

pleas of the thirty-eighth judicial district to serve until the first Monday of January, 1970.

Section 4. This act shall take effect January 1, 1968.

APPROVED—The 6th day of December, A. D. 1967.

RAYMOND P. SHAFER

No. 331

AN ACT

SB 829

Providing for and regulating thoroughbred horse racing with pari-mutuel wagering on the results thereof, creating the State Horse Racing Commission as an independent administrative commission and defining its powers and duties; providing for the establishment and operation of thoroughbred horse racing plants; imposing taxes on revenues of such plants; disposing of all moneys received by the commission and all moneys collected from the taxes; authorizing penalties; and making appropriations.

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

Section 1. State Horse Racing Commission.—The State Horse Racing Commission is hereby established as an independent administrative commission, and it shall have general jurisdiction over all pari-mutuel thoroughbred horse racing activities in the State and the corporations engaged therein. For the purposes of this act, "thoroughbred horse racing" shall mean that form of horse racing in which each participating horse is mounted by a jockey and engages in races on the flat but does not include a steeplechase or hurdle race. Such commission shall consist of three members who shall be appointed by the Governor, by and with the advice and consent of the Senate. The Governor shall designate one of the members as chairman of the commission. The chairman of such commission shall hold office for a term of three years, and the other two members shall hold office for terms of one and two years respectively as designated by the Governor. Thereafter their successors shall be appointed for a full term of three years. Such commissioners shall receive no salary but shall be reimbursed for expenses incurred in the performance of their official duties. The commission shall appoint such deputies, secretaries, officers, representatives and counsel as it may deem necessary, who shall serve during its pleasure, and shall also appoint such employes it may deem necessary and whose duties shall be prescribed by the commission and whose compensation shall be fixed by the commission within the appropriations available therefor. It shall be

the duty of the secretary to keep a full and faithful record of the proceedings of such commission, preserve at the general office of such commission all books, maps, documents, and papers entrusted to his care, prepare for service such papers and notices as may be required of him by the commission, and perform such other duties as the commission may prescribe. It shall be the duty of the secretary to keep, at the offices of the commission, a docket setting forth the names of all stockholders in all corporations licensed under this act, the number of shares held by each such stockholder, and the date on which each shareholder acquired his stock in the corporate licensee. Such docket shall be open for public inspection. The commission, or such officers, employes or agents of the commission as may be designated by the commission for such purpose, shall have the power to administer oaths and examine witnesses, and may ¹ issue subpoenas to compel attendance of witnesses, and the production of all relevant and material reports, books, papers, documents, correspondence, and other evidence. Such commission shall, annually, by March 1, make a full report to the Governor of its proceedings for the preceding calendar year and such suggestions and recommendations as it shall deem desirable.

Section 2. General Powers of State Horse Racing Commission.—

(a) Pursuant to the provisions of this act, the State Horse Racing Commission shall have power to supervise generally all thoroughbred horse race meetings in this State at which pari-mutuel betting is conducted. The commission may adopt rules and regulations not inconsistent with this act to carry into effect its purposes and provisions and to prevent circumvention or evasion thereof.

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

(1) The State Horse Racing Commission shall have power to fix minimum and maximum charges for admission to thoroughbred horse race meetings at which pari-mutuel betting is conducted, but such minimum charges shall not be less than fifty cents (50¢) for general admission, exclusive of taxes: Provided, That the commission shall have power to fix the charge for admission of soldiers, sailors and marines, in uniform, at one-half of the amount fixed for such admission generally under authority of this section, whether or not such one-half of the amount fixed is less than the minimum prescribed therein.

(2) The State Horse Racing Commission shall prescribe rules and regulations for effectually preventing the use of improper devices, the administration of drugs or stimulants, or other improper acts for the purpose of affecting the speed of horses in races in which they are about to participate.

(3) The rules of the commission shall also provide that all winning

¹ "issued" in original.

pari-mutuel tickets must be presented for payment before April first of the year following the year of their purchase and failure to present any such ticket within the prescribed period of time shall constitute a waiver of the right to participate in the award or dividend. After April first of the year following, all licensees will forward to the State Treasurer all funds so held for such uncashed tickets.

