code of 1929, as to
3 classification and compensation for all its employees.

4 (c.7) Administrative staff and facilities.--The Department
5 of Agriculture shall provide administrative services,
6 administrative staff and facilities to the commission. The
7 commission shall execute a memorandum of understanding with the
8 Department of Agriculture for purposes of establishing a
9 schedule of reimbursement for the actual cost of providing
10 administrative services, administrative staff and facilities.
11 Reimbursements shall be paid from the State Racing Fund and
12 shall be limited to actual costs, including salaries and
13 benefits, and expenses of the employee providing the service.
14 The Department of Agriculture shall retain records regarding any
15 administrative service provided to the commission by a
16 departmental employee.

17 (c.8) Applicability of other acts.--

18 (1) The following acts shall apply to the commission:

19 (i) The act of July 19, 1957 (P.L.1017, No.451),
20 known as the State Adverse Interest Act.

21 (ii) The act of February 14, 2008 (P.L.6, No.3),
22 known as the Right-to-Know Law.

23 (iii) The provisions of 65 Pa.C.S. Chs. 7 (relating
24 to open meetings) and 11 (relating to ethics standards
25 and financial disclosure).

26 (2) The commission shall be considered an independent
27 agency for the purposes of 62 Pa.C.S. Pt. I (relating to
28 Commonwealth procurement code). The expediting of payment of
29 revenue to the Commonwealth shall not be grounds for an
30 emergency procurement by the commission.

1 (3) The commission shall be considered an agency for the
2 purposes of:

3 (i) The act of July 31, 1968 (P.L.769, No.240),
4 referred to as the Commonwealth Documents Law.

5 (ii) The act of June 25, 1982 (P.L.633, No.181),
6 known as the Regulatory Review Act.

7 (d) Office of Horse Racing.--There is hereby established
8 within the commission an Office of Horse Racing.

9 (1) The office shall be comprised of the following:

10 (i) The Bureau of Thoroughbred Horse Racing shall
11 have oversight over the conduct of thoroughbred horse
12 racing in this Commonwealth.

13 (ii) The Bureau of Standardbred Horse Racing shall
14 have oversight over the conduct of standardbred horse
15 racing in this Commonwealth.

16 (2) The Bureau of Thoroughbred Horse Racing and the
17 Bureau of Standardbred Horse Racing shall each have a
18 director and staff necessary to carry out the provisions of
19 this act. The director of each bureau established in this
20 section must meet any of the following requirements:

21 (i) Has been certified as a racing official.

22 (ii) Have at least five years' experience in the
23 management of a licensed racing entity.

24 (3) Each bureau established under this subsection shall
25 have the following powers and duties:

26 (i) Evaluate and review all applicants and
27 applications for a horse racing or harness racing
28 license. A bureau under this section shall be prohibited
29 from disclosing any portion of an evaluation to a
30 commissioner prior to the decision relating to the

1 applicant's suitability for licensure by the commission.

2 (ii) Inspect and monitor licensees and other persons
3 regulated under this act for noncriminal violations,
4 including potential violations referred to either bureau
5 by the commission or other person.

6 (iii) Monitor horse racing operations to ensure
7 compliance with this act.

8 (iv) Inspect and examine licensed racing entities.

9 (A) Inspections may include the review and
10 reproduction of any document or record.

11 (B) Examinations may include the review of
12 accounting, administrative and financial records,
13 management control systems, procedures and other
14 records.

15 (v) Refer possible criminal violation to law
16 enforcement.

17 (vi) Cooperate in the investigation and prosecution
18 of any criminal violation.

19 (e) Jurisdiction.--The commission shall have jurisdiction
20 and regulatory authority over the following:

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

23 (2) A licensed person engaged in pari-mutuel horse
24 racing activities.

25 (3) Out-of-competition drug testing, which shall include
26 the random drug testing of all horses entered in a race,
27 stabled on the grounds or shipped into a licensed racing
28 entity's facility.

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

30 (f) Voting.--

1 (1) Except as provided under paragraphs (2) and (3), any
2 action, including the approval, issuance, denial or
3 conditioning of a horse racing license by the commission, the
4 making of any order or the ratification of a permissible act
5 done or order made by one or more commissioners shall require
6 a supermajority vote consisting of four of five
7 commissioners.

8 (2) Any action to suspend, revoke, not renew, void or
9 require forfeiture of a license or permit issued under this
10 act, to impose an administrative fine or penalty or to issue
11 cease and desist orders or similar enforcement actions shall
12 require a majority vote of all commissioners.

13 (3) Notwithstanding any other provision of this act or
14 65 Pa.C.S. § 1103(j) (relating to restricted activities), a
15 commissioner must disclose the nature of his disqualifying
16 interest, disqualify himself and abstain from voting in any
17 hearing or proceeding in which the commissioner's
18 objectivity, impartiality, integrity or independence of
19 judgment may be reasonably questioned. If a commissioner has
20 disqualified himself, the supermajority vote shall consist of
21 all of the remaining commissioners.

22 (g) Records.--The commission shall maintain at its office
23 the following:

24 (1) All documents provided to or filed with the
25 commission relating to the regulation of horse racing and
26 pari-mutuel wagering under this act. Documents may be
27 designated as confidential in accordance with commission
28 policy.

29 (2) A docket setting forth the names of all stockholders
30 in a licensed racing entity. The docket shall be available

1 for public inspection during normal business hours of the
2 commission.

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

4 (4) A complete record of proceedings of the commission
5 relating to horse racing and pari-mutuel wagering.

6 (h) Rules and regulations.--The following shall apply:

7 (1) All rules and regulations promulgated under the
8 former act of December 11, 1967 (P.L.707, No.331), referred
9 to as the Pennsylvania Thoroughbred Horse Racing Law, or the
10 former act of December 22, 1959 (P.L.1978, No.728), referred
11 to as the Pennsylvania Harness Racing Law, shall remain in
12 effect except to the extent that they are in direct conflict
13 with this act. The commission may adopt, amend, revise or
14 alter the rules and regulations as the commission deems
15 necessary.

16 (2) The commission shall promulgate rules and
17 regulations necessary for the administration and enforcement
18 of this act. Except as provided in paragraph (3), regulations
19 shall be promulgated in accordance with law.

20 (3) In order to facilitate the prompt implementation of
21 this act, regulations promulgated by the commission shall be
22 deemed temporary regulations which shall not expire for a
23 period of three years following publication. Temporary
24 regulations shall not be subject to:

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

27 (ii) The Regulatory Review Act.

28 (iii) Sections 204(b) and 301(10) of the
29 Commonwealth Attorneys Act.

30 (4) The commission's authority to promulgate temporary

1 regulations under paragraph (3) shall expire three years
2 after the effective date of this section. Regulations adopted
3 after this period shall be promulgated as provided by law.

4 (i) Application.--The commission shall develop an
5 application for applicants seeking a license to conduct horse
6 racing pursuant to this act.

7 (j) Licenses.--Each license to conduct horse racing or any
8 other activity under this act issued prior to January 1, 2017,
9 shall remain in effect for the remainder of the term for which
10 the license was issued unless revoked or suspended. Beginning
11 January 1, 2017, a license shall be renewed or a new license
12 shall be issued in accordance with this act.

13 (k) Report of commission.--Eighteen months after the
14 effective date of this section and every year on that date
15 thereafter, the commission shall issue a report to the Governor
16 and each member of the General Assembly on the general operation
17 of the commission and each licensee's performance, including
18 number and win per race and total gross revenue at each facility
19 of a licensed racing entity during the previous year, all taxes,
20 fees, fines and other revenues collected and, where appropriate,
21 disbursed, the costs of operation of the commission, all
22 hearings conducted and the results of the hearings and other
23 information that the commission deems necessary and appropriate.

24 (l) Record of proceedings.--The commission shall cause to be
25 made and kept a record of all proceedings held at public
26 meetings of the commission. The verbatim transcript of those
27 proceedings shall be the property of the commission and shall be
28 prepared by the commission upon the request of any commissioner
29 or upon the request of any other person and the payment by that
30 person of the costs of preparation.

1 (m) Public records.--Beginning 30 days after the effective
2 date of this section, the commission shall post, within 45 days
3 after the end of each month on its Internet website, a list of
4 all the itemized expenses of employees and commissioners for
5 that month that were or are to be reimbursed from the State
6 Racing Fund. The list shall identify the nature of the expense,
7 the employee, member or the agency and employee of the agency to
8 which an expense is attributable. By October 1 of each year, a
9 final report of all expenses described in this subsection for
10 the preceding fiscal year shall be posted on the commission's
11 Internet website and shall be submitted to the Appropriations
12 Committee of the Senate, the Agriculture and Rural Affairs
13 Committee of the Senate, the Appropriations Committee of the
14 House of Representatives and the Agriculture and Rural Affairs
15 Committee of the House of Representatives. Information posted on
16 the Internet website pursuant to this subsection shall be
17 financial records for the purposes of and subject to redaction
18 under the Right-to-Know Law.

19 Section 202-A. Additional powers of the commission.

20 The commission shall regulate horse racing at which pari-
21 mutuel wagering is conducted and approve the number of racing
22 days allocated to each licensed racing entity. In addition to
23 any other powers of the commission:

24 (1) The commission shall promulgate regulations
25 regarding medication rules as required under Chapter 3.

26 (2) The commission shall require applicants under this
27 act to submit to fingerprinting and photographing by the
28 Pennsylvania State Police or by a local law enforcement
29 agency capable of submitting fingerprints and photographs
30 electronically to the Pennsylvania State Police utilizing the

1 Integrated Automated Fingerprint Identification System and
2 the Commonwealth Photo Imaging Network or in a manner
3 provided by the Pennsylvania State Police. The Pennsylvania
4 State Police shall submit fingerprints to the Federal Bureau
5 of Investigation to verify the identity of applicants and to
6 obtain criminal records. The commission shall consider
7 information obtained pursuant to this paragraph for the
8 purpose of screening applicants for fitness for licensure in
9 accordance with the provisions of this act. National criminal
10 history record information received by the commission shall
11 be handled and maintained in accordance with Federal Bureau
12 of Investigation policy. Fingerprints and photographs
13 obtained under this paragraph may be maintained by the
14 commission and the Pennsylvania State Police to enforce this
15 act and for general law enforcement purposes. In addition to
16 any other fee or cost assessed by the commission, an
17 applicant shall pay for the cost of fingerprinting and
18 photographing. The commission may exempt certain categories
19 of employment from this paragraph.

20 (3) Two years following the effective date of this
21 section, the commission may adopt regulations to annually
22 increase any fee, charge or cost authorized under this act.

23 (4) The commission or designated employee of the
24 commission shall have the power to administer oaths and
25 examine witnesses and may issue subpoenas to compel
26 attendance of witnesses and production of all relevant and
27 material reports, books, papers, documents, correspondence
28 and other evidence related to regulation and enforcement of
29 horse racing under this act.

30 (5) The commission's consideration and resolution of all

1 license or permit applications shall be conducted in
2 accordance with 2 Pa.C.S. (relating to administrative law and
3 procedure) or with procedures adopted by order of the
4 commission. Notwithstanding 2 Pa.C.S. §§ 504 (relating to
5 hearing and record) and 505 (relating to evidence and cross-
6 examination), the commission may adopt procedures to provide
7 parties before it with a documentary hearing and may resolve
8 disputed material facts without conducting an oral hearing
9 where constitutionally permissible.

10 (6) The commission may enter into interstate compacts
11 with other racing jurisdictions to establish:

12 (i) uniform drug threshold levels;

13 (ii) consistent sanctions for drug testing
14 violations; and

15 (iii) a system to monitor advanced deposit wagering
16 and online wagering company activities.

17 (7) The commission may issue grants from the annual
18 appropriations to race horse rescue and rehabilitation
19 programs operating within this Commonwealth.

20 (8) The commission shall ensure that each licensed
21 racing entity's racetrack surface is maintained in such a way
22 as to maximize the safety of the horse, rider or driver. The
23 commission may develop guidelines to carry out this
24 paragraph.

25 Section 203-A. Budget.

26 The commission shall annually submit an itemized proposed
27 budget to the Office of the Budget and the chairman and minority
28 chairman of the Appropriations Committee of the Senate and the
29 chairman and minority chairman of the Appropriations Committee
30 of the House of Representatives consisting of amounts to be

1 appropriated from the State Racing Fund, the Pennsylvania Race
2 Horse Development Fund or the General Fund to administer and
3 enforce this act.

4 Section 204-A. Location.

5 After January 1, 2017, a licensed racing entity that holds a
6 license issued under this act shall conduct a horse race meeting
7 at the location designated and approved by the commission.

8 Section 205-A. Number of licensed racing entities.

9 (a) Standardbred horse racing.--No more than six persons
10 shall be licensed to conduct a pari-mutuel meet. No person
11 licensed under this act to conduct standardbred horse racing
12 with pari-mutuel wagering shall be licensed to conduct
13 thoroughbred horse racing with pari-mutuel wagering.

14 (b) Thoroughbred horse racing.--No more than five persons
15 shall be licensed by the commission to conduct pari-mutuel
16 wagering. No person licensed under this act to conduct
17 thoroughbred horse racing with pari-mutuel wagering shall be
18 licensed to conduct standardbred horse racing with pari-mutuel
19 wagering.

20 Section 206-A. Department of Revenue.

21 The Department of Revenue shall provide financial
22 administration of pari-mutuel wagering under this act in
23 accordance with Department of Revenue regulations and
24 regulations of the commission. The Department of Revenue shall
25 prescribe the form and system of accounting to be used by
26 licensed racing entities, and may access and examine records,
27 equipment and other information relating to pari-mutuel
28 wagering.

29 Section 207-A. Allocation of racing days.

30 (a) General rule.--

1 (1) Horse racing shall be conducted consistent with 4
2 Pa.C.S. § 1303 (relating to additional Category 1 slot
3 machine license requirements).

