

No. 364

AN ACT

SB 1918

Amending the act of December 22, 1959 (P.L.1978, No.728), entitled, as amended, "An act providing for and regulating harness racing with pari-mutuel wagering on the results thereof; creating the State Harness Racing Commission as a departmental administrative commission within the Department of Agriculture and defining its powers and duties; providing for the establishment and operation of harness racing plants subject to local option; 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," authorizing night racing on Sundays; changing the rate of tax; and further providing for the disposition of certain funds.

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

Section 1. Subsections (a) and (c) of section 7, act of December 22, 1959 (P.L.1978, No.728), referred to as the State Harness Racing Law, subsection (a) amended September 20, 1961 (P.L.1522, No.646) and subsection (c) amended June 17, 1974 (No.117), are amended to read:

Section 7. Licenses for Harness Race Meetings.—(a) Any corporation desiring to conduct harness race meetings at which pari-mutuel betting shall be permitted may apply to the State Harness Racing Commission for a license to do so. If, in the judgment of the State Harness 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] thirty-first day of December** 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.

* * *

(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 include Sunday, at the discretion of the licensee but no racing shall be authorized or permitted on that day **[except between the hours of one and seven o'clock] before one o'clock** post meridian.

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Section 2. Section 15 of the act, amended January 2, 1973 (P.L.1737, No.374), is amended to read:

Section 15. Disposition of Pari-mutuel Polls.—Every corporation authorized under this act to conduct pari-mutuel betting at a harness 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 seventeen per centum of the total deposits plus the breaks:

(1) At the close of each of the **[first sixty-two]** racing days any permit holder shall be licensed to conduct harness racing in any calendar year **[except]** within any school districts of the first class, 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 Harness Racing Fund, a tax of **[five] one and one-half** per centum of the amount wagered each day, which tax is hereby imposed, and **[as to harness horse race meetings held within school districts of the first class]** the permit holder shall pay the school district in which the harness horse race meeting is held a tax of **[two] four** per centum of the amount wagered each day, which tax is hereby imposed for general school purposes and as to other permit holders, *the permit holder* during any year, **[a tax of two per centum of the amount wagered each day is imposed and shall be paid to the Department of Commerce to be distributed by the Secretary of Commerce as provided in clause (3) of this section]** *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 Harness Racing Fund a tax of five and one-half per centum of the amount wagered each day which tax is hereby imposed.*

[(2) At the close of each of the sixty-third through the one-hundredth racing day any permit holder shall be licensed to conduct a harness horse race meeting in any calendar year except within school districts of the first class, the permit holder shall pay through the Department of Revenue into the State Treasury for credit to the State Harness Racing Fund a tax of five per centum of the amount wagered each day, which tax is hereby imposed and a tax of two per centum which is hereby imposed shall be paid to the Department of Commerce to be distributed by the Secretary of Commerce as provided in clause (3) of this section.

(3) Moneys paid to the Department of Commerce to be distributed by the Secretary of Commerce pursuant to clauses (1) and