Section 3. Incorporation.—Any number of persons, not less than five, may incorporate for the purpose of conducting thoroughbred horse race meetings at which pari-mutuel betting will be conducted, with all the general powers of corporations created under the laws of this State, by making, signing, acknowledging and filing with the Department of State a certificate which shall contain:

- (1) The name of the proposed corporation.
- (2) The objects for which it is to be formed and the location at which it is proposed to conduct its business.
- (3) The amount and description of the capital stock.
- (4) The location of its principal business office.
- (5) Its duration, which may be forever.
- (6) The number of its directors, not less than five nor more than thirteen.
- (7) The names and post office addresses of the directors for the first year.
- (8) The post office addresses of the subscribers and a statement of the number of shares of stock which each agrees to take in the corporation.

Each such certificate shall be accompanied by the fees, bonus and taxes required by law in the case of corporations organized under the "Business Corporation Law" of 1933.

No corporation organized pursuant to this act shall have or be given the right or power to conduct any thoroughbred horse race meet pursuant to this act, except on obtaining a license from the commission and at the location designated in its certificate of incorporation as the place at which it was proposed to conduct its business: Provided, That this restriction shall not apply to any such corporation whose racing plant or the usefulness thereof or of any material part thereof, in the discretion of the commission, shall, for any reason beyond the control of such corporation, be totally destroyed or so substantially interfered with or damaged as to render same unfit for continued operation. Pending the rebuilding or restoration of its usefulness, or the making of the required repairs to said plant or the part thereof so destroyed or damaged, the State Horse Racing Commission may license such corporation to conduct its thoroughbred horse racing meetings at any other suitable location.

Section 4. Filing of Information Concerning Stock Transfers; Necessity for Commission's Approval.—(a) Whenever a transfer of stock of any corporation which is licensed under this act, or of any

corporation which leases to such licensee the track at which it conducts pari-mutuel thoroughbred horse races or which owns twenty-five percent or more of the stock of such licensee shall be made, there shall be filed, simultaneously, with the corporation which issued such stock the following:

(1) In duplicate, an affidavit executed by the transferee stating that he is to be the sole beneficial owner thereof, and ¹ whether or not he: (i) has been convicted of a crime involving moral turpitude, (ii) has been engaged in bookmaking or other forms of illegal gambling, (iii) has been found guilty of any fraud or misrepresentation in connection with racing or breeding, (iv) has been guilty of any violation or attempt to violate any law, rule or regulation of any racing jurisdiction, for which suspension from racing might be imposed in such jurisdiction, or (v) has violated any rule, regulation or order of the commission. If the transferee is not, or is not to be, the sole beneficial owner thereof, then there shall be annexed to said affidavit of the transferee, and expressly stated in such affidavit to be deemed a part thereof, a true and complete copy of all terms of the agreement pursuant to which the stock is to be so held by the transferee, including a detailed statement of the interest therein of each person who is to have any interest therein; and

(2) In duplicate, an affidavit executed by each person for whom the said stock, or any interest therein, is to be held by said transferee, setting forth whether or not the affiant (i) has been convicted of a crime involving moral turpitude, (ii) has engaged in bookmaking or other forms of illegal gambling, (iii) has been found guilty of any fraud or misrepresentation in connection with racing or breeding, (iv) has been guilty of any violation or attempt to violate any law, rule or regulation of any racing jurisdiction, for which suspension from racing might be imposed in such jurisdiction, or (v) has violated any rule, regulation or order of the commission. To each of such affidavits shall be annexed, and expressly stated in such affidavit to be deemed a part thereof, a true and complete copy of all the terms of the agreement ² pursuant to which stock is to be so held by the transferee, including a detailed statement of the interest therein of each person who is to have any interest therein. Said corporation shall forthwith file with the commission one of each of said duplicate affidavits.

(b) If, after the filing of any ³ affidavit hereinabove required to be filed, there shall be any change in the status of any such affiant with respect to any of the matters set forth in clause (1) of subsection (a) of the affidavit theretofore filed by him, such affiant shall forthwith file with the corporation with which his affidavit was so filed a new

¹ "wehther" in original.

² "pursuant" not in original.

³ "daffidavit" in original.

affidavit, executed by him in duplicate, setting forth such change of status, and the corporation shall forthwith file one of said affidavits with the commission.

(c) Whenever any change shall be made in the amount, nature, or otherwise, of the interest of any person having an interest in stock of any such corporation, or any new interest shall be created therein, without a transfer thereof as hereinabove provided, the record owner of such stock, and each person whose interest therein has been so attempted to be changed or created, shall file with the corporation which issued such stock, in duplicate, affidavits as provided by clauses (1) and (2) of subsection (a) of this section, except that such affidavits need not include the matter referred to in subsection (a) unless then required pursuant to subsection (b) of this section, and one copy thereof shall forthwith be filed by the corporation with the commission.