4 (2) The provisions of this section and 4 Pa.C.S. § 1303
5 (a) (2) and (b) may be waived or modified by the commission if
6 the waiver or modification has been agreed to by the
7 horseman's organization representing a majority of horse
8 owners and trainers at the racetrack where the racing days
9 are to be scheduled or raced.

10 (3) The provisions of 4 Pa.C.S. § 1303(d) shall not
11 apply if the reason for noncompliance with that section by a
12 licensed racing entity is the cancellation of racing days due
13 to the commission's inability to properly regulate and
14 oversee the conduct of horse racing in this Commonwealth due
15 to inadequate funding.

16 (b) Certification.--The commission shall submit to the
17 Secretary of Revenue the approved number of racing days for each
18 licensed racing entity, including the following information:

19 (1) the names and addresses of the licensed racing
20 entity;

21 (2) the names and addresses of the owners, officers and
22 general managers of the licensed racing entity; and

23 (3) any other information the commission deems
24 appropriate.

25 (c) Cancellation.--

26 (1) If a racing day is canceled by a licensed racing
27 entity for reasons beyond the licensed racing entity's
28 control, the commission shall grant the licensed racing
29 entity the right to conduct that racing day in the same or
30 the next ensuing calendar year, if schedules permit.

1 (2) A director of a bureau established under section
2 201-A, after consultation with the licensed racing entity and
3 the horseman's organization representing a majority of horse
4 owners and trainers at the racetrack, may cancel a race if it
5 is determined that fewer than six horses have entered the
6 race.

7 Section 208-A. Licenses for horse race meetings.

8 (a) Procedure and terms.--

9 (1) After January 1, 2017, a person seeking a license to
10 conduct horse race meetings at which pari-mutuel wagering is
11 permitted or seeking to renew the license, shall file an
12 application or renewal application with the commission in the
13 manner prescribed by the commission.

14 (2) A licensed racing entity shall have the privilege to
15 conduct a horse race meeting at which pari-mutuel wagering is
16 permitted. A license to conduct a horse race meeting shall
17 not be a property right.

18 (3) The commission may revoke or suspend the license of
19 a licensed racing entity if the commission finds that the
20 licensed racing entity, its owners, officers, managers or
21 agents, have not complied with this act and regulations
22 promulgated in accordance with this act.

23 (4) A licensed racing entity may not transfer a license
24 without the approval of the commission.

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

27 (1) A horse race meeting at which pari-mutuel wagering
28 is conducted shall be regulated by the commission.

29 (2) The conduct of pari-mutuel wagering shall also be
30 regulated by the Department of Revenue.

1 (3) The licensed racing entity shall print in its racing
2 programs the procedure for filing a complaint with the
3 commission.

4 (c) Applications.--Applications to conduct horse racing
5 shall be in the form prescribed by the commission and shall
6 contain information as the commission may require.

7 (d) Action on licenses.--The following shall apply:

8 (1) The commission shall be prohibited from issuing a
9 license to conduct horse racing to an individual or applicant
10 or an owner, officer, director or manager of the applicant
11 who has been convicted of:

12 (i) A felony in any jurisdiction.

13 (ii) A misdemeanor gambling offense in any
14 jurisdiction, unless 15 years has elapsed from the date
15 of conviction.

16 (iii) Fraud or misrepresentation in any jurisdiction
17 related to horse racing or horse breeding, unless 15
18 years has elapsed from the date of conviction.

19 (iv) An offense under 18 Pa.C.S. § 5511 (relating to
20 cruelty to animals).

21 (v) An offense related to fixing or rigging horse
22 rates, including 18 Pa.C.S. § 4109 (relating to rigging
23 publicly exhibited contest) or 7102 (relating to
24 administering drugs to race horses), or any similar crime
25 in another jurisdiction, unless the conviction has been
26 overturned on appeal under the laws of the jurisdiction
27 of the original finding or a pardon has been issued.

28 (2) Following expiration of any period applicable to an
29 applicant under paragraph (1)(ii) or (iii), in determining
30 whether to issue a horse racing license to an applicant, the

1 commission shall consider the following factors:

2 (i) The individual or a principal of the applicant's
3 position with the applicant.

4 (ii) The nature and seriousness of the offense or
5 conduct.

6 (iii) The circumstances under which the offense or
7 conduct occurred.

8 (iv) The age of the applicant when the offense or
9 conduct occurred.

10 (v) Whether the offense or conduct was an isolated
11 or a repeated incident.

12 (vi) Any evidence of rehabilitation, including good
13 conduct in the community, counseling or psychiatric
14 treatment received and the recommendations of persons who
15 have substantial contact with the applicant.

16 (3) If, in the judgment of the commission, the applicant
17 has demonstrated by clear and convincing evidence that the
18 participation of the applicant in horse racing or related
19 activities is not:

20 (i) inconsistent with the public interest or best
21 interests of horse racing;

22 (ii) interfering with the effective regulation of
23 horse racing; or

24 (iii) creating or enhancing the danger of
25 unsuitable, unfair or illegal practices, methods or
26 activities in the conduct of horse racing.

27 (e) Denial, suspension or revocation.--The commission may
28 deny an application for a license or revoke, suspend or fail to
29 renew the license of any applicant or licensed racing entity, if
30 the commission finds by a preponderance of the evidence that:

1 (1) The applicant or licensed racing entity, or any of
2 its owners, officers, director, managers, employees or
3 agents:

4 (i) Has not complied with the conditions, rules,
5 regulations and provisions of this act and that it would
6 be in the public interest, convenience or necessity to
7 deny, revoke, suspend or not renew the license.

8 (ii) Has been convicted of a violation or attempt to
9 violate a horse racing law, rule or regulation of a horse
10 racing jurisdiction.

11 (iii) Has furnished the commission with false or
12 misleading information relating to the application or
13 license renewal.

14 (2) The applicant or licensed racing entity does not
15 have the use of a racetrack or racetrack enclosure in
16 accordance with the provisions of 4 Pa.C.S. Pt. II (relating
17 to gaming).

18 (3) The licensed racing entity has commingled horsemen's
19 funds in violation of section 235-A(c) or has refused to
20 place on deposit a letter of credit under section 236-A.

21 (4) The commission determines that the licensed racing
22 entity has failed to properly maintain its racetrack and
23 racetrack enclosure in good condition pursuant to this act or
24 to provide adequate capital improvements to the racetrack and
25 racetrack enclosure as required under this act and 4 Pa.C.S.
26 § 1404 (relating to distributions from licensee's revenue
27 receipts).

28 (5) The licensee has been convicted in any jurisdiction
29 of an offense related to fixing or rigging horse races,
30 including 18 Pa.C.S. § 4109 or 7102, or any similar crime in

1 another jurisdiction, unless the conviction has been
2 overturned on appeal under the laws of the jurisdiction of
3 the original finding or a pardon has been issued.

4 (f) Cessation.--If a revocation or failure to renew a
5 license under subsection (e) occurs, the licensee's
6 authorization to conduct previously approved activity shall
7 immediately cease. In the case of a suspension, the licensee's
8 authorization to conduct previously approved activity shall
9 immediately cease until the commission has notified the licensee
10 that the suspension is no longer in effect.

11 (g) Renewal.--A license shall be renewed every three years
12 and may not be transferred.

13 (h) Conditional licenses.--Pending a final determination
14 under this section, the commission may issue a conditional
15 license upon the terms and conditions as are necessary to
16 effectuate the provisions of this act.

17 (i) Compliance.--Nothing in this section shall be construed
18 to relieve a licensed racing entity of its duty to comply with
19 the requirements of 4 Pa.C.S. Pt. II.
20 Section 209-A. Code of conduct.

21 (a) Scope.--The commission shall adopt a comprehensive code
22 of conduct prior to the consideration of any license, permit or
23 registration application. The code of conduct shall supplement
24 all other requirements under this part and 65 Pa.C.S. Pt. II
25 (relating to accountability) and shall provide guidelines
26 applicable to members, employees of the commission, independent
27 contractors and the immediate family of the members, employees
28 and independent contractors to enable them to avoid any
29 perceived or actual conflict of interest and to promote public
30 confidence in the integrity and impartiality of the commission.

1 At a minimum, the code of conduct adopted under this section
2 shall include registration of licensed entity representatives
3 under subsection (b) and the restrictions under subsections (c)
4 and (d).

5 (b) Registration.--

6 (1) A licensed entity representative shall register with
7 the commission in a manner prescribed by the commission,
8 which shall include the name, employer or firm, business
9 address and business telephone number of both the licensed
10 entity representative and any licensed racing entity,
11 applicant for licensure or other person being represented.

12 (2) A licensed entity representative shall have an
13 affirmative duty to update its registration information on an
14 ongoing basis, and failure to do so shall be punishable by
15 the commission.

16 (3) The commission shall maintain a registration list
17 which shall contain the information required under paragraph
18 (1) and which shall be available for public inspection at the
19 offices of the commission and on the commission's publicly
20 accessible Internet website.

21 (c) Restrictions.--In addition to the other prohibitions
22 contained in this chapter, a commissioner shall:

23 (1) Not accept any discount, gift, gratuity,
24 compensation, travel, lodging or other thing of value,
25 directly or indirectly, from any applicant, licensed racing
26 entity, affiliate, subsidiary or intermediary of an applicant
27 or a licensed racing entity, permittee, registrant or
28 licensed entity representative.

29 (2) Disclose a conflict of interest and recuse himself
30 from any hearing or other proceeding in which the

1 commissioner's objectivity, impartiality, integrity or
2 independence of judgment may be reasonably questioned due to
3 the commissioner's relationship or association with a party
4 connected to any hearing or proceeding or a person appearing
5 before the commission.

6 (3) Refrain from any financial or business dealing which
7 would tend to reflect adversely on the commissioner's
8 objectivity, impartiality or independence of judgment.

9 (4) Not hold or campaign for public office, hold an
10 office in any political party or political committee, as
11 defined in 4 Pa.C.S. § 1513(d) (relating to political
12 influence), contribute to or solicit contributions to a
13 political campaign, political party, political committee or
14 candidate, publicly endorse a candidate or actively
15 participate in a political campaign.

16 (5) Avoid impropriety and the appearance of impropriety
17 at all times and observe standards and conduct that promote
18 public confidence in the oversight of horse racing.

19 (6) Comply with any other laws, rules or regulations
20 relating to the conduct of a commissioner.

21 (d) Ex parte communications.--

22 (1) A commissioner or hearing officer may not engage in
23 any ex parte communication with any person.

24 (2) If a commissioner or hearing officer received or
25 engaged in an ex parte communication, a commissioner or
26 hearing officer shall inform the director of the appropriate
27 bureau who shall notify all parties directly affected by the
28 anticipated vote or action of the commissioner or hearing
29 officer related to the ex parte communication of the
30 substance of the communication and provide the parties with

1 an opportunity to respond.

2 (3) A commissioner or hearing officer who engaged in or
3 received an ex parte communication shall disqualify himself
4 from the hearing or proceeding related to the ex parte
5 communication if the context and substance of the
6 communication creates substantial reasonable doubt as to a
7 commissioner's or hearing officer's ability to act
8 objectively, independently or impartially.

9 (4) A commissioner or hearing officer who engaged in or
10 received an ex parte communication and elects not to
11 disqualify himself from the hearing or proceeding shall state
12 the reasons for not disqualifying himself on the record prior
13 to the commencement of the hearing or proceeding.

14 (5) If a commissioner disqualifies himself under this
15 subsection, a supermajority vote under this act shall consist
16 of the remaining commissioners.

17 (6) Failure of a hearing officer who received or engaged
18 in an ex parte communication to disqualify himself under this
19 subsection shall be grounds for appeal to the commission.

20 (7) Failure of a commissioner who received or engaged in
21 an ex parte communication to disqualify himself under this
22 subsection shall be grounds for appeal to a court of
23 competent jurisdiction if the commission action being
24 appealed could not have occurred without the participation of
25 the commissioner.

26 (8) This subsection shall not preclude a commissioner
27 from consulting with other commissioners individually if the
28 consultation complies with 65 Pa.C.S. Ch. 7 (relating to open
29 meetings) or with commission employees or independent
30 contractors whose functions are to assist the commission in

1 carrying out its adjudicative functions.

2 Section 210-A. Financial and employment interests.

3 No owner, officer, manager or employee of an applicant or
4 licensed racing entity or their immediate family shall accept
5 gifts from breeders, owners, trainers or other individuals who
6 participate in the conduct of horse racing in this Commonwealth.
7 For purposes of this section, the term "immediate family" shall
8 mean spouse, parent, brother, sister or child.

9 Section 211-A. Officials at horse race meetings.

10 The commission shall approve and assign all qualified judges
11 and starters for horse race meetings. For standardbred horse
12 race meetings, no person shall be approved or assigned as a
13 judge or starter unless the person is licensed by the United
14 States Trotting Association as a duly qualified pari-mutuel race
15 meeting official. All officials shall enforce the law and shall
16 provide written reports of the activities and conduct of horse
17 race meetings to the commission. The compensation of these
18 officials shall be paid by the licensed racing entities.

19 Section 212-A. (Reserved).

20 Section 213-A. Licenses for individuals.

21 (a) General rule.--The commission shall develop a licensing,
22 permitting or other classification system for the regulation of
23 vendors, trainers, jockeys, drivers, horseman's organizations,
24 horse owners, backside area employees and other individuals
25 participating in horse racing and all other persons required to
26 be licensed or permitted as determined by the commission. The
27 license shall not be a property right.

28 (b) Fee.--The commission shall fix and may establish classes
29 for application fees to be paid by individuals. A license or
30 permit fee shall not exceed \$500. All fees shall be paid to the

1 commission and deposited into the State Racing Fund.

2 (c) Application.--The application for a license or permit
3 shall be in the form and contain the information as the
4 commission may require.

