

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1589 Session of 2015

INTRODUCED BY CAUSER, ADOLPH, BAKER, BOBACK, CUTLER, DUSH, ELLIS, EMRICK, FEE, GREINER, HAHN, A. HARRIS, HEFFLEY, HENNESSEY, HICKERNELL, JAMES, KAUFFMAN, M. K. KELLER, MARSICO, MASSER, MENTZER, MILLARD, PICKETT, RAPP, REED, SAYLOR, SONNEY, WARD, EVERETT, WATSON, ROSS AND GROVE, FEBRUARY 5, 2016

REFERRED TO COMMITTEE ON AGRICULTURE AND RURAL AFFAIRS, FEBRUARY 5, 2016

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
 2 as amended, "An act relating to the finances of the State
 3 government; providing for the settlement, assessment,
 4 collection, and lien of taxes, bonus, and all other accounts
 5 due the Commonwealth, the collection and recovery of fees and
 6 other money or property due or belonging to the Commonwealth,
 7 or any agency thereof, including escheated property and the
 8 proceeds of its sale, the custody and disbursement or other
 9 disposition of funds and securities belonging to or in the
 10 possession of the Commonwealth, and the settlement of claims
 11 against the Commonwealth, the resettlement of accounts and
 12 appeals to the courts, refunds of moneys erroneously paid to
 13 the Commonwealth, auditing the accounts of the Commonwealth
 14 and all agencies thereof, of all public officers collecting
 15 moneys payable to the Commonwealth, or any agency thereof,
 16 and all receipts of appropriations from the Commonwealth,
 17 authorizing the Commonwealth to issue tax anticipation notes
 18 to defray current expenses, implementing the provisions of
 19 section 7(a) of Article VIII of the Constitution of
 20 Pennsylvania authorizing and restricting the incurring of
 21 certain debt and imposing penalties; affecting every
 22 department, board, commission, and officer of the State
 23 government, every political subdivision of the State, and
 24 certain officers of such subdivisions, every person,
 25 association, and corporation required to pay, assess, or
 26 collect taxes, or to make returns or reports under the laws
 27 imposing taxes for State purposes, or to pay license fees or
 28 other moneys to the Commonwealth, or any agency thereof,
 29 every State depository and every debtor or creditor of the

1 Commonwealth," in additional special funds, further providing
2 for distributions from the Pennsylvania Racehorse Development
3 Fund; and providing for allocations from the Pennsylvania
4 Racehorse Development Restricted Receipt Account.

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

7 Section 1. Section 1723-A.1 of the act of April 9, 1929
8 (P.L.343, No.176), known as The Fiscal Code, amended July 10,
9 2014 (P.L.1053, No.126), is amended to read:

10 Section 1723-A.1. Distributions from Pennsylvania Race Horse
11 Development Fund.

12 Funds in the fund are appropriated to the department on a
13 continuing basis for the purposes set forth in this subsection
14 and shall be distributed to each active and operating Category 1
15 licensee conducting live racing as follows:

16 (1) An amount equal to 18% of the daily gross terminal
17 revenue of each Category 1 licensee shall be distributed to
18 each active and operating Category 1 licensee conducting live
19 racing unless the daily assessments are affected by the daily
20 assessment cap provided for in 4 Pa.C.S. § 1405(c) (relating
21 to Pennsylvania Race Horse Development Fund). In cases in
22 which the daily assessment cap affects daily assessments, the
23 distribution to each active and operating Category 1 licensee
24 conducting live racing for that day shall be a percentage of
25 the total daily assessments paid into the fund for that day
26 equal to the gross terminal revenue of each active and
27 operating Category 1 licensee conducting live racing for that
28 day divided by the total gross terminal revenue of all active
29 and operating Category 1 licensees conducting live racing for
30 that day. Except as provided in paragraphs (2) and (2.1), the
31 distributions to licensed racing entities from the fund shall
32 be allocated as follows:

1 (i) Eighty percent shall be deposited weekly into a
2 separate, interest-bearing purse account to be
3 established by and for the benefit of the horsemen. The
4 earned interest on the account shall be credited to the
5 purse account. Licensees shall combine these funds with
6 revenues from existing purse agreements to fund purses
7 for live races consistent with those agreements with the
8 advice and consent of the horsemen.