(d) If the commission determines that it is inconsistent with the public interest, convenience, or necessity, or with the best interest of racing generally, that any person continue to be a stockholder of record, or the beneficial owner of any interest in stock standing in the name of another in any corporation licensed under this act, or of any corporation which leases to such licensee the track at which it conducts pari-mutuel thoroughbred horse racing or which owned twenty-five percent or more of the stock of such licensee, the commission shall have full power and authority to order or direct each such stockholder or beneficial owner to dispose of his stock or interest therein within a period of time to be specified by the commission, which period the commission shall have full power and authority to extend from time to time.

(e) If the commission shall make any order or direction as provided in subsection (d) of this section, the person aggrieved thereby shall be given notice of the time and place of a hearing before the commission, at which the commission will hear such person in reference thereto. The action of the commission in making any such order or direction shall be reviewable in the Court of Common Pleas of Dauphin County.

Section 5. Pari-Mutuel Betting at Thoroughbred Horse Races.—No more than four corporations shall be licensed by the State Horse Racing Commission in any one year to conduct a pari-mutuel meet or meets. No corporation licensed to conduct harness racing with pari-mutuel wagering under and pursuant to the act of December 22, 1959 (P. L. 1978), as amended, shall be licensed to conduct thoroughbred horse racing with pari-mutuel wagering pursuant to this act. No corporation shall be licensed to conduct thoroughbred horse racing for more than one hundred days in any calendar year. Said pari-mutuel betting conducted at such meeting shall be under the general supervision and control of the State Horse Racing Commission which shall make rules regulating the conduct of such pari-mutuel betting in accordance with the provisions of this act. The Department of

Revenue is charged with the financial administration of pari-mutuel betting as prescribed in this act and as supplemented by the rules and regulations of the State Horse Racing Commission. The Department of Revenue shall have authority to prescribe the forms and the system of accounting to be employed, and through its representatives shall, at all times, have power of access to, and examination of, any equipment relating to such betting.

Section 6. State Admission Tax.—(a) Every corporation holding a thoroughbred horse race meeting pursuant to this act shall collect, in addition to the admission price of tickets sold or otherwise disposed of, for each such meeting held by such corporation, a tax equivalent to fifteen percent of such admission price, or fifteen cents (15¢) whichever is greater, which tax is hereby imposed. In case of failure to collect such tax, the same shall be imposed upon the corporation holding the race meeting. Such tax shall be paid to the Department of Revenue within ten days of collection. The amounts so collected shall be paid into the State Treasury to the credit of the State Horse Racing Fund. Before any corporation liable to pay the tax hereby imposed shall hold any race meeting, or exercise any of the powers conferred by this act, it or he shall pay all taxes theretofore due, and shall file a statement with the Department of Revenue containing the name of the place and stating the time when such races are to be held.

Nothing in this section shall apply to a race meeting conducted by any state, county, or other agricultural association.

(b) The Department of Revenue shall have the power to examine, or cause to be examined, the books and records of the corporation so conducting any such thoroughbred horse race meeting, and may hear testimony and take proofs and material for its information therefrom, or from any other data which shall be satisfactory to it. The Department of Revenue may order and state an account for the tax due the State, together with the expense of such examination. A penalty of five percent and interest at the rate of one percent per month from the due date to the date of payment of the tax shall be payable in case any tax imposed by this section is not paid when due.

Section 7. Licenses for Thoroughbred Horse Racing Meetings.—

(a) Any corporation desiring to conduct thoroughbred horse race meetings at which pari-mutuel betting shall be permitted may apply to the State Horse Racing Commission for a license to do so. If, in the judgment of the State Horse Racing Commission, the public interest, convenience or necessity will be served thereby and a proper case for the issuance of such license is shown consistent with the purposes of this act and the best interests of racing generally, it may grant such license for a term ending not later than the fifteenth day of November next succeeding the granting thereof, specifying dates and hours during which, and the place where, the licensee may operate. Any license so issued may be renewed upon application.