5 (d) Renewal.--All licenses shall be subject to renewal every
6 three years. Nothing in this act shall be construed to relieve a
7 licensee of the affirmative duty to notify the commission of any
8 changes relating to the status of its license or to any other
9 information contained in the application materials on file with
10 the commission. The application for renewal shall be submitted
11 at least 60 days prior to expiration of the license and shall
12 include an update of the information contained in the initial
13 application and any prior renewal applications and the payment
14 of any renewal fee required by the commission. A license for
15 which a completed renewal application and fee, if required, has
16 been received by the commission shall continue in effect unless
17 and until the commission sends written notification to the
18 holder of the license that the commission has denied the renewal
19 of the license.

20 (e) Licenses.--The commission may issue one of the
21 following:

22 (1) A temporary license for four months within a 12-
23 month period pending a final determination.

24 (2) A conditional license upon the terms and conditions
25 as necessary to administer this act.

26 (f) Processing and issuance.--The commission shall adopt
27 regulations to fix the manner by which licenses are processed
28 and issued.

29 (g) Action on applications.--The following shall apply:

30 (1) The commission may not issue a license or permit

1 under this section to an individual who has been convicted in
2 a jurisdiction of a felony offense, a misdemeanor gambling
3 offense or a fraud or misrepresentation in connection with
4 horse racing or breeding, unless 15 years has passed from the
5 date of conviction of the offense.

6 (2) Following expiration of a period applicable to an
7 applicant under paragraph (1), in determining whether to
8 issue a license or permit to an applicant, the commission
9 shall consider the following factors:

10 (i) The nature of the applicant's involvement with
11 horse racing.

12 (ii) The nature and seriousness of the offense or
13 conduct.

14 (iii) The circumstances under which the offense or
15 conduct occurred.

16 (iv) The age of the applicant when the offense or
17 conduct occurred.

18 (v) Whether the offense or conduct was an isolated
19 or a repeated incident.

20 (vi) Any evidence of rehabilitation, including good
21 conduct in the community, counseling or psychiatric
22 treatment received and the recommendations of persons who
23 have substantial contact with the applicant.

24 (g.1) Denial.--The commission may deny an application for a
25 license or permit or suspend, revoke or refuse to renew a
26 license or permit issued under this section if it determines
27 that the applicant, licensee or permittee meets any of the
28 following:

29 (1) (Reserved).

30 (2) Has been convicted of any violation or attempts to

1 violate any law, rule or regulation of horse racing in any
2 jurisdiction.

3 (3) Has been convicted of an offense under 18 Pa.C.S. §
4 5511 (relating to cruelty to animals).

5 (4) Has violated a rule, regulation or order of the
6 commission.

7 (5) Has been convicted in any jurisdiction of an offense
8 related to fixing or rigging horse races, including 18
9 Pa.C.S. §§ 4109 (relating to rigging publicly exhibited
10 contest) 7102 (relating to administering drugs to race
11 horses), or any similar crime in any other jurisdiction,
12 unless the conviction has been overturned on appeal under the
13 laws of the jurisdiction of the original finding or a pardon
14 has been issued.

15 (6) Has not demonstrated by clear and convincing
16 evidence that the applicant or licensee:

17 (i) Is a person of good character, honesty and
18 integrity.

19 (ii) Is a person whose prior activities, criminal
20 record, if any, reputation, habits and associations:

21 (A) Do not pose a threat to the public interest
22 or the effective regulation and control of horse
23 racing.

24 (B) Do not create or enhance the danger of
25 unsuitable, unfair or illegal practices, methods and
26 activities in the conduct of horse racing or the
27 carrying on of the business and financial
28 arrangements incidental to the conduct of horse
29 racing.

30 (h) Inspection.--The commission shall have the right to

1 inspect all contracts between licensed racing entities and
2 vendors for goods and services. The commission shall adopt
3 regulations to require vendors to disclose all principal owners
4 and officers and a description of their interests in the
5 vendors' businesses. Failure to disclose this information shall
6 constitute grounds to deny, to revoke or to suspend any vendor's
7 license issued under this act.

8 (i) Revocation or failure to renew.--In the event of a
9 revocation or failure to renew, the applicant's authorization to
10 conduct previously approved activity shall immediately cease and
11 all fees paid in connection therewith shall be deemed to be
12 forfeited. In the event of a suspension, the applicant's
13 authorization to conduct the previously approved activity shall
14 immediately cease until the commission has notified the
15 applicant that the suspension is no longer in effect.

16 (j) Hearings.--The commission may suspend a license under
17 subsection (i) pending a hearing on the matter, which must occur
18 within 10 days of the suspension.

19 (k) Reciprocity.--The commission shall not grant licenses to
20 residents of states that prohibit the grant of licenses to
21 residents of this Commonwealth on the basis of in-state
22 preference.

23 (l) Criminal action.--

24 (1) Each district attorney shall have authority to
25 investigate and to institute criminal proceedings for a
26 violation of this act.

27 (2) In addition to the authority conferred upon the
28 Attorney General under the act of October 15, 1980 (P.L.950,
29 No.164), known as the Commonwealth Attorneys Act, the
30 Attorney General shall have the authority to investigate and,

1 following consultation with the appropriate district
2 attorney, to institute criminal proceedings for a violation
3 of this act. A person charged with a violation of this act by
4 the Attorney General shall not have standing to challenge the
5 authority of the Attorney General to investigate or prosecute
6 the case, and, if any such challenge is made, the challenge
7 shall be dismissed and no relief shall be available in the
8 courts of this Commonwealth to the person making the
9 challenge.

10 (m) Regulatory action.--Nothing contained in subsection (l)
11 shall be construed to limit the existing regulatory or
12 investigative authority of an agency or the Commonwealth whose
13 functions relate to persons or matters within the scope of this
14 part.

15 (n) Inspection, seizure and warrants.--

16 (1) The commission, the Attorney General and the
17 Pennsylvania State Police shall have the authority without
18 notice and without warrant to do all of the following in the
19 performance of their duties:

20 (i) Inspect and examine all premises where horse
21 racings is conducted, or where records of these activities
22 are prepared or maintained.

23 (ii) Inspect all equipment and supplies in, about,
24 upon or around premises referred to in subparagraph (i).

25 (iii) Seize, summarily remove and impound equipment
26 and supplies from premises referred to in subparagraph
27 (i) for the purposes of examination and inspection.

28 (iv) Inspect, examine and audit all books, records
29 and documents pertaining to a licensee's operation.

30 (v) Seize, impound or assume physical control of any

1 book, record, ledger or device.

2 (2) The provisions of paragraph (1) shall not be deemed
3 to limit warrantless inspections except in accordance with
4 constitutional requirements.

5 (3) To further effectuate the purposes of this chapter,
6 the commission and the Pennsylvania State Police may obtain
7 administrative warrants for the inspection and seizure of
8 property possessed, controlled, bailed or otherwise held by
9 an applicant, licensee, permittee, intermediary, subsidiary,
10 affiliate or holding company.

11 Section 214-A. Providers.

12 Beginning at the renewal of an existing contract or execution
13 of a new contract, a person that provides totalisator services
14 to a licensed person located in this Commonwealth shall be
15 licensed by the commission and remit an annual license fee not
16 to exceed \$100,000. The license fee shall be deposited in the
17 State Racing Fund. The provider shall submit information on
18 operating systems and procedures as required by the commission.

19 Section 215-A. Power of commission to impose fines.

20 (a) General rule.--The commission may impose administrative
21 finances upon any licensed or unlicensed racing entity, association
22 or person participating in horse racing at which pari-mutuel
23 wagering is conducted, other than as a patron, for a violation
24 of any provision of this act or rule or regulation of the
25 commission, not exceeding \$100,000 for each violation. Each day
26 may be considered a separate violation. Fines shall be deposited
27 in the State Racing Fund and may be appropriated for the
28 enforcement of this act.

29 (b) Interests.--

30 (1) No owner, officer or employee of a licensed racing

1 entity or their immediate family shall have any direct or
2 indirect interest in a race horse that is participating in a
3 race at a meet at which the person or relative listed under
4 this paragraph holds any interest in the licensed racing
5 entity conducting the meet or in the racetrack facility. For
6 the purposes of this paragraph, the term "immediate family"
7 shall mean spouse, parent, brother, sister or child.

8 (2) The commission shall impose a fine upon any person
9 for a violation of this subsection in accordance with
10 subsection (a).

11 Section 216-A. Admission to racetrack.

12 (a) Power of licensed racing entity.--Except as provided in
13 subsection (b), a licensed racing entity may refuse admission to
14 and eject from the enclosure of the racetrack operated by the
15 licensed racing entity, any person licensed by the commission
16 under this act and employed at an occupation at the racetrack if
17 the person's presence is deemed detrimental to the best
18 interests of horse racing and after citing the reasons for the
19 determination. The action of the licensed racing entity, if
20 refusing the person admission to or ejecting the person from a
21 race meeting ground or enclosure, shall have immediate effect.
22 The person refused admission or ejected shall receive a hearing
23 before the commission, if requested, pursuant to rules and
24 regulations adopted for that purpose by the commission and a
25 decision rendered following that hearing.

26 (b) Admission.--A licensed racing entity may not refuse
27 admission to or eject a law enforcement official, commission
28 member or employee or employee of the Department of Revenue
29 while the official is engaged in the performance of the
30 individual's official duties.

1 Section 217-A. Security personnel.

2 (a) General rule.--The commission shall require licensed
3 racing entities to employ persons as security. Designated
4 security personnel:

5 (1) Shall refer possible violations of the criminal laws
6 of this Commonwealth within the racetrack or enclosure to law
7 enforcement.

8 (2) May interrogate, eject or exclude from the racetrack
9 or enclosure any persons suspected of violating a rule or
10 regulation promulgated by the commission in accordance with
11 section 216-A, or any person whose presence this is, in the
12 judgment of the commission, inconsistent with orderly or
13 proper conduct of a race meeting or whose presence or conduct
14 is deemed detrimental to the best interests of horse racing.

15 (3) May not interrogate, eject or exclude from the
16 racetrack or enclosure any person because of the race, creed,
17 color, sex, sexual orientation, national origin or religion
18 of that person.

19 (b) Penalty.--An individual found within a racetrack or
20 enclosure after having been ejected therefrom shall, upon
21 conviction, be guilty of a summary offense and be sentenced to
22 pay a fine of not more than \$500.

23 Section 218.1-A. Interstate simulcasting.

24 The commission may approve the application of a licensed
25 racing entity to electronically televise simulcasts of horse
26 races to be operated by the licensed racing entity at the
27 racetrack enclosure where a horse race is being conducted
28 during, between, before or after posted races for that racing
29 day. Each simulcast of horse races from outside this
30 Commonwealth shall comply with the Interstate Horseracing Act of

1 1978 (Public Law 95-515, 15 U.S.C. § 3001 et seq.). All forms of
2 pari-mutuel wagering under section 221-A shall be allowed on
3 horse races to be televised by simulcasting. The commission
4 shall promulgate regulations regarding the wagering and the
5 operation of interstate simulcasting of horse racing. All money
6 wagered on horse races shall be computed in the amount of money
7 wagered each racing day for purposes of taxation under section
8 224-A.

9 Section 219-A. Televised simulcastings.

10 (a) Host licensees.--Upon request by a licensed racing
11 entity, the commission may designate the entity as a host
12 licensee, authorized to maintain common pari-mutuel pools on
13 international and interstate races transmitted to and from the
14 racetrack enclosures within this Commonwealth. All simulcasts of
15 horse races shall comply with the provisions of the Interstate
16 Horseracing Act of 1978 (Public Law 95-515, 15 U.S.C. § 3001 et
17 seq.) and the laws of each state involved, placed or transmitted
18 by an individual in one state via telephone, Internet or other
19 electronic media and accepted and maintained in common pari-
20 mutuel pools. The designation as a host licensee for
21 international and interstate simulcast races shall be limited to
22 licensed racing entities which comply with 4 Pa.C.S. § 1303(d)
23 (relating to additional Category 1 slot machine license
24 requirements).

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

26 (1) Cross simulcasting of the races described in
27 subsection (a) shall be permitted if all amounts wagered on
28 the races in this Commonwealth are included in common pari-
29 mutuel pools. A host licensee seeking permission to cross
30 simulcast must obtain approval from the commission.

1 (2) Forms of pari-mutuel wagering shall be allowed on
2 horse races to be televised by simulcasting. The commission
3 may permit pari-mutuel pools in this Commonwealth to be
4 combined with pari-mutuel pools created under the laws of
5 another jurisdiction and may permit pari-mutuel pools created
6 under the laws of another jurisdiction to be combined with
7 pari-mutuel pools in this Commonwealth. The commission shall
8 promulgate regulations necessary to regulate wagering on
9 televised simulcasts.

10 (c) Taxation.--Money wagered by patrons in this Commonwealth
11 on horse races shall be computed by the amount of money wagered
12 each racing day for purposes of taxation under section 224-A.
13 Thoroughbred races shall be considered a part of a thoroughbred
14 horse race meeting and standardbred horse races shall be
15 considered a part of a standardbred horse race meeting.

16 Section 220-A. Place and manner of conducting pari-mutuel
17 wagering.

18 (a) Wagering location.--A licensed racing entity shall
19 provide a location during a horse race meeting within the
20 racetrack enclosure where the licensed racing entity shall
21 operate the pari-mutuel system of wagering by its patrons on the
22 results of horse races held at the racetrack or televised to the
23 racetrack enclosure by simulcasting under section 219-A. The
24 licensed racing entity shall erect a sign or board compatible
25 with the totalisator systems which shall display all of the
26 following:

27 (1) The approximate straight odds on each horse in any
28 race.

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

1 (3) The elapsed time of the race.

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

5 (b) Equipment.--The commission may test and examine the
6 equipment to be used for the display of the information under
7 subsection (a).

8 (c) Electronic wagering.--A licensed racing entity may
9 operate electronic wagering on horse racing in accordance with
10 all of the following:

11 (1) Messages to place wagers shall be to a place within
12 the racetrack enclosure.

13 (2) Money used to place wagers under this subsection
14 shall be on deposit in an amount sufficient to cover the
15 wager at the racetrack where the account is opened.