9 (ii) For thoroughbred tracks, 16% shall be deposited
10 on a monthly basis into the Pennsylvania Breeding Fund as
11 defined in section 223 of the Race Horse Industry Reform
12 Act. For standardbred tracks, 8% shall be deposited on a
13 monthly basis in the Pennsylvania Sire Stakes Fund as
14 defined in section 224 of the Race Horse Industry Reform
15 Act, and 8% shall be deposited on a monthly basis into a
16 restricted account in the State Racing Fund to be known
17 as the Pennsylvania Standardbred Breeders Development
18 Fund. The State Harness Racing Commission shall, in
19 consultation with the Secretary of Agriculture, by rule
20 or by regulation, adopt a standardbred breeders program
21 that will include the administration of the Pennsylvania
22 Stallion Award, the Pennsylvania Bred Award and the
23 Pennsylvania Sired and Bred Award.

24 (iii) Four percent shall be used to fund health and
25 pension benefits for the members of the horsemen's
26 organizations representing the owners and trainers at the
27 racetrack at which the licensed racing entity operates
28 for the benefit of the organization's members, their
29 families, employees and others in accordance with the
30 rules and eligibility requirements of the organization,

1 as approved by the State Horse Racing Commission or the
2 State Harness Racing Commission. This amount shall be
3 deposited within five business days of the end of each
4 month into a separate account to be established by each
5 respective horsemen's organization at a banking
6 institution of its choice. Of this amount, \$250,000 shall
7 be paid annually by the horsemen's organization to the
8 thoroughbred jockeys or standardbred drivers organization
9 at the racetrack at which the licensed racing entity
10 operates for health insurance, life insurance or other
11 benefits to active and disabled thoroughbred jockeys or
12 standardbred drivers in accordance with the rules and
13 eligibility requirements of that organization.

14 (2) Distributions from the fund shall be allocated as
15 follows:

16 (i) For fiscal years 2013-2014 and 2014-2015, each
17 week, \$802,682 in the fund shall be transferred to the
18 account. This transfer shall not exceed \$17,659,000
19 annually.

20 (i.1) In addition to the transfer under subparagraph
21 (i), for a total of 14 weeks from the effective date of
22 this subparagraph, each week, \$300,000 shall be
23 transferred from the fund, for a total amount of
24 \$4,200,000, to the State Racing Fund to be used
25 exclusively for the enforcement of the act of December
26 17, 1981 (P.L.435, No.135), known as the Race Horse
27 Industry Reform Act. Moneys transferred pursuant to this
28 subparagraph shall not be transferred subsequently to any
29 other State fund or account for any purpose.

30 (i.2) (A) For fiscal year 2015-2016, each week,

1 beginning on the effective date of this subparagraph
2 and ending on June 30, 2016, an amount in the fund
3 equal to the amount as determined under clause (ii)
4 shall be transferred to the account. The transfer
5 shall not exceed \$25,759,000 annually.

6 (B) Within five days of the effective date of
7 this subparagraph, the Secretary of the Budget shall
8 do all of the following:

9 (I) Determine the number of weeks in which
10 deposits from the fund to the account under this
11 subparagraph may be made.

12 (II) Divide the amount of \$25,759,000 by the
13 number determined under subclause (I).

14 (III) Notify the Majority and Minority
15 Chairmen of the Appropriations Committee of the
16 Senate and the Majority and Minority Chairmen of
17 the Appropriations Committee of the House of
18 Representatives of the amount determined under
19 this subclause.

20 (ii) Each week, the money remaining in the fund
21 after any transfer under subparagraphs (i) [and], (i.1)
22 and (i.2) shall be distributed to each active and
23 operating Category 1 licensee conducting live racing in
24 accordance with the following formula:

25 (A) Divide:

26 (I) the total daily assessments paid, by
27 each active and operating Category 1 licensee
28 conducting live racing, into the fund for that
29 week; by

30 (II) the total daily assessments paid, by

1 all active and operating Category 1 licensees
2 conducting live racing, into the fund for that
3 week.