(b) Every such license shall be issued upon condition:

(1) That every thoroughbred horse race meeting at which pari-

mutuel betting is conducted shall be subject to the supervision of and to the reasonable rules and regulations from time to time prescribed by the State Horse Racing Commission, and

(2) That pari-mutuel betting conducted thereunder shall also be subject to the supervision of and to the reasonable regulations from time to time prescribed by the Department of Revenue. Any such license may also be issued upon any other condition that the State Horse Racing Commission shall determine to be necessary or desirable to insure that the public interest, convenience or necessity is served.

(c) Applications for licenses shall be in such form as may be prescribed by the commission and shall contain such information or other material or evidence as the commission may require. The term "racing week" shall not include Sunday, and no racing shall be authorized or permitted on that day.

(d) In considering an application for a license under this section, the State Horse Racing Commission may give consideration to the number of licenses already granted. No such license shall be granted to any track located within ten miles of a state, county or other political subdivision fair conducting thoroughbred horse racing unless the association, corporation, society, political subdivision or state agency conducting such fair shall affirmatively waive objection to the issuance of such license for dates within such period.

(e) The commission may refuse to grant a license to a corporation, if it shall determine that:

(1) Any officer, director, member or stockholder of such corporation applying for a license or of any corporation which owns stock in or shares in the profits, or participates in the management of the affairs of such applicant, or which leases to such applicant the track where it shall operate: (i) has been convicted of a crime involving moral turpitude, (ii) has engaged in bookmaking or other forms of illegal gambling, (iii) has been found guilty of any fraud or misrepresentation in connection with racing or breeding, (iv) has been guilty of any violation or attempt to violate any law, rule or regulation of any racing jurisdiction, for which suspension from racing might be imposed in such jurisdiction, (v) has violated any rule, regulation or order of the commission.

(2) The experience, character, or general fitness of any officer, director, or stockholder of any of the aforesaid corporations is such that the participation of such person in thoroughbred horse racing or related activities would be inconsistent with the public interest, convenience or necessity or with the best interests of racing generally, but if the commission determines that the interest of any stockholder referred to in this clause or in clause (1) of this subsection is sufficient, in the opinion of the commission, to affect adversely the conduct of pari-mutuel thoroughbred horse racing by such corporation in accordance with the provisions of this act, the commission may disregard such interest in determining whether or not to grant a license to such corporation.

(3) The applicant is not the owner or the lessee of the track at which it will conduct pari-mutuel thoroughbred racing pursuant to the license applied for, or that any person, firm, association, or corporation other than the applicant shares, or will share, in the profits of the applicant, other than by dividends as a stockholder, or participates, or will participate, in the management of the affairs of the applicant.

(f) The commission shall also have power to refuse to grant a license:

(1) To any corporation, the charter or certificate of incorporation of which shall fail to contain a provision requiring any stockholder, upon written demand of the corporation, to sell his stock to the corporation at a price to be fixed by the commission, provided such demand be made pursuant to written direction of the commission, and from and after the date of the making of such demand prohibiting the transfer of such certificate of stock except to the corporation.

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

(g) Pending final determination of any question under this section, the commission may issue a temporary license upon such terms and conditions as it may deem necessary, desirable or proper to effectuate the provisions of this act.

(h) The commission shall have power to direct that every certificate of stock of a corporation licensed under the provisions of this act shall bear a legend, plainly and prominently imprinted upon the face of the certificate, reading: "This certificate of stock is transferable only subject to the provisions of the Pennsylvania Thoroughbred Horse Racing Law."

Section 8. Shareholders.—(a) Each licensee shall provide the commission with a complete list of all its stockholders, indicating the number of shares held by each shareholder.

(b) It shall be the duty of each licensee, within ten days after any transfer of stock in such licensee, to notify the State Horse Racing Commission of such transfer.

(c) Each certificate of stock issued by a licensee shall have noted on the face thereof that the person whose name is indicated as the owner of the shares of stock represented by such certificate is the sole and absolute owner thereof, and that he is not holding the shares of stock or any portion of the shares of stock represented by said certificate in trust for any person, partnership, firm or corporation whatsoever, who or which is prohibited by this act from owning such shares of stock. If any of the shares of stock represented by a certificate of stock are held subject to the terms of either an inter vivos or testamentary trust for the benefit of any person who could lawfully own such stock in his own name, such fact shall be so noted on the face of the certificate and a copy of the instrument which created the trust shall be

attached thereto. A duplicate copy of the instrument which created the trust shall be filed with the commission.