16 The commission may promulgate regulations necessary to regulate
17 electronic wagering for horse racing.

18 (d) Taxation.--Money wagered as a result of electronic
19 wagering shall be included in the amount wagered each racing day
20 for purposes of taxation under section 224-A and shall be
21 included in the same pari-mutuel pools for each posted race.
22 Electronic wagering shall be operated by the licensed racing
23 entity or by a duly licensed vendor.

24 (e) Conditions.--

25 (1) A licensed racing entity shall only accept and
26 tabulate a wager by a direct request via electronic media
27 from the holder of an electronic wagering account. Only the
28 holder of the electronic wagering account shall place a
29 wager.

30 (2) Any person who violates this subsection commits a

1 misdemeanor of the first degree.

2 (f) Primary market area.--

3 (1) No licensed racing entity may accept a wager or
4 establish electronic wagering for any person located in the
5 primary market area of a racetrack, other than the racetrack
6 at which the licensed racing entity is conducting a race
7 meeting.

8 (2) Nothing in this subsection shall be construed to
9 prohibit a licensed racing entity from accepting a wager from
10 or establishing an electronic wagering account for any person
11 located in the primary market area of the racetrack where the
12 licensed racing entity is conducting a meet. If two tracks
13 share the primary market area, both racetracks shall have
14 equal rights to the market in the shared area.

15 Section 221-A. Pari-mutuel wagering at nonprimary locations.

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

17 (1) Notwithstanding any other provision of this act,
18 beginning January 1, 2017, the commission may approve a
19 licensed racing entity to continue to operate a nonprimary
20 location where it has conducted pari-mutuel wagering on horse
21 races conducted by the licensed racing entity. The licensed
22 racing entity may continue to conduct pari-mutuel wagering at
23 the location on horse races conducted by another licensed
24 racing entity, which horse races may be televised to the
25 location or on horse races simulcast to the location under
26 section 216-A, provided that:

27 (i) A licensed racing entity has not established a
28 nonprimary location within the primary market area of any
29 racetrack other than a racetrack where the licensed
30 racing entity conducts horse race meetings. Establishment

1 of a nonprimary location by a licensed racing entity
2 within the primary market area of a racetrack where the
3 licensed racing entity conducts horse race meetings shall
4 require approval of the commission.

5 (ii) A licensed racing entity has not established a
6 nonprimary location within the secondary market area of a
7 racetrack if the nonprimary location is approved by the
8 commission.

9 (iii) A licensed racing entity has not established a
10 nonprimary location in an area outside the primary and
11 secondary market areas of any racetrack if the location
12 is approved by the commission.

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

15 (3) The commission shall annually conduct inspections of
16 the primary facility.

17 (4) The regulatory authority of the commission shall
18 apply to nonprimary locations and any employees or vendors of
19 the licensed racing entity establishing the nonprimary
20 location.

21 (b) Taxation and records.--Money wagered at all primary and
22 nonprimary locations under this act shall be included in common
23 pari-mutuel pools. Money wagered by patrons on the races shall
24 be computed by the amount of money wagered each racing day for
25 purposes of taxation under section 224-A. The licensed racing
26 entity conducting the race meeting and maintaining the pari-
27 mutuel pools shall maintain accurate records of the amount
28 wagered in each pool from every primary and nonprimary location.

29 (c) Retention.--Money retained under section 224-A shall be
30 calculated for each location where pari-mutuel wagering is being

1 conducted. If wagering has taken place at a nonprimary location
2 where the wagering is conducted by a licensed racing entity
3 other than the licensed racing entity conducting the race
4 meeting, the licensed racing entity conducting the race meeting
5 shall retain any money to which it is entitled by agreement. The
6 licensed racing entity conducting the meeting shall pay over the
7 balance of the retained money to the licensed racing entity
8 conducting the wagering at the nonprimary location.

9 (d) Payment of purses.--A licensed racing entity conducting
10 a race meeting where pari-mutuel wagering is conducted at one or
11 more nonprimary locations shall distribute money to the
12 horseman's organization representing a majority of owners and
13 trainers at its racetrack, or in accordance with the practice of
14 the parties, to be used for payment of purses at that racetrack,
15 as follows:

16 (1) Except as provided for in paragraphs (2), (3), (4)
17 and (5), an amount equal to but not less than 6% of the daily
18 gross wagering handle on the races at a nonprimary location.

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

22 (3) When the gross wagering handle on the races at a
23 nonprimary location on a given day is between \$30,000 and
24 \$75,000, the percentage may not be less than 4.75%.

25 (4) Whenever a nonprimary location is within the primary
26 market area of a licensed racing entity other than the
27 licensed racing entity conducting the races, the applicable
28 percentage shall be distributed one-half to the horseman's
29 organization representing a majority of owners and trainers
30 at the racetrack or in accordance with the practice of the

1 parties.

2 (5) Where the race meeting is being conducted to be used
3 for the payment of purses at the racetrack and one-half to
4 the horseman's organization, or in accordance with the
5 practice of the parties, at the racetrack within the primary
6 market area to be used for the payment of purses at the
7 racetrack.

8 Nothing in this subsection shall be construed to prevent a
9 licensed racing entity from agreeing to distribute amounts
10 greater than the percentages set forth in this subsection.

11 However, if no alternative agreement has been reached, the total
12 percentage for purses under this subsection shall be paid in
13 accordance with the minimum percentages set forth in this
14 subsection.

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

28 Section 222-A. Books and records of pari-mutuel wagering.

29 Every licensed racing entity that conducts a horse race
30 meeting at which pari-mutuel wagering is authorized, shall

1 maintain books and records that clearly show by separate record
2 the total amount of money contributed to every pari-mutuel pool.
3 The Department of Revenue or its authorized representative shall
4 have access to examine all books and records and ascertain
5 whether the proper amount due to the State is being paid by the
6 licensed racing entity.

7 Section 223-A. Filing of certain agreements with the
8 commission.

9 A licensed racing entity shall promptly file with the
10 commission any lease agreement concerning any concession, labor
11 management relation, hiring of designated classes of officers,
12 employees or contractors specified by the commission or any
13 other contract or agreement as the commission may prescribe.

14 Section 224-A. State Racing Fund and tax rate.

15 (a) Fund.--There is hereby established in the State Treasury
16 the State Racing Fund. A licensed racing entity that conducts
17 horse race meetings or a licensed advance deposit account
18 wagering entity shall pay a tax to the Department of Revenue for
19 deposit in the State Racing Fund.

20 (b) Tax rate.--The tax imposed on a licensed racing entity
21 or licensed advance deposit account wagering entity shall be
22 1.5% of the amount wagered each racing day and 2.5% of the total
23 amount on an exacta, daily double, quinella and trifecta wager.

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

27 (1) Funds to the commission in an amount appropriated by
28 the General Assembly.

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

1 (d) Breakage.--All breakage retained under section 225-A by
2 licensed racing entities that conduct horse race meetings shall
3 be distributed in the following manner:

4 (1) Seventy-five percent of the breakage shall be paid
5 to the Department of Revenue for credit to the State Racing
6 Fund.

7 (2) Twenty-five percent of the breakage shall be
8 retained by the licensed corporations to be used solely for
9 purses to the horsemen. All breakage money due to licensed
10 racing entities for the purses for claiming and nonclaiming
11 races under this paragraph but not expended as a result of a
12 race cancellation shall be carried forward to the next
13 succeeding horse race meeting by licensed racing entities to
14 be used for claiming and nonclaiming races which restrict
15 entry to horses sired in this Commonwealth under the
16 provisions of this paragraph.

17 (e) Remainder.--The remainder of the money shall be
18 distributed as follows:

19 (1) An amount equivalent to 1% of the amount wagered
20 each racing day at thoroughbred horse race meetings shall be
21 paid by the Department of Revenue from the State Racing Fund
22 for credit to the Pennsylvania Breeding Fund established
23 under section 226-A.

24 (2) An amount equivalent to 1.5% of the amount wagered
25 each racing day at standardbred horse race meetings shall be
26 paid by the Department of Revenue from the State Racing Fund
27 through the Department of Revenue for credit to the
28 Pennsylvania Sire Stakes Fund established under section 227-
29 A.

30 (3) The remainder of the amount wagered each racing day

1 shall be deposited in the State Racing Fund, for
2 appropriation for the promotion of horse racing.

3 (f) Other revenues.--The State Racing Fund may also receive
4 moneys from any other source, including, but not limited to
5 appropriations made by the General Assembly.

6 Section 225-A. Pari-mutuel pool distribution.

7 (a) Distribution.--A licensed racing entity shall distribute
8 money in a pari-mutuel pool to the holders of winning tickets
9 presented for payment before the first day of April of the year
10 following the date of purchase. After April 1 of the year
11 following the year of purchase, a licensed racing entity shall
12 forward the necessary funds held for uncashed tickets to the
13 Department of Revenue. The funds shall be deposited into the
14 State Racing Fund.

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

17 (1) Seventeen percent of the money plus the breakage
18 from regular wagering pools or 19% of the money plus the
19 breakage from regular wagering pools for licensed racing
20 entities whose daily total in all pari-mutuel pools averaged
21 less than \$300,000.

22 (2) Twenty percent of the money plus breakage from the
23 exacta, daily double, quinella and other wagering pools as
24 determined by the commission.

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

28 (c) Retention.--A licensed racing entity may retain lesser
29 percentages upon approval of the commission.

30 Section 226-A. Pennsylvania Breeding Fund.

1 (a) Establishment.--There is hereby created a restricted
2 account in the State Racing Fund to be known as the Pennsylvania
3 Breeding Fund which shall consist of the money deposited under
4 section 225-A and which shall be distributed by the Department
5 of Revenue.

6 (b) Awards from the Pennsylvania Breeding Fund.--The
7 Department of Revenue shall distribute money from the
8 Pennsylvania Breeding Fund as follows:

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

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

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

1 registered thoroughbred racing horse sired in this
2 Commonwealth which finishes first in any race conducted by a
3 licensed racing entity under this act not restricting entry
4 to registered thoroughbreds racing horse sired in this
5 Commonwealth shall be paid to the licensed owner of said
6 registered thoroughbred horse sired in this Commonwealth at
7 the time of winning. A single award under this paragraph may
8 not exceed 0.5% of the total annual fund money.

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

20 (d) Remaining funds.--The Pennsylvania Breeding Fund money
21 remaining following disbursements as directed in subsection (b)
22 (1), (2) and (3) and subsection (c) shall be divided among the
23 licensed racing entities that conduct thoroughbred horse race
24 meetings in direct proportion to the rate by which each licensed
25 racing entity generated the fund money during the previous year
26 to be used for purses as follows:

27 (1) Claiming and nonclaiming Pennsylvania Breeding Fund
28 races which restrict entry to registered thoroughbred racing
29 horses sired in this Commonwealth.

30 (2) Claiming and nonclaiming Pennsylvania Breeding Fund

1 races which prefer registered thoroughbred racing horses
2 sired in this Commonwealth as starters. In these races,
3 should eight or more registered thoroughbred racing horses
4 sired in this Commonwealth pass the entry box, the race shall
5 be considered closed to horses other than registered
6 thoroughbred racing horses sired in this Commonwealth.

7 (e) Funds not expended.--Pennsylvania Breeding Fund money
8 due to licensed racing entities, as outlined in subsections (c)
9 and (d), but not expended during the calendar year may be
10 carried 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 them for
13 purses.

14 (e.1) Committee.--There is hereby established the
15 Pennsylvania Breeding Fund Advisory Committee within the
16 commission. The committee shall consist of five individuals, who
17 are residents of this Commonwealth, to be appointed by the
18 commission by June 1 of each year based on the recommendation of
19 the groups identified in this subsection. If a member other than
20 a commissioner has not been recommended by June 1 of each year,
21 the commission shall make an appointment for the organization
22 failing to so recommend a member of the committee. The committee
23 shall assist and advise the commission on the regulation of
24 horse racing under this act but shall have no power in
25 administering the fund. Members of the advisory committee shall
26 not receive compensation or reimbursements for participation on
27 the committee. The committee shall consist of the following
28 members:

29 (1) Two members representing the Pennsylvania Horse
30 Breeders' Association.

1 (2) One member representing licensed racing entities.

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

4 (4) One member of the commission.

5 (f) Pennsylvania Horse Breeders' Association.--The
6 commission shall contract with the Pennsylvania Horse Breeders'
7 Association as the organization responsible for the registration
8 and records of thoroughbred racing horses sired in this
9 Commonwealth. The Pennsylvania Horse Breeders' Association shall
10 advise the commission when called upon and shall determine the
11 qualifications for thoroughbred racing horses sired in this
12 Commonwealth and Pennsylvania sires. Registration and records of
13 the association shall be official records of the Commonwealth
14 and shall be subject to the act of February 14, 2008 (P.L.6,
15 No.3), known as the Right-to-Know Law. At the close of each
16 calendar year, the Pennsylvania Horse Breeders' Association
17 shall submit to the commission for its approval an itemized
18 budget of projected expenses for the ensuing year relating to
19 the administration and development of the Pennsylvania Breeding
20 Fund Program. The commission shall reimburse the Pennsylvania
21 Horse Breeders' Association for those expenses actually incurred
22 in the administration and development of the Pennsylvania
23 Breeding Fund Program from the Pennsylvania Breeding Fund, no
24 more than on a quarterly basis. No more than 5% of the fund may
25 be utilized for administrative costs.

26 Section 227-A. Pennsylvania Sire Stakes Fund.

27 (a) Establishment.--There is created a restricted account in
28 the State Racing Fund to be known as the Pennsylvania Sire
29 Stakes Fund which shall consist of the money deposited under
30 section 225-A and which shall be administered by the commission.