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

6 (iii) The distribution under subparagraph
7 (ii) shall be allocated as follows:

8 (A) The greater of 4% of the amount to be
9 distributed under subparagraph (ii) or \$220,000 shall
10 be used to fund health and pension benefits for the
11 members of the horsemen's organizations representing
12 the owners and trainers at the racetrack at which the
13 licensed racing entity operates for the benefit of
14 the organization's members, their families, employees
15 and others in accordance with the rules and
16 eligibility requirements of the organization, as
17 approved by the State Horse Racing Commission or the
18 State Harness Racing Commission. This amount shall be
19 deposited within five business days of the end of
20 each week into a separate account to be established
21 by each respective horsemen's organization at a
22 banking institution of its choice. Of this amount, a
23 minimum of \$250,000 shall be paid annually by the
24 horsemen's organization to the thoroughbred jockeys
25 or standardbred drivers organization at the racetrack
26 at which the licensed racing entity operates for
27 health insurance, life insurance or other benefits to
28 active and disabled thoroughbred jockeys or
29 standardbred drivers in accordance with the rules and
30 eligibility requirements of that organization. The

1 total distribution under this clause in any fiscal
2 year shall not exceed \$11,400,000.

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

6 (I) Eighty-three and one-third percent of
7 the money to be distributed under this clause
8 shall be deposited on a weekly basis into a
9 separate, interest-bearing purse account to be
10 established by and for the benefit of the
11 horsemen. The earned interest on the account
12 shall be credited to the purse account. Licensees
13 shall combine these funds with revenues from
14 existing purse agreements to fund purses for live
15 races consistent with those agreements with the
16 advice and consent of the horsemen.

17 (II) For thoroughbred tracks, 16 and 2/3% of
18 the money to be distributed under this clause
19 shall be deposited on a weekly basis into the
20 Pennsylvania Breeding Fund established in section
21 223 of the Race Horse Industry Reform Act. For
22 standardbred tracks, 8 and 1/3% of the money to
23 be distributed under this clause shall be
24 deposited on a weekly basis into the Pennsylvania
25 Sire Stakes Fund as defined in section 224 of the
26 Race Horse Industry Reform Act; and 8 and 1/3% of
27 the money to be distributed under this clause
28 shall be deposited on a weekly basis into a
29 restricted account in the State Racing Fund to be
30 known as the Pennsylvania Standardbred Breeders

1 Development Fund. The State Harness Racing
2 Commission shall, in consultation with the
3 Secretary of Agriculture, promulgate regulations
4 adopting a standardbred breeders program that
5 will include the administration of the
6 Pennsylvania Stallion Award, the Pennsylvania
7 Bred Award and the Pennsylvania Sired and Bred
8 Award.

9 Section 2. The act is amended by adding a section to read:

10 Section 1724-A.1. Allocations from Pennsylvania Race Horse
11 Development Restricted Receipt Account.

12 (a) General rule.--Except as provided under subsection (b),
13 money transferred to the Pennsylvania Race Horse Development
14 Restricted Receipt Account each fiscal year shall only be used
15 as appropriated by the General Assembly.

16 (b) Exception.--For the 2015-2016 fiscal year, money in the
17 account shall be distributed as follows:

18 (1) Nineteen and forty-one hundredths percent shall be
19 transferred to the State Farm Products Show Fund.

20 (2) Twenty and seventy-seven hundredths percent is
21 hereby appropriated to the Department of Agriculture, upon
22 approval of the Governor, for use by the Animal Health
23 Commission.

24 (3) Twenty and sixty-one hundredths percent is hereby
25 appropriated to the Department of Agriculture, upon approval
26 by the Governor, for use by the Pennsylvania Veterinary
27 Laboratory System.

28 (4) Fifteen and fifty-three hundredths percent is hereby
29 appropriated to the Department of Agriculture, upon approval
30 by the Governor, for use for payments to the Pennsylvania

1 fairs.

2 (5) Twenty-three and sixty-eight hundredths percent
3 shall be transferred to the State Racing Fund.

4 Section 3. This act shall take effect immediately.