(d) No property rights shall exist in any shares of stock of any licensee which are held in trust contrary to the provisions of this section and the same shall be forfeited to the Commonwealth of Pennsylvania, after reasonable notice, and upon hearing and proof thereof in any suit instituted by the Attorney General of Pennsylvania in the Court of Common Pleas of Dauphin County. Upon it being established that such stock is subject to forfeiture by legal adjudication as herein provided, the State Horse Racing Commission shall sell such forfeited stock, at public sale, upon proper notice, to the highest public bidder. The proceeds from such sale shall be deposited in the General Fund of the Commonwealth of Pennsylvania.

(e) As used in this section, the term "licensee" shall mean any association or corporation which holds any license from the State Horse Racing Commission, or any firm, association or corporation which owns or leases to any licensed association or corporation a race track at which pari-mutuel racing is conducted, or any firm, association or corporation which participates in the management of any association or corporation which holds any license from the commission.

(f) The provisions of this section shall be in effect in addition to the provisions of section 4 of this act.

Section 9. Prohibition of Interest by Public Officers, Public Employes and Party Officers in Pari-mutuel Racing Activities.—(a) No public officer, public employe or party officer shall:

(1) Hold any license from the State Horse Racing Commission; or

(2) Own or hold, directly or indirectly, any proprietary interest, stock or obligation of any firm, association or corporation (i) which is licensed by such commission to conduct pari-mutuel racing, or (ii) which is licensed to conduct its occupation, trade or business at race tracks at which pari-mutuel race meets are conducted, or (iii) which owns or leases to any licensed association or corporation a race track at which pari-mutuel racing is conducted, or (iv) which participates in the management of any licensee conducting pari-mutuel racing; or

(3) Hold any office or employment with any firm, association or corporation specified in clause (2) of this section; or

(4) Sell (or be a member of a firm or own ten percent or more of the stock of any corporation which sells) any goods or services to any firm, association or corporation specified in clause (2) of this section.

The provisions of clause (3) of this subsection (a) shall not apply to a public employe of a political subdivision (other than a police officer or paid employe of a police department, sheriff's office, district attorney's office or other law enforcement agency) whose compensation is less than six thousand dollars (\$6000) per annum: Provided, That such employment of employes of a political subdivision may be prohibited by ordinance, resolution or local law adopted by the local legislative body or other governing board of such political subdivision.

(b) Notwithstanding any other provision of law and in addition to any other cause of removal provided by law, a knowing and wilful violation of this section shall be cause for removal from public office, public employment or party office. In any such case, such public officer, public employe or party officer, violating this section, shall be removed from office by appropriate authority having the power of removal or at the suit of the Attorney General.

(c) As used in this section, the following terms shall mean and include:

(1) "Public officer." Every person elected to any public office of the Commonwealth or any political subdivision thereof.

(2) "Public employe." Every person employed by the Commonwealth or any political subdivision thereof.

(3) "Party officer." The following members or officers of any political party: (i) a member of a National committee, (ii) a chairman, vice-chairman, secretary, treasurer or counsel of a State committee or member of the executive committee of a State committee, (iii) a county chairman, vice-chairman, counsel, secretary or treasurer of a county committee, (iv) a city chairman, vice-chairman, counsel, secretary or treasurer of a city committee.

(d) The State Horse Racing Commission shall have the power to refuse to grant or to revoke or suspend a license of any firm, association or corporation which aids or knowingly permits or conspires to permit any public officer, public employe or party officer to acquire or retain any interest prohibited by this section.

Section 10. Officials at Thoroughbred Horse Race Meetings.—At all thoroughbred horse race meetings licensed by the State Horse Racing Commission in accordance with the provisions of this act, qualified stewards, judges and starters shall be approved by the commission. Such officials shall enforce the rules and regulations of the State Horse Racing Commission and shall render regular written reports of the activities and conduct of such race meetings to the State Horse Racing Commission. The compensation of such judges and starters shall be fixed by the State Horse Racing Commission and paid by the corporation conducting such race meeting.

Section 11. License for Participants and Employes of Thoroughbred Horse Race Meetings.—(a) For the purpose of maintaining a proper control over thoroughbred horse race meetings conducted pursuant to this act, the State Horse Racing Commission may license trainers, jockeys and such other persons participating in thoroughbred horse race meets, as the commission may by rule prescribe, including, if the commission deems it necessary to do so, owners and some or all persons exercising their occupation or employed at thoroughbred horse race meets. The State Horse Racing Commission may, by rule, fix the license fees to be paid by persons or corporations so licensed: Provided, That such occupational license fees so fixed shall not exceed five dollars (\$5), which fees shall be paid to the commis-

sion and by it paid into the State Treasury through the Department of Revenue and credited to the State Horse Racing Fund. All such licenses unless revoked for cause, shall be for the period ending December thirty-first of the year in which the same shall be issued. The application shall be in such form and contain such information as the commission may require.