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

3 (1) Sixty percent of the money remaining in the excess
4 fund account of the Pennsylvania Sire Stakes Fund at the end
5 of the calendar year in which this subsection is enacted
6 shall be distributed to licensed racing entities that conduct
7 standardbred horse race meetings to be used in the next
8 succeeding calendar year as purse money for Pennsylvania-
9 sired horses. The remaining 40% of the money in the excess
10 fund account at the end of the calendar year of the enactment
11 of this subsection, together with the interest earned on that
12 money, shall be distributed to licensed racing entities that
13 conduct standardbred horse race meetings to be used in the
14 next succeeding calendar year as purse money for
15 Pennsylvania-sired horses.

16 (2) After deduction of sufficient funds to cover the
17 commission's cost of administration, 80% of all remaining
18 money in the Pennsylvania Sire Stakes Fund at the end of the
19 calendar year shall be distributed to licensed racing
20 entities that conduct standardbred horse race meetings to be
21 used as purse money for Pennsylvania-sired horses. The
22 commission may allocate up to a total of 40% of the amount to
23 be distributed to licensed racing entities in a calendar year
24 for use for a series of championship final races at the
25 racetracks of licensed business entities that conduct
26 standardbred horse race meetings. The commission shall
27 distribute the money to these championship final races in an
28 equal amount for each sex, age and gait for two-year-old
29 trotters and pacers and three-year-old trotters and pacers
30 based on conditions establishing eligibility to these final

1 events. No pari-mutuel standardbred racetrack shall be
2 awarded more than 50% of the championship final races in any
3 calendar year. The commission shall schedule these final
4 events so as to evenly alternate classes at each racetrack
5 each year. After the allocation for the championship final
6 races has been determined, the remaining funds to be
7 distributed to licensed racing entities that conduct
8 standardbred horse race meetings shall be divided equally
9 among the licensed racing entities. Each licensed racing
10 entity shall divide the funds received equally for each of:

11 (i) four two-year-old races; one pace for colts, one
12 pace for fillies, one trot for colts and one trot for
13 fillies; and

14 (ii) four three-year-old races; one pace for colts,
15 one pace for fillies, one trot for colts and one trot for
16 fillies.

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

20 (d) Entry restriction.--Entry for these races shall be
21 limited to standardbred horses which were sired by a
22 standardbred stallion regularly standing in Pennsylvania and
23 each race shall be designated a Pennsylvania sire stakes race.
24 The commission shall adopt regulations as necessary to
25 administer the entry restriction.

26 Section 228-A. Fair fund proceeds.

27 (a) Distribution.--The Department of Agriculture shall
28 distribute money in the fair fund annually, on or before March
29 1, for reimbursement for each county agricultural society and
30 each independent agricultural society conducting standardbred

1 horse racing during its annual fair, other than races for two-
2 year-old colts and fillies and three-year-old colts and fillies,
3 an amount of money equal to that used during their annual fair
4 as purse money for standardbred horse racing, track and stable
5 maintenance, starting gate rental and the cost of all
6 standardbred horse racing officials required during their annual
7 fair. The reimbursement amount may not be more than \$13,000, a
8 minimum of \$4,000 of which must be used for purse money and the
9 balance of the allotment per fair, not used for purse money over
10 the minimum \$4,000 allotment, shall be used for the specific
11 purposes referenced above or otherwise the allotment shall be
12 retained in the fund.

13 (b) Inspection.--The Department of Agriculture shall
14 annually inspect each track facility at a county fair and advise
15 each operating fair about track maintenance which is necessary
16 to ensure adequate racing surface during the course of scheduled
17 fairs and racing events. If it is the opinion of the Department
18 of Agriculture that the fair society or event sponsor is not
19 adequately financing track maintenance, the Department of
20 Revenue shall surcharge the fair fund account of the fair
21 society or event sponsor to effectuate the remediation.

22 Section 229-A. Hearing.

23 An applicant, licensee, permittee or other person whose
24 application has been denied or whose license or permit has been
25 suspended, revoked or not renewed may request a hearing before
26 the commission. The provisions of 2 Pa.C.S. Chs. 5 Subch. A
27 (relating to practice and procedure of Commonwealth agencies)
28 and 7 Subch. A (relating to judicial review of Commonwealth
29 agency action) shall apply.

30 Section 230-A. Prohibition of wagering.

1 No commission member or employee of the commission shall
2 wager upon the outcome of any horse race conducted at or
3 simulcast to a track at which pari-mutuel wagering is conducted
4 by any licensed racing entity of the commission. No licensed
5 racing entity shall permit any person who is under 18 years of
6 age to wager at a horse race meeting conducted by the licensed
7 racing entity. No licensed racing entity shall permit any person
8 who is under 18 years of age to attend a horse race meeting
9 conducted by the licensed racing entity unless the person is
10 accompanied by a parent or guardian. This section shall not be
11 construed to prohibit persons under 18 years of age, who are
12 legally employed, from being upon the racetrack premises for the
13 sole purpose of engaging in the performance of their duties as
14 employees.

15 Section 231-A. Veterinarians and State stewards.

16 (a) General rule.--The commission shall have the authority
17 to employ or contract with licensed veterinarians, stewards and
18 other personnel deemed appropriate by the commission to serve at
19 each meeting conducted by a licensed racing entity. The
20 commission may employ or contract with other individuals as
21 shall be necessary to carry out the responsibilities of this
22 section.

23 (b) Costs and compensation.--The costs and compensation of
24 the horse racing veterinarians, State stewards and other
25 personnel shall be fixed and paid by the licensed racing entity.

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

1 the Pennsylvania Agricultural Fair Act.

2 Section 232-A. Promotions and discounts.

3 The commission may approve a licensed racing entity to issue
4 a free pass, card or badge for a special promotional program and
5 seasonal discount ticket program.

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

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

25 Section 234-A. Simulcasting.

26 (a) General rule.--The commission shall permit intrastate
27 simulcasting of live racing.

28 (b) Simulcast signal.--The simulcast signal shall be
29 encoded, and the racetrack receiving the simulcast signal may
30 not send the signal anywhere other than a public location

1 authorized under section 219-A.

2 (c) Forms of pari-mutuel wagering.--The forms of pari-mutuel
3 wagering described in section 225-A are allowed on a race to be
4 televised by simulcasting under this section.

5 (d) Regulations.--The commission may promulgate regulations
6 on wagering and the operation of horse racing.

7 (e) Computation of money wagered.--The money wagered by a
8 patron on a race must be computed in the amount of money wagered
9 each racing day for purposes of taxation under section 224-A.

10 (f) Thoroughbred and standardbred horse racetracks.--If a
11 simulcast is between a thoroughbred racetrack and a standardbred
12 racetrack, the commission has jurisdiction. An approval required
13 under this section must be received from the commission,
14 provided that if an agreement is not reached between the
15 organization representing the horsemen, the licensed racing
16 entity may petition a court of common pleas in the county in
17 which the licensed racing entity's racetrack is located. A court
18 of common pleas may direct the organization representing the
19 horsemen to approve the simulcast agreement upon good cause
20 shown by the licensed racing entity that failure to consent
21 would be detrimental to the racing industry in this
22 Commonwealth. The commission may authorize the simulcasting if
23 the simulcasting will have a significant value to the racing
24 industry in this Commonwealth.

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

28 Section 235-A. Commingling.

29 (a) Applicability.--This section is applicable only to
30 licensed racing entities that conduct thoroughbred racing.

1 (b) Race secretary.--The race secretary shall receive
2 entries and declarations as an agent for the licensed racing
3 entity for which the race secretary acts. The race secretary or
4 an individual designated by the licensed racing entity may
5 receive stakes, forfeits, entrance money, jockey fees and other
6 fees, purchase money in claiming races and other money that can
7 properly come into the race secretary's possession as an agent
8 for the licensed racing entity for which the race secretary or
9 designee is acting.

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

27 (1) thirty days prior to the expiration of the letter of
28 credit, the financial institution can elect not to renew the
29 letter of credit;

30 (2) upon an election under paragraph (1), the financial

1 institution must notify the designee of the organization that
2 represents a majority of the owners and trainers racing with
3 the licensed racing entity, by registered mail, return
4 receipt requested, of the election not to renew; and

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

7 Purse money earned by owners shall be deposited by the licensed
8 racing entity in the Horsemen's Account within 48 hours after
9 the result of the race in which the money was earned has been
10 declared official and the purse has been released by the
11 commission.

12 (d) Accounting.--A licensed racing entity shall designate
13 individuals authorized to receive and disburse funds from the
14 Horsemen's Account. Individuals designated under this subsection
15 shall be bonded to provide indemnity for malfeasance,
16 nonfeasance and misfeasance. A certified copy of the bond shall
17 be filed with the commission.

18 (e) Examination, access and records.--The Horsemen's Account
19 and the investment and deposit schedules relating to the account
20 are subject to examination, at reasonable times, by a designee
21 of the organization which represents a majority of the owners
22 and trainers racing with the licensed racing entity and by the
23 commission. The individual designated under subsection (d) shall
24 provide each owner with access, at reasonable times during a
25 racing day, to the amount of funds in the Horsemen's Account
26 credited to that owner. At the close of a horse race meeting,
27 the designated individual shall mail to each owner a record of
28 deposits, withdrawals and transfers affecting the amount of
29 funds in the Horsemen's Account credited to that owner.

30 (f) Auditing and monthly statements.--The Horsemen's Account

1 shall be audited annually and at any other time determined by
2 the commission. Monthly statements shall be provided to the
3 designee of the organization which represents a majority of the
4 owners and trainers racing with the licensed racing entity and
5 the commission.

6 (g) Interest.--Fifty percent of the money earned as interest
7 on funds in the Horsemen's Account shall be paid to the
8 organization that represents a majority of the owners and
9 trainers racing with the licensed racing entity on a weekly
10 basis. The amount is for the benefit of the horsemen as
11 determined by the organization that represents the majority of
12 the owners and trainers racing with the licensed racing entity.
13 The remaining 50% of the interest earned is for the benefit of
14 the licensed racing entity that has the responsibility to fund
15 the costs associated with the administration of the fund.

16 Interest each month must be earned in an amount equal to the
17 Federal Reserve Discount Rate on the first day of the month.

18 Section 236-A. Standardbred horse racing purse money.

19 A licensed racing entity that conducts standardbred racing
20 must place on deposit with the commission by March 1 of each
21 year an irrevocable letter of credit equivalent to its average
22 weekly purse total from the immediate prior year. The commission
23 shall hold the letter of credit in trust for the standardbred
24 horsemen racing at that licensed racing entity's horse race
25 meeting if the purse checks are not issued or insufficient funds
26 are available to cover the purse checks.

27 CHAPTER 2-B

28 ADVANCE DEPOSIT ACCOUNT WAGERING

29 Section 201-B. Definitions.

30 The following words and phrases when used in this chapter

1 shall have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 "Account." An account for advance deposit account wagering
4 with a specific identifiable record of deposits, wagers and
5 withdrawals established by an account holder and managed by the
6 licensed advance deposit account wagering entity.

7 "Account holder." An individual who successfully completed
8 an application and for whom the licensed advance deposit account
9 wagering entity has opened an account.

10 "Applicant." A person that has submitted an application for
11 a license under this act.

12 "Confidential information." Shall include all of the
13 following:

14 (1) The amount of money credited to, debited from,
15 withdrawn from or present in any particular account holder's
16 account.

17 (2) The amount of money wagered by a particular account
18 holder on any race or series of races.

19 (3) The account number and secure personal
20 identification code of a particular account holder.

21 (4) The identities of particular licensed racing entity
22 on which the account holder is wagering or has wagered.

23 (5) Unless otherwise authorized by the account holder,
24 the name, address and other information in the possession of
25 the licensed advance deposit account wagering entity that
26 would identify the account holder to anyone other than the
27 commission or the licensed advance deposit account wagering
28 entity.

29 "Nominal change in ownership." The sale, pledge,
30 encumbrance, execution of an option agreement or other transfer

1 of less than 5% of the equity securities or other ownership
2 interest of a partnership, association, corporation or entity
3 holding a license.

4 "Principal." All of the following individuals associated
5 with a partnership, trust association, limited liability company
6 or corporation:

7 (1) The chairman and all members of the board of
8 directors of a corporation.

9 (2) All partners of a partnership and all participating
10 members of a limited liability company.

11 (3) All trustees and trust beneficiaries of an
12 association.

13 (4) The president or chief executive officer and all
14 other officers, managers and employees who have policy-making
15 or fiduciary responsibility within the organization.

16 (5) All stockholders or other individuals who own, hold
17 or control, either directly or indirectly, 5% or more of
18 stock or financial interest in the collective organization.

19 (6) Any other employee, agent, guardian, personal
20 representative, lender or holder of indebtedness who has the
21 power to exercise a significant influence over the
22 applicant's or licensee's operation.

23 "Substantial change in ownership." The sale, pledge,
24 encumbrance, execution of an option agreement or another
25 transfer of 5% or more of the equity securities or other
26 ownership interest of a partnership, association, corporation or
27 entity holding a license.

28 "Telephone account wagering." A form of pari-mutuel wagering
29 where an individual may deposit money in an account at a track
30 and may place a wager by direct telephone call or by

1 communication through other electronic media owned by the holder
2 of the account to the track.

3 Section 202-B. License required to conduct advance deposit
4 account wagering.

5 (a) New applications.--A person, other than a licensed
6 racing entity engaged in telephone account wagering that offers
7 advance deposit account wagering to individuals within this
8 Commonwealth shall apply to the commission for a license under
9 this chapter. Deadlines for new license applications shall be as
10 follows:

11 (1) A person that offered advanced deposit account
12 wagering to residents of this Commonwealth prior to the
13 effective date of this chapter, shall apply to the commission
14 for a license by submitting a completed Initial/Renewal
15 License Application to Conduct Advance Deposit Account
16 Wagering form on or before 60 days after the effective date
17 of this chapter. Between the time that the license
18 application is submitted and the commission renders a
19 decision, the person may continue to operate. The commission
20 shall render a decision within 90 days of receipt of a
21 completed license application. The license shall be effective
22 upon approval of the commission.

23 (2) Any other person shall apply to the commission for a
24 license by submitting a completed Initial/Renewal License
25 Application to Conduct Advance Deposit Account Wagering form.
26 The license shall be effective, and the licensed advance
27 deposit account wagering entity may begin operations, upon
28 approval of the commission.

29 (b) Renewal applications.--A license to conduct advance
30 deposit account wagering shall be renewed every three years in

1 accordance with this chapter. A renewal application shall be
2 submitted on the Initial/Renewal License Application to Conduct
3 Advance Deposit Account Wagering form on or before September 1
4 of the preceding year. The commission shall render a decision on
5 the application on or before December 15 of the preceding year.
6 If approved, a renewal license shall be effective January 1.

7 (c) Information required.--If an applicant is unable to
8 provide the information required, the applicant shall fully
9 explain and document to the satisfaction of the commission, the
10 circumstances and shall provide the information promptly upon
11 being able to do so.

12 Section 203-B. Licensing costs and fees.--Costs and fees are as
13 follows:

14 (1) The applicant shall pay all costs incurred by the
15 commission in reviewing an application for an initial
16 license, including legal and investigative costs and the cost
17 of other necessary outside professionals and consultants in
18 accordance with the following:

19 (i) As an initial payment for these costs, the
20 applicant shall submit, along with a license application,
21 a cashier's check or certified check payable to the
22 commission in the amount of \$50,000.

23 (ii) Any portion of the payment not required to
24 complete the investigation shall be refunded to the
25 applicant within 20 days of the granting, withdrawal or
26 rejection of the initial license application.

27 (iii) To the extent additional costs will be
28 necessary, the applicant shall submit a cashier's check
29 or certified check payable to the commission in an amount
30 reasonably requested by the commission within 10 days of

1 receipt of the request. Failure to submit an additional
2 requested payment shall result in suspension of the
3 processing of the license application and may result in
4 denial of the license.

5 (2) An applicant for a renewal license shall pay all
6 reasonable costs incurred by the commission in reviewing a
7 renewal license, including legal and investigative costs and
8 the cost of other necessary outside professionals and
9 consultants in accordance with the following:

10 (i) The applicant shall submit a cashier's check or
11 certified check payable to the commission in an amount
12 reasonably requested by the commission within 10 days of
13 receipt of request.

14 (ii) Failure to submit the payment shall result in
15 suspension of the processing of renewing the license and
16 may result in denial of the license.

17 (3) The commission may waive the costs contained in
18 paragraphs (1) and (2), in whole or part if the applicant has
19 undergone a certification process or other investigative
20 review by a commission-approved industry or regulatory body.

21 (4) A license fee of \$500,000 shall be payable to the
22 commission upon issuance of the initial license. An annual
23 renewal license fee of \$500,000 shall be payable to the
24 commission. A license shall not be issued until receipt of
25 the license fee each year. The license fee shall be deposited
26 in the State Racing Fund.

27 (5) The commission shall track the additional costs
28 required to implement and enforce this chapter.

29 Section 204-B. License application procedures.

30 (a) Application for license.--An application for an initial

1 or renewal license shall be in the form and manner prescribed by
2 the commission in accordance with this chapter. The commission
3 may deny a license to an applicant that provides false or
4 misleading information on or omits material information from the
5 application. The application shall include all of the following:

6 (1) The applicant's legal name.

7 (2) The location of the applicant's principal office.

8 (3) The name, address and date of birth of each
9 principal with a five percent or greater share of ownership
10 or beneficial interest in the applicant.

11 (4) Audited financial statements for the last three
12 years or, if the applicant does not have audited financial
13 statements, financial and other pertinent information as
14 required by the commission to determine that the applicant is
15 financially capable of operating as a going concern and
16 protecting accounts.

17 (5) A detailed plan of how the advance deposit account
18 wagering system will operate. The commission may require
19 changes in the proposed plan of operations as a condition of
20 granting a license. There shall not be subsequent material
21 changes in the plan of operations unless ordered by the
22 commission or until approved by the commission after
23 receiving a written request.

24 (6) A list of all personnel processing wagers on races
25 made by residents of this Commonwealth. This list shall be
26 kept current and be provided to the commission upon request.

27 (7) Copies of all documents required under this
28 subsection by the commission.

29 (b) Review.--In reviewing an application, the commission may
30 consider any information, data, report, finding or other factor

1 available that it considers important or relevant to the
2 determination of whether the applicant is qualified to hold a
3 license, including all of the following:

4 (1) The integrity of the applicant and its principals,
5 including:

6 (i) Whether the applicant or its principals are
7 unsuitable.

8 (ii) Whether the applicant or its principals have
9 been a party to litigation over business practices,
10 disciplinary actions over a business license or refusal
11 to renew a license.

12 (iii) Whether the applicant or its principals have
13 been a party to proceedings in which unfair labor
14 practices, discrimination or violation of government
15 regulations pertaining to racing or gaming laws was an
16 issue or bankruptcy proceedings.

17 (iv) Whether the applicant or its principals have
18 failed to satisfy judgments, orders or decrees.

19 (v) Whether the applicant or its principals have
20 been delinquent in filing tax reports or remitting taxes.

21 (2) The quality of physical facilities and equipment.

22 (3) The financial ability of the applicant to conduct
23 advance deposit account wagering.

24 (4) The protections provided to safeguard accounts,
25 including a certification from the licensee's chief financial
26 officer that account funds will not be commingled with other
27 funds as required under this chapter.

28 (5) The management ability of the applicant and its
29 principals.

30 (6) Compliance of the applicant with applicable

1 statutes, charters, ordinances and administrative
2 regulations.

3 (7) The efforts of the applicant to promote, develop and
4 improve the horse racing industry in this Commonwealth.

5 (8) The efforts of the applicant to safeguard and
6 promote the integrity of pari-mutuel wagering in this
7 Commonwealth.

8 (9) The economic impact of the applicant upon the
9 Commonwealth.

10 Section 205-B. Oral presentation by applicant.

11 (a) Application.--The application presentation shall be in
12 accordance with all of the following:

13 (1) The commission may require an applicant to make an
14 oral presentation prior to the ruling in order to clarify or
15 otherwise respond to questions concerning the application as
16 a condition to the issuance or renewal of a license.

17 (2) The presentation shall be limited to the information
18 contained in the applicant's application and any supplemental
19 information relevant to the commission's determination of the
20 applicant's suitability.

21 (3) The admission as evidence of the supplemental
22 information shall be subject to the discretion of the
23 commission.

24 (b) Incomplete application.--If the commission deems an
25 applicant's application incomplete and does not accept it for
26 filing, the applicant shall not be entitled to make an oral
27 presentation.

28 Section 206-B. Additional information.

29 The commission may request additional information from an
30 applicant if the additional information would assist the

1 commission in deciding whether to issue or renew a license,
2 including all of the following:

3 (1) Copies of any documents used by the applicant in
4 preparing the application.

5 (2) A list of each contract between the applicant and a
6 third party related to operations. The commission may review
7 the contracts at any time upon request.

8 Section 207-B. Operations.

9 (a) Prior operations.--Before doing business in this
10 Commonwealth all of the following are required of a licensee:

11 (1) Be qualified to do business in this Commonwealth.

12 (2) Submit a copy of each document required to be filed
13 with the Department of Revenue and each document related to
14 an audit or investigation by any Federal, State or local
15 regulatory agency to the commission.

16 (3) Remit to the commission a copy of each document
17 required to be filed with any Federal, State or local
18 regulatory agency.

19 (b) Requirements.--

20 (1) A licensee shall submit quarterly reports to the
21 commission providing amounts wagered by residents in this
22 Commonwealth and amounts wagered on races in this
23 Commonwealth.

24 (2) A licensee shall enter into an agreement with each
25 licensed racing entity in this Commonwealth on whose races
26 the licensee offers advance deposit account wagering
27 regarding payment of host fees and any other applicable fees,
28 costs or payments of any kind to be paid to the licensed
29 racing entity. The licensed racing entity and the applicable
30 horseman's organization shall negotiate a separate agreement

1 for contributions to the purse account generated by advanced
2 deposit account wagering.

3 (3) A licensee shall not commingle account funds with
4 other funds.

5 (4) A licensee shall provide quarterly financial
6 statements to the commission for the first calendar year of
7 operation if the licensed racing entity does not have audited
8 financial statements for the last three years as referenced
9 in section 204-B(a)(4).

10 (5) A licensee shall use and communicate pari-mutuel
11 wagers to a totalisator licensed by the commission.

12 (6) A licensee shall operate and communicate with the
13 totalisator in such a way as not to provide or facilitate a
14 wagering advantage based on access to information and
15 processing of wagers by account holders relative to
16 individuals who wager at licensed racing entities or
17 simulcast facilities.

18 (7) All personnel processing wagers made by residents of
19 this Commonwealth shall be licensed in the jurisdiction where
20 they are located. If an individual is located in a
21 jurisdiction that is not a racing jurisdiction or that does
22 not require a license, that individual shall be licensed in
23 this Commonwealth.

24 (8) Accounts shall only be accepted in the name of an
25 individual and shall not be transferable. Only individuals
26 who have established accounts with a licensee may wager
27 through a licensee.

28 (9) Each account holder shall provide personal
29 information as the licensee and the commission require,
30 including all of the following:

- 1 (i) Name.
- 2 (ii) Principal residence address.
- 3 (iii) Telephone number.
- 4 (iv) Social Security number.
- 5 (v) Date of birth.
- 6 (vi) Other information necessary for account
- 7 administration.

8 (10) The information supplied by the account holder
9 shall be verified by the licensee using means acceptable to
10 the commission.

11 (11) The licensee shall provide each account holder a
12 secure personal identification code and password to be used
13 by the account holder to confirm the validity of every
14 account transaction.

15 (12) An employee or agent of the licensee shall not
16 disclose any confidential information except the following:

- 17 (i) To the commission.
- 18 (ii) To the account holder as required by this
- 19 chapter.
- 20 (iii) To the licensee and its affiliates.
- 21 (iv) To the licensed racing entity as required by
- 22 the agreement between the licensee and the licensed
- 23 racing entity.
- 24 (v) As otherwise required by law.

25 (13) The licensee shall provide each account holder a
26 copy of account holder rules and the terms of agreement and
27 other information and materials that are pertinent to the
28 operation of the account.

29 (14) The licensee may refuse to establish an account if
30 it is found that any of the information supplied is false or

1 incomplete or for any other reason the licensee deems
2 sufficient.

3 (15) Each account shall be administered in accordance
4 with the account holder rules and the terms of agreement
5 provided to account holders, including:

6 (i) Placing of wagers.

7 (ii) Deposits to accounts.

8 (iii) Credits to accounts.

9 (iv) Debits to accounts.

10 (v) Refunds to accounts.

11 (vi) Withdrawals from accounts.

12 (vii) Minimum deposit requirements.

13 (viii) Fees per wager.

14 (ix) Rebates.

15 (16) Each licensee shall have protocols in place and
16 shall publicize to its account holders when the wagers are
17 excluded from a host racetrack's wagering pool. These
18 protocols shall include an immediate electronic mail message
19 to affected account holders and immediate posting on the
20 licensee's publicly accessible Internet website.

21 (17) A licensee shall maintain complete records of the
22 application and the opening of an account for the life of the
23 account plus two additional years. A licensee shall also
24 maintain complete records of the closing of an account for
25 two years after closing. These records shall be provided to
26 the commission upon request.

27 (18) A licensee shall maintain complete records of all
28 transactions, including deposits, credits, debits, refunds,
29 withdrawals, fees, wagers, rebates and earnings for two
30 years. These records shall be provided to the commission upon

1 request.

2 (19) All wagering conversations, transactions or other
3 wagering communications, verbal or electronic, shall be
4 recorded by means of the appropriate electronic media and the
5 tapes or other records of the communications shall be kept by
6 the licensee for a period of two years. These tapes and other
7 records shall be made available to the commission upon
8 request.

9 (20) The recording of the confirmation of the
10 transaction, as reflected in the voice or other data
11 recording, shall be deemed to be the actual wager regardless
12 of what was recorded by the totalisator.

13 (21) A licensee shall not accept wagers if its recording
14 system is not operable.

15 (22) The commission may monitor the equipment and staff
16 and review the records of a licensee and any of the
17 transactions conducted by the licensee with regards to wagers
18 made by residents of this Commonwealth.

19 (23) A licensee may suspend or close any account for
20 violation of the account holder rules and the terms of
21 agreement or any other reason it deems sufficient, if the
22 licensee returns to the account holder all money then on
23 deposit within seven calendar days.

24 Section 208-B. Transfers of licenses.

25 A transfer of licenses shall be done in accordance with the
26 following:

27 (1) A license issued under this chapter shall not be
28 transferable or assignable.

29 (2) A substantial change in ownership in a licensee
30 shall result in termination of the license unless prior

1 written approval has been obtained from the commission. A
2 request for approval of a substantial change in ownership
3 shall be made on a form designated by the commission. Upon
4 receipt of all required information, the commission shall, as
5 soon as practicable, make a determination whether to
6 authorize and approve the substantial change in ownership.

7 (3) Notice of a nominal change in ownership shall be
8 filed with the commission within 15 days of the execution of
9 the documents upon which the proposed nominal change in
10 ownership will be based.

11 (4) For purposes of paragraph (3), notice is not
12 required for any of the following:

13 (i) A nominal change in ownership if the licensee is
14 a publicly traded corporation.

15 (ii) The transfer of an ownership interest in a
16 licensed racing entity, whether substantial or nominal,
17 direct or indirect, if by a publicly traded corporation,
18 and if the beneficial ownership transferred is acquired
19 by an individual who holds the voting securities of the
20 publicly traded corporation for investment purposes only.

21 (iii) A debt transaction of a publicly traded
22 corporation, unless the transaction results in the pledge
23 or encumbrance of the assets or any portion of the assets
24 of the licensed racing entity.