(b) If the State Horse Racing Commission shall find that the experience, character and general fitness of the applicant are such that the participation of such person in thoroughbred horse race meets will be consistent with the public interest, convenience and necessity, and with the best interests of racing generally in conformity with the purposes of this act, it may thereupon grant a license.

Without limiting the generality of the foregoing, the commission may refuse to issue a license pursuant to this section, if it shall find that the applicant:

- (1) Has been convicted of a crime involving moral turpitude.
- (2) Has engaged in bookmaking or other form of illegal gambling.
- (3) Has been found guilty of any fraud or misrepresentation in connection with racing, or breeding.
- (4) Has been found guilty of any violation or attempt to violate any law, rule or regulation of racing in any jurisdiction, for which suspension from racing might be imposed in such jurisdiction.
- (5) Has violated any rule, regulation or order of the commission.

The commission may suspend or revoke a license issued pursuant to this section, if it shall determine that:

(1) The applicant or licensee (i) has been convicted of a crime involving moral turpitude, (ii) has engaged in bookmaking or other form of illegal gambling, (iii) has been found guilty of any fraud in connection with racing or breeding, (iv) has been guilty of any violation or attempt to violate any law, rule or regulation of any racing jurisdiction for which suspension from racing might be imposed in such jurisdiction, or (v) who has violated any rule, regulation or order of the commission.

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

(c) Pending final determination of any question under this section, the commission may issue a temporary license upon such terms and conditions as it may deem necessary, desirable or proper to effectuate the provisions of this act.

Section 12. Power of State Horse Racing Commission to Impose Fines and Penalties.—In addition to its power to suspend or revoke licenses granted by it, the State Horse Racing Commission is hereby authorized and empowered to impose fines upon any corporation, association, or person participating in any way in any thoroughbred horse race meet at which pari-mutuel betting is conducted, other than as a

patron, and whether licensed by the commission or not, for a violation of any provision of this act or the rules promulgated by the commission pursuant thereto, not exceeding five thousand dollars (\$5000) for each violation, which fines shall be paid into the State Treasury through the Department of Revenue and credited to the General Fund. The action of the commission in imposing any monetary fine shall be subject to appeal to the Court of Common Pleas of Dauphin County and as approved by that court, or if no appeal is taken, then as imposed, may be collected in an action of assumpsit.

Section 13. Refunds.—Moneys received by the commission pursuant to this act may, within one year from the receipt thereof, be refunded, to the party for whose account the same were received, on proof satisfactory to the commission that:

(1) Such moneys were in excess of the amount required by law.

(2) The license for which application was made has been refused by the commission.

(3) Such moneys were received as a fine and the commission has, after review, reduced the amount of such fine.

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

Such refunds shall, upon approval by the commission and after approval by the Board of Finance and Revenue, be paid from any moneys in the State Horse Racing Fund and as much of such moneys as may be necessary from time to time is hereby appropriated for that purpose.

Section 14. Place and Manner of Conducting Pari-mutuel Betting.—Any corporation licensed to conduct pari-mutuel betting at a thoroughbred horse race meeting shall provide a place or places within race meeting grounds or enclosure, at which such licensee shall conduct the pari-mutuel system of betting by its patrons on the result of the thoroughbred horse races at such meetings. Such licensee shall cause to be erected a sign or board upon which shall be displayed the approximate straight odds on each horse in any race; the value of a two dollar (\$2) winning mutuel ticket, straight, place or show on the first three horses in the race; the elapsed time of the race; the value of a two dollar (\$2) winning daily double ticket, if a daily double be conducted, and any other information that the State Horse Racing Commission may deem necessary for the guidance of the general public. The commission may prescribe, by rule, the type and kind of equipment to be used for the display of the foregoing information or any part thereof.