25 (5) Any attempt to effect a substantial change in
26 ownership under this section if not done so in writing shall
27 be considered void by the commission.

28 Section 209-B. Duration of license.

29 A license issued under this chapter shall be valid for the
30 three calendar years for which the license is issued.

1 Section 210-B. Penalties and enforcement.

2 All of the following apply:

3 (1) The commission shall have all of the rights, powers
4 and remedies necessary to carryout this chapter and to ensure
5 compliance with this chapter, including revocation,
6 suspension or modification of a license and the imposition of
7 fines.

8 (2) With respect to an individual or entity that offers
9 advanced deposit account wagering to residents of this
10 Commonwealth without a license issued by the commission, the
11 commission may take the measures deemed necessary, including
12 referral to the appropriate regulatory and law enforcement
13 authorities for civil action or criminal penalties.

14 Section 4. Section 301 of the act is amended to read:

15 Section 301. Mandatory requirements for medication rules.

16 (a) [The commissions shall have in effect at all times when]
17 When a licensed [corporation] racing entity conducts a horse
18 [racing] race meeting with pari-mutuel wagering the commission
19 shall have in effect rules or regulations to control the use and
20 administration of any medication and the use and administration
21 of any device that affects the performance of a race horse. The
22 [commissions may establish permitted tolerance levels and
23 therapeutic dose allowances for all medication to be used or
24 administered to a race horse.] commission shall adopt a
25 comprehensive schedule of equine drugs, medications, therapeutic
26 substances or metabolic derivatives which are authorized to be
27 administered to race horses, including tolerance levels and
28 therapeutic dose allowances. The commission shall consult with
29 the Pennsylvania Board of Veterinary Medicine, academic
30 institutes, associations representing the majority of the horse

1 owners and experts as necessary to develop the approved
2 schedule.

3 (b) The [commissions] commission shall establish in their
4 rules or regulations penalty provisions for the violation of
5 these rules or regulations.

6 Section 5. Section 302(a) and (c) of the act, amended May
7 16, 1986 (P.L.205, No.63), are amended to read:

8 Section 302. Establishment of the Pennsylvania Race Horse
9 Testing Program.

10 (a) There is hereby established the Pennsylvania Race Horse
11 Testing Program. The program shall be administered by [a
12 management committee composed of the two chairpersons of the
13 commissions, the Secretary of Agriculture and two persons
14 appointed by the Governor. One person appointed by the Governor
15 must be a doctor of veterinary medicine or a veterinary medical
16 doctor and a member of the faculty of a school of veterinary
17 medicine located within this Commonwealth and the other person
18 must be employed within the private sector and have a background
19 in biological and/or chemical laboratory management. The program
20 is placed in and made a part of the Department of Agriculture]
21 the commission in consultation with the associations
22 representing the majority of the horse owners. All costs of the
23 program shall be paid by the [commissions] appropriations
24 allocated under section 304. [Subject to all provisions of the
25 act of April 9, 1929 (P.L.177, No.175), known as "The
26 Administrative Code of 1929," that apply to the department, the
27 management committee shall appoint and direct all personnel as
28 necessary, establish a facility or contract for the provision of
29 testing services, acquire all necessary equipment and supplies
30 and adopt all necessary procedures.]

1 * * *

2 [(c) In order to evaluate the effectiveness of testing
3 services performed by personnel of the Department of Agriculture
4 and determine whether the manner in which these services are
5 provided, the tests utilized and tolerance levels permitted
6 should be modified, the commissions shall equally fund a
7 contracted evaluation of existing laboratory services to be
8 conducted by a nongovernmental entity with documented expertise
9 to accurately evaluate existing laboratory services and
10 formulate recommendations for improvement of the testing
11 program. Upon review of the evaluation results, the department
12 may implement in consultation with the management committee a
13 program to improve laboratory services, including, if necessary
14 and appropriate, the selection of a contractor or contractors to
15 provide testing services. This study shall be completed on or
16 before January 1, 1987, and copies provided to the Governor, the
17 President pro tempore of the Senate, the Speaker of the House of
18 Representatives and the members of the State Government
19 Committees of the Senate and the House of Representatives within
20 15 working days.]

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

22 Section 304. Costs of the enforcement of the medication rules
23 or regulations.

24 [All costs for the collection and testing samples for any
25 manner of medication shall be paid by the commissions.]

26 Annually, the commission shall issue a cost statement for the
27 actual cost of the collection and testing for medication. The
28 cost statement shall include the cost of equipment, supplies and
29 facilities, except holding barns or stables, to be located at
30 horse race meeting facilities, grounds or enclosures or at other

1 locations designated by the commission. The cost statement shall
2 be published in the Pennsylvania Bulletin. Notwithstanding any
3 other provisions of law to the contrary, the Department of
4 Revenue shall transfer to the commission from the Pennsylvania
5 Race Horse Development Fund on a weekly basis an amount equal to
6 the costs associated with testing under this section for the
7 prior week. Transfers made by the Department of Revenue pursuant
8 to this section shall be made prior to any distribution from the
9 Pennsylvania Race Horse Development Fund pursuant to section
10 1723-A.1 of the act of April 9, 1929 (P.L.343, No.176), known
11 as the Fiscal Code. Transfers made under this section shall not
12 exceed 5% of the total funds available in the Pennsylvania Race
13 Horse Development Fund.

14 Section 7. Notwithstanding any other law and no later than
15 180 days after the effective date of this section, the State
16 Horse Racing Commission and the State Harness Racing Commission
17 shall cease to exist and the powers and duties of the State
18 Horse Racing Commission and the State Harness Racing Commission
19 shall be transferred to the State Horse Racing Commission
20 established under this act. Prior to the transfer of the powers
21 and duties of the State Horse Racing Commission and the State
22 Harness Racing Commission to the State Horse Racing Commission,
23 the following shall apply:

24 (1) The following individuals shall be transferred to
25 and shall become employees of the State Horse Racing
26 Commission and their status as an employee of the Department
27 of Agriculture shall cease:

28 (i) An individual who is employed by the Department
29 of Agriculture and assigned to the State Horse Racing
30 Commission or the State Harness Racing Commission.

1 (ii) An individual who is employed by the Department
2 of Agriculture and whose duties substantially involve
3 licensing or enforcement, the development of laws or the
4 development or adoption of regulations or policy related
5 to horse racing under the act or who have other
6 discretionary authority which may affect the outcome of
7 an action, proceeding or decision under the act.

8 (2) Paragraph (1) shall not apply to any individual
9 assigned as legal counsel to a commission by the Office of
10 General Counsel or to human relations staff and
11 administrative staff of the Department of Agriculture not
12 permanently assigned to a commission but who provide support
13 to the commissions as requested.

14 (3) An individual transferred under paragraph (1) shall
15 remain a State employee for purposes of 71 Pa.C.S. Pt. XXV
16 and the individual's service shall be considered continual
17 and uninterrupted.

18 (4) Subject to the provisions of paragraph (10), on and
19 after the date of transfer to the State Horse Racing
20 Commission, a transferred employee shall be eligible for paid
21 holidays and the accrual of sick and annual leave and any
22 other leave in accordance with the policies of the
23 commission.

24 (5) Sick and annual leave accrued by a transferred
25 employee prior to the date of transfer shall be transferred
26 based upon the accrued sick and annual leave balances
27 credited to the transferred employee by the Department of
28 Agriculture as of the day immediately preceding the
29 transferred employee's date of transfer.

30 (6) The Department of Agriculture shall provide payment

1 to the State Horse Racing Commission for the accrued sick and
2 annual leave time transferred under paragraph (5). Within 30
3 days of the transfer of employees, the Department of
4 Agriculture shall provide in writing to the State Horse
5 Racing Commission all leave information requested by the
6 commission for employees transferred under paragraph (1).

7 (7) Subject to the provisions of paragraph (10), accrued
8 sick or annual leave which exceeds the maximum allowed by the
9 policies of the State Horse Racing Commission in effect on
10 the day immediately preceding the date of transfer and any
11 other leave may not be transferred and credited. The
12 Department of Agriculture shall provide a lump sum payment to
13 an individual transferred under paragraph (1) for sick or
14 annual leave and any other leave which is not transferred and
15 credited under this paragraph.

16 (8) Transferred employees and their dependents shall
17 continue to be eligible to:

18 (i) Receive medical plan benefits, supplemental
19 benefits and other benefits as determined by the trustees
20 of the Pennsylvania Employees Benefits Trust Fund.

21 (ii) Elect coverage upon retirement under the
22 Retired Employees Health Program.

23 (9) The Department of Agriculture shall be obligated and
24 required to provide a lump sum payment to the State Horse
25 Racing Commission to underwrite or offset the cost of accrued
26 Retired Employees Health Program and pension benefits.

27 (10) All collective bargaining agreements and memoranda
28 of understanding, including any side letters attendant to a
29 collective bargaining agreement and memoranda of
30 understanding, between the Commonwealth and an employee

1 organization covering employees transferred under paragraph
2 (1) shall remain in force and effect and binding upon the
3 State Horse Racing Commission. An employee transferred under
4 paragraph (1) who is covered by a collective bargaining
5 agreement or memorandum of understanding shall not be subject
6 to a reduction in salary, benefits or status derived from the
7 collective bargaining agreement or memorandum of
8 understanding as a result of the transfer.

9 (11) The Department of Agriculture shall submit a report
10 to the chairman and minority chairman of the Appropriations
11 Committee of the Senate and the chairman and minority
12 chairman of the Appropriations Committee of the House of
13 Representatives containing the expenditures for compensation
14 and related expenditures for individuals who are transferred
15 under this section.

16 Section 8. This act shall take effect as follows:

17 (1) The following provisions shall take effect
18 immediately:

19 (i) Section 201-A of the act.

20 (ii) This section.

21 (2) The remainder of this act shall take effect in 180
22 days.



Senate Agriculture and Rural Affairs Committee

Senator Elder Vogel Jr.

Chairman

Michael Rader, Executive Director

Senate Box 203047 • State Capitol Building • Harrisburg, PA 17120

Phone: 717-787-3076 • Fax: 717-772-2756

February 24, 2015

Amendment to Senate Bill: 352

Printers Number: 0259

Amendment Number: A00155

Prime Sponsor: VOGEL

SYNOPSIS

Amends the act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act, further providing for definitions; repealing provisions related to the state horse racing commission and state harness racing commission; and providing for racing oversight.

AMENDMENT SUMMARY

Inserts definitions of "person" and "horse race meeting".

Removes the commission as an "independent" administrative commission and places it with the Department of Agriculture to independently oversee horse racing.

Provides a nine member commission comprised of three gubernatorial, four legislative appointments, the Secretary of Agriculture and the Chairman of the Gaming Control Board. Requires gubernatorial appointees to be one veterinarian, one member each from a list submitted by thoroughbred and standardbred horsemen.

Provides for staggered terms.

Allows industry commission members to participate in racing and receive awards and purses.

Clarifies that the directors of racing are not supervised by the Department.

Provides clarifying language for the appropriation of funds for the oversight and enforcement of the act.

Removes provisions relating to transfer of employees as the commission will no longer be independent.

Other technical and clarifying changes.

CURRENT LAW

The Horse Race Industry Reform Act oversees the horse and harness racing in the Commonwealth.

LEGISLATIVE REFERENCE BUREAU

AMENDMENTS TO SENATE BILL NO. 352

Sponsor:

Printer's No. 259

1 Amend Bill, page 2, line 27, by striking out the bracket
2 before "Horse"

3 Amend Bill, page 2, line 28, by striking out the bracket
4 after "Harness"

5 Amend Bill, page 3, line 1, by striking out "201-A(c)" and
6 inserting

7 201-A(b)

8 Amend Bill, page 4, by inserting between lines 23 and 24

9 "Horse race meeting." A specified period and dates each year
10 during which a licensed racing entity is authorized to conduct
11 live racing or pari-mutuel wagering as approved by the
12 commission.

13 Amend Bill, page 4, by inserting between lines 28 and 29

14 "Immediate family." A spouse, parent, brother, sister or
15 child.

16 Amend Bill, page 6, by inserting between lines 14 and 15

17 "Person." Any natural person, corporation, foundation,
18 organization, business trust, estate, limited liability company,
19 license corporation, trust, partnership, limited liability
20 partnership, association or any other form of legal business
21 entity.

22 Amend Bill, page 83, line 6, by inserting after "State "

23 Horse

24 Amend Bill, page 83, line 7, by inserting after "State "

25 Horse

26 Amend Bill, page 83, line 8, by striking out "an independent

1 administrative commission to" and inserting

2 a commission within the Department of Agriculture to
3 independently

4 Amend Bill, page 83, line 9, by striking out "and" and
5 inserting a comma

6 Amend Bill, page 83, line 10, by inserting after "wagering "
7 and the promotion of horse racing

8 Amend Bill, page 83, lines 12 through 30; page 84, lines 1
9 through 4; by striking out all of said lines on said pages and
10 inserting

11 (b) Membership.--The commission shall consist of the
12 following members:

13 (1) Three members appointed by the Governor as follows:

14 (i) One member shall be a licensed veterinarian.

15 (ii) One member shall be selected from a list of
16 recommendations submitted to the Governor from each
17 standardbred horsemen's organization.

18 (iii) One member shall be selected from a list of
19 recommendations submitted to the Governor from each
20 thoroughbred horsemen's organization.

21 (2) One member appointed by each of the following:

22 (i) The President pro tempore of the Senate.

23 (ii) The Minority Leader of the Senate.

24 (iii) The Speaker of the House of Representatives.

25 (iv) The Minority Leader of the House of
26 Representatives.

27 (3) The Secretary of Agriculture or the secretary's
28 designee.

29 (4) The chairman of the Pennsylvania Gaming Control
30 Board or the chairman's designee.