Section 15. Books and Records of Pari-mutuel Betting.—Every corporation, conducting thoroughbred horse race meetings at which pari-mutuel betting is authorized, shall keep its books and records so as to clearly show by separate record the total amount of money contributed to every pari-mutuel pool, including daily double pools, if any. The Department of Revenue or its duly authorized representa-

tive shall, at all reasonable times, have access to all such books and records for the purpose of examining and checking the same and ascertaining whether or not the proper amount or amounts due to the State of Pennsylvania are being paid by such licensed corporation.

Section 16. Filing of Certain Agreements with the State Horse Racing Commission.—Every corporation licensed to conduct thoroughbred horse race meetings at which pari-mutuel betting is permitted shall promptly after entering any lease agreement concerning any concession, labor management relation, the hiring of designated classes of officers, employes, or contractors specified by the commission, or any such other contract, agreement or arrangements as the State Horse Racing Commission may from time to time prescribe, file with the State Horse Racing Commission a true and correct copy, or an accurate summary, if oral, thereof.

Section 17. Disposition of Pari-mutuel Pools.—Every corporation authorized under this act to conduct pari-mutuel betting at a thoroughbred horse race meeting on races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets be presented for payment before April first of the year following the year of their purchase, less fifteen percent of the total deposits plus the breaks and as to thoroughbred horse race meetings held within school districts of the first class, less seventeen percent of the total deposits plus the breaks. At the close of each racing day, the permit holder out of the amount retained on said day by said permit holder, shall pay, through the Department of Revenue into the State Treasury for credit to the State Horse Racing Fund, a tax of five percent of the amount wagered each day, which tax is hereby imposed and as to thoroughbred horse race meetings held within school districts of the first class the permit holder shall pay the school district in which the thoroughbred horse race meeting is held a tax of two percent of the amount wagered each day, which tax is hereby imposed for general school purposes.

In addition, each permit holder shall be allowed to retain the odd cents of all redistribution to be made on all mutuel contributions exceeding a sum equal to the next lowest multiple of ten, subject to a tax of fifty percent of the total sum of such odd cents, which tax is hereby imposed and shall be paid by the permit holder at the close of each racing day to the Department of Revenue for credit to the State Horse Racing Fund.

Section 18. Disposition and Appropriation of Funds Accruing under the Provisions of this Act.—(a) All moneys paid into the State Treasury under the provisions of this act shall be paid into a special fund hereby created and to be known as the State Horse Racing Fund.

(b) As much as may be necessary of such moneys is hereby appropriated to pay:

(1) The salaries of employes of the commission employed by or for it in accordance with the provisions of the act of April 9, 1929 (P. L.

177), known as "The Administrative Code of 1929," and its amendments.

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

(3) To pay all other expenses incurred by the commission in administering this act.

(c) The balance of all moneys remaining in the State Horse Racing Fund and not required for payments under subsection (b) shall be paid into the General Fund.

Section 19. Revocation of License.—The State Horse Racing Commission may revoke or suspend a license for the conduct of thoroughbred horse race meetings at which pari-mutuel betting is conducted:

(1) For any cause which would permit or require its refusal to issue a license, or

(2) If it shall determine that the corporation, to which such license shall have been issued, or its officers or directors fail to conduct racing at its track, including pari-mutuel betting on the races thereat, in accordance with the terms and conditions of such license, the rules of such commission or of the Department of Revenue, or the provisions of this act, or if such corporation or its officers or directors shall knowingly permit on its grounds or within the enclosure of its race track, lotteries, pool selling or bookmaking, or any other kind of gambling, in violation of this act or of the act of June 24, 1939 (P. L. 872), known as "The Penal Code."

Section 20. Hearing of Refusal or Revocation of License.—If the State Horse Racing Commission shall refuse to grant a license applied for under this act, or shall revoke or suspend such a license granted by it, the applicant or licensee may demand, within ten days after notice of the said act of the commission, a hearing before the commission and the commission shall give prompt notice of a time and place for such hearing at which the commission will hear such applicant or licensee in reference thereto. Pending such a hearing and final determination thereon, the action of the commission in refusing to grant or in revoking or suspending a license shall remain in full force and effect. The commission may continue such hearing from time to time for the convenience of any of the parties. Any of the parties affected by such hearing may be represented by counsel, and the commission shall be represented by the Attorney General, or a deputy attorney general. In the conduct of such hearing, the commission shall not be bound by technical rules of evidence, but all evidence offered before the commission shall be reduced to writing, and such evidence, together with the exhibits, if any, and the findings of the commission shall be permanently preserved and shall constitute the record of the commission in such case. In connection with such hearing, the commission shall have the power to administer oaths and examine witnesses, and may issue subpoenas to compel attendance of witnesses,