31 Amend Bill, page 84, line 5, by striking out "(3)" and
32 inserting

33 (5)

34 Amend Bill, page 84, line 16, by striking out "(4)" and
35 inserting

36 (6)

37 Amend Bill, page 84, line 16, by striking out "and" and
38 inserting a comma

1 Amend Bill, page 84, line 17, by inserting after

2 "commissioners"

3 , employees and independent contractors

4 Amend Bill, page 84, line 25, by inserting after "official"

5 , except commissioners appointed under subsection (b)
6 (3) and (4),

7 Amend Bill, page 85, line 3, by striking out "(1)(ii) and
8 (iii)" and inserting

9 (1)(i)(B) and (C)

10 Amend Bill, page 85, line 25, by inserting after "of"

11 a commissioner,

12 Amend Bill, page 85, lines 26 through 28, by striking out

13 "For purposes of this paragraph, the term" in line 26 and all of
14 lines 27 and 28

15 Amend Bill, page 86, line 2, by striking out "facility" and
16 inserting

17 entity

18 Amend Bill, page 86, line 4, by striking out "member" and
19 inserting

20 commissioner

21 Amend Bill, page 86, lines 6 and 7, by striking out "the
22 executive director of the commission" and inserting

23 each director established under subsection (d)(2)

24 Amend Bill, page 86, line 8, by striking out "member" and
25 inserting

26 commissioner

27 Amend Bill, page 86, lines 13 through 15, by striking out

28 "For purposes of this paragraph, the term" in line 13 and all of
29 lines 14 and 15

30 Amend Bill, page 86, line 20, by striking out "facility" and

1 inserting

2 entity

3 Amend Bill, page 87, lines 1 through 3, by striking out "For
4 purposes of this" in line 1 and all of lines 2 and 3

5 Amend Bill, page 87, line 15, by striking out "(1)(ii) and
6 (iii)" and inserting

7 (1)(i)(B) and (C)

8 Amend Bill, page 87, lines 29 and 30, by striking out "and
9 except for a" in line 29 and all of line 30

10 Amend Bill, page 88, line 8, by inserting after "employment."

11 Nothing in this section shall be construed to
12 prohibit a commissioner appointed under paragraph (1)(i)
13 (B) and (C) from being awarded a purse or breeders' award
14 for the commissioner's participation in horse racing.

15 Amend Bill, page 90, lines 11 through 16, by striking out the
16 colon in line 11 and all of lines 12 through 16 and inserting
17 an immediate family member.

18 Amend Bill, page 90, line 28, by striking out "(1)(ii) and
19 (iii)" and inserting

20 (1)(i)(B) and (C)

21 Amend Bill, page 90, line 30, by inserting after "a"

22 horse

23 Amend Bill, page 91, line 2, by striking out "(5)" and
24 inserting

25 (7)

26 Amend Bill, page 91, line 4, by striking out "(6)" and
27 inserting

28 (8)

29 Amend Bill, page 91, line 8, by striking out "(7)" and
30 inserting

31 (9)

1 Amend Bill, page 91, by inserting between lines 12 and 13

2 (b.1) Initial appointments to commission.--

3 (1) Gubernatorial appointees initially appointed under
4 subsection (b)(1) shall serve an initial term of one, two and
5 three years respectively as designated by the Governor at the
6 time of appointment and until their successors are appointed
7 and qualified.

8 (2) An appointment to fill a vacancy created by a
9 commissioner appointed in accordance with paragraph (1) shall
10 be for the remainder of the unexpired term.

11 (b.2) Terms of office.--Upon the expiration of a term of a
12 member appointed under subsections (b) and (b.1), the following
13 shall apply:

14 (1) The term of office of a gubernatorial appointee
15 shall be three years and until a successor is appointed and
16 qualified.

17 (2) The term of office of a legislative appointee shall
18 be two years and until a successor is appointed and
19 qualified.

20 (3) A legislative appointee shall serve no more than
21 three full consecutive terms.

22 (4) A gubernatorial appointee shall serve no more than
23 two full consecutive terms.

24 (5) An appointment to fill a vacancy shall be for the
25 remainder of the unexpired term.

26 (6) A commissioner appointed to fill a vacancy under
27 paragraph (3) may serve three full terms following the
28 expiration of the term related to the vacancy.

29 (7) A commissioner appointed to fill a vacancy under
30 paragraph (4) may serve two full terms following the
31 expiration of the term related to the vacancy.

32 Amend Bill, page 91, line 13, by striking out "(c.1)" and
33 inserting

34 (c)

35 Amend Bill, page 91, line 15, by striking out "(c.2)" and
36 inserting

37 (c.1)

38 Amend Bill, page 91, line 17, by striking out "Commissioners"
39 and inserting

40 Except for commissioners appointed under subsection (b)(3)
41 and (4), commissioners

42 Amend Bill, page 91, line 19, by striking out "(c.3)" and

1 inserting

2 (c.2)

3 Amend Bill, page 91, lines 24 through 30; page 92, lines 1
4 through 30; page 93, lines 1 through 6; by striking out all of
5 said lines on said pages

6 Amend Bill, page 93, line 16, by inserting after "The"
7 commission by a super majority vote shall select and
8 employ an independent Director of the

9 Amend Bill, page 93, lines 17 through 19, by striking out
10 "shall each have a" in line 17, all of line 18 and "this act."
11 in line 19 and inserting

12 to serve and report to the commission. The directors of
13 each bureau shall not be supervised by the Department of
14 Agriculture. The commission shall assign the directors duties
15 and responsibilities as required to fulfill the commission's
16 obligations under this or any other act.

17 Amend Bill, page 93, line 22, by striking out "Have" and
18 inserting

19 Has

20 Amend Bill, page 93, line 23, by inserting after "entity"
21 or equivalent racing experience

22 Amend Bill, page 93, line 27, by inserting after "a"
23 thoroughbred

24 Amend Bill, page 93, line 27, by striking out "harness" and
25 inserting

26 standardbred horse

27 Amend Bill, page 95, line 6, by striking out "four of five"
28 and inserting

29 six of nine

30 Amend Bill, page 95, line 9, by striking out "a" and
31 inserting

32 an occupational

1 Amend Bill, page 97, line 13, by striking out "Eighteen" and
2 inserting

3 Twelve

4 Amend Bill, page 100, line 20, by striking out "ensure" and
5 inserting

6 direct and oversee

7 Amend Bill, page 100, line 22, by striking out "rider" and
8 inserting

9 jockey

10 Amend Bill, page 100, lines 26 through 30; page 101, lines 1
11 through 3; by striking out all of said lines on said pages and
12 inserting

13 The commission shall annually submit a budget request to the
14 Secretary of the Budget in accordance with the provisions
15 contained in section 610 of the act of April 9, 1929 (P.L.177,
16 No.175), known as The Administrative Code of 1929, consisting of
17 amounts to be appropriated from the State Racing Fund, the
18 Pennsylvania Race Horse Development Fund or the General Fund to
19 administer and enforce this act and for the promotion of horse
20 racinq. The commission shall transmit a copy of its budget
21 request concurrently to the chairman and minority chairman of
22 the Appropriations Committee of the Senate and the chairman and
23 minority chairman of the Appropriations Committee of the House
24 of Representatives.

25 Amend Bill, page 101, lines 5 and 6, by striking out "that
26 holds a license issued under this act"

27 Amend Bill, page 102, lines 7 and 8, by striking out "
28 representing a majority of horse owners and trainers" and
29 inserting

30 and the licensed entity

31 Amend Bill, page 103, lines 3 and 4, by striking out "
32 representing a majority of horse owners and trainers"

33 Amend Bill, page 104, line 4, by striking out "racinq" and
34 inserting

1 race meetings

2 Amend Bill, page 104, line 9, by striking out "racing" and
3 inserting

4 race meeting

5 Amend Bill, page 107, line 12, by striking out "may" and
6 inserting

7 , except as provided for under subsection (a) (4), shall

8 Amend Bill, page 107, line 26, by striking out "members" and
9 inserting

10 commissioners

11 Amend Bill, page 107, line 27, by striking out "members" and
12 inserting

13 commissioners

14 Amend Bill, page 109, line 22, by striking out "or hearing
15 officer"

16 Amend Bill, page 109, line 24, by striking out "or hearing
17 officer"

18 Amend Bill, page 110, line 2, by striking out "or hearing
19 officer"

20 Amend Bill, page 110, line 9, by striking out "or hearing
21 officer"

22 Amend Bill, page 110, lines 17 through 20, by striking out
23 all of lines 17 through 19 and "(7)" in line 20 and inserting

24 (6)

25 Amend Bill, page 110, line 26, by striking out "(8)" and
26 inserting

27 (7)

28 Amend Bill, page 111, lines 7 and 8, by striking out all of
29 said lines

1 Amend Bill, page 111, line 18, by inserting after "the"
2 commission and reimbursed by the

3 Amend Bill, page 111, line 20, by striking out "Licenses" and
4 inserting
5 Occupational licenses

6 Amend Bill, page 115, line 18, by inserting after
7 "suspension."

8 The commission or its director may grant a supersedeas, if
9 requested, pending a final resolution of the matter.

10 Amend Bill, page 117, line 14, by striking out "person" and
11 inserting

12 racinq entity

13 Amend Bill, page 118, line 3, by striking out "race at a
14 meet" and inserting

15 horse race meeting

16 Amend Bill, page 118, line 5, by striking out "meet" and
17 inserting

18 horse race meeting

19 Amend Bill, page 118, lines 5 through 7, by striking out
20 "For" in line 5 and all of lines 6 and 7

21 Amend Bill, page 118, line 14, by inserting after "the" where
22 it occurs the first time

23 racetrack

24 Amend Bill, page 118, line 14, by striking out "of the
25 racetrack"

26 Amend Bill, page 118, line 21, by inserting after "or"

27 racetrack

28 Amend Bill, page 119, line 12, by striking out "commission"
29 and inserting

30 licensed racing entity

1 Amend Bill, page 119, line 13, by inserting after "a "

2 horse

3 Amend Bill, page 123, line 18, by striking out "beginning

4 January 1, 2017,"

5 Amend Bill, page 124, line 26, by inserting after "the "

6 where it occurs the first time

7 horse

8 Amend Bill, page 125, line 3, by inserting after "the " where

9 it occurs the second time

10 horse

11 Amend Bill, page 125, line 4, by inserting after "the " where

12 it occurs the second time

13 horse

14 Amend Bill, page 125, line 10, by inserting after "a "

15 horse

16 Amend Bill, page 125, lines 12 and 13, by striking out

17 "representing a majority of owners and trainers at its

18 racetrack"

19 Amend Bill, page 125, line 29, by striking out "representing

20 a majority of owners and trainers"

21 Amend Bill, page 126, line 2, by inserting after "the "

22 horse

23 Amend Bill, page 126, line 19, by striking out "representing

24 a majority of the owners and trainers"

25 Amend Bill, page 127, line 16, by inserting after "Fund."

26 All money deposited in the fund, except money deposited in
27 restricted accounts, shall be annually appropriated by the
28 General Assembly for the administration and enforcement of this
29 act and for the oversight and promotion of horse racing in this
30 Commonwealth.

31 Amend Bill, page 128, line 8, by striking out "corporations"

1 and inserting

2 racing entity

3 Amend Bill, page 128, line 27, by striking out "through the
4 Department of Revenue"

5 Amend Bill, page 129, lines 1 and 2, by striking out ", for
6 appropriation for the promotion of horse racing"

7 Amend Bill, page 137, line 1, by striking out "commission
8 member" and inserting

9 commissioner

10 Amend Bill, page 137, line 4, by striking out "of" and
11 inserting

12 regulated by

13 Amend Bill, page 137, lines 26 and 27, by striking out
14 "Department of Agriculture" and inserting

15 commission

16 Amend Bill, page 139, lines 10 through 25, by striking out
17 all of lines 10 through 24 and "(g)" in line 25 and inserting

18 (f)

19 Amend Bill, page 143, line 11, by striking out "act" and
20 inserting

21 chapter

22 Amend Bill, page 145, line 6, by striking out "telephone
23 account" and inserting

24 electronic

25 Amend Bill, page 145, line 30, by striking out "every three
26 years" and inserting

27 annually

28 Amend Bill, page 147, line 22, by striking out "An annual"
29 and inserting

30 A

1 Amend Bill, page 156, lines 21 through 24, by striking out
2 all of said lines

3 Amend Bill, page 156, lines 29 and 30, by striking out "the
4 three calendar years" and inserting
5 one calendar year

6 Amend Bill, page 158, line 2, by inserting after "schedule."
7 The adoption and amendment of medication rules established
8 under this section shall take effect no later than 30 days after
9 notification has been made to the associations representing the
10 majority of the horse owners.

11 Amend Bill, page 159, lines 26 through 30; page 160, lines 1
12 through 11; by striking out all of lines 26 through 30 on page
13 159, all of lines 1 through 10 and "asAthe Fiscal Code." in line
14 11 on page 160 and inserting

15 Each year, the General Assembly shall authorize the transfer
16 of funds from the Pennsylvania Race Horse Development Fund to
17 the State Racing Fund to provide for the actual cost of
18 collection and testing for medication, which shall include the
19 cost of necessary personnel, equipment, supplies and facilities,
20 except holding barns or stables to be located at horse race
21 facilities, grounds or enclosures or at other locations
22 designated by the commission. The transfer shall be made in
23 monthly installments during the fiscal year before any other
24 distribution from the Pennsylvania Race Horse Development Fund.

25 Amend Bill, page 160, lines 14 through 30; pages 161 and 162,
26 lines 1 through 30; page 163, lines 1 through 15; by striking
27 out all of said lines on said pages and inserting

28 Section 7. The Department of Agriculture's provision of any
29 shared administrative services, shared staff and shared
30 facilities to the commission shall be reimbursed from the State
31 Racing Fund and shall be limited to actual costs of providing
32 the services, staff and facilities, including salaries, benefits
33 and expenses of employees providing the shared administrative
34 services. The Department of Agriculture shall retain records
35 regarding any administrative shared service provided to the
36 commission by a departmental employee.

37 Amend Bill, page 163, line 21, by striking out " 180" and
38 inserting