and the production of all material and relevant reports, books, papers, documents, correspondence and other evidence. The commission may, if occasion shall require, by order, refer to one or more of its officers the duty of taking testimony in such matter, and to report thereon to the commission, but no determination shall be made therein except by the commission. Within thirty days after the conclusion of such hearing, the commission shall make a final order in writing, setting forth the reasons for the action taken by it and a copy thereof shall be served on such applicant or licensee, as the case may be. The action of the commission in refusing to grant a license or in revoking or suspending a license shall be reviewable by the Court of Common Pleas of Dauphin County as provided in the act of June 4, 1945 (P. L. 1388), known as the "Administrative Agency Law."

Section 21. Approval of Plans of Corporation.—The State Horse Racing Commission shall not grant to a corporation hereafter formed pursuant to this act a license to conduct a thoroughbred horse race meeting at which pari-mutuel betting may be conducted within the State, until such corporation shall have submitted to the ¹ commission a statement of the location of its proposed grounds and race track, together with a plan of such track and plans of all buildings, seating stands, and other structures, in such form as the commission may prescribe, and such plans shall have been approved by the commission.

Section 22. Prohibition of Wagering by Certain Officials, Employees and Minors; Prohibition of Attendance by Minors.—No commissioner, secretary, deputy, officer, representative, employe or counsel of the commission shall bet upon the outcome of any thoroughbred horse race conducted at a track at which pari-mutuel betting is conducted by any licensee of the commission, and no corporation which is licensed under this act shall permit any person who is actually and apparently under twenty-one years of age to bet at or attend a thoroughbred horse race meeting conducted by it. This section shall not be construed to prohibit persons under twenty-one years of age, who are legally employed, from being in and upon the race track premises for the purpose solely of engaging in the performance of their duties as employes. The State Horse Racing Commission shall, by rule, provide for enforcement of this section.

Section 23. Free Passes, Cards, or Badges.—A corporation licensed to conduct pari-mutuel betting on thoroughbred horse races run at its race track shall not issue free passes, cards, or badges except to persons hereafter described: Officers and employes of the corporation conducting the race meeting; members, officers and employes of the State Horse Racing Commission, members of thoroughbred horse racing associations of other states and foreign countries; public officers engaged in the performance of their duties; persons actually employed and accredited by the press to attend such meetings; owners, stable managers, trainers, jockeys, concessionaires, and other persons whose

¹ "commssion" in original.

actual duties require their presence at such race track. The issuance of tax-free passes, cards, or badges shall be under the rules and regulations of the State Horse Racing Commission and a list of all persons to whom free passes, cards, or badges are issued shall be filed with the State Horse Racing Commission.

Section 24. Political Subdivision Agricultural Fairs and Thoroughbred Horse Race Meetings Not Licensed to Conduct Pari-mutuel Betting.—Pari-mutuel betting on thoroughbred horse races at any county or other political subdivision, agricultural or other fair held within the State, shall not be authorized, and no lottery, pool selling, bookmaking or any other kind of gambling upon the results of races, heats, or contests of speed of horses shall be allowed at such fair, or at any thoroughbred horse race meeting conducted in the State, except such as may be licensed to operate pari-mutuel betting, pursuant to the provisions of this act, which said form of betting as herein provided shall alone be legalized and allowed.

Section 25. Employes at Thoroughbred Horse Race Meetings.—At least eighty-five percent of the persons, exclusive of racing officials, employed each day in the operation and conduct of the pari-mutuel betting at thoroughbred horse race meets licensed pursuant to this act, shall be citizens of the United States of America and residents of the State of Pennsylvania for at least two years immediately prior to the commencement of such employment in the operation and conduct of pari-mutuel betting at thoroughbred horse race meets, and each employe shall be required to execute and submit, to the corporation by which he is employed, a duly verified affidavit setting forth his qualifications for employment pursuant to the provisions of this section.

Section 26. Effective Date.—This act shall take effect immediately.

APPROVED—The 11th day of December, A. D. 1967.

RAYMOND P. SHAFER

No. 332

AN ACT

HB 958

Amending the act of July 28, 1953 (P. L. 723), entitled "An act relating to counties of the second class; amending, revising, consolidating and changing the laws relating thereto," removing provisions rendering persons ineligible for retirement allowances or pension annuities.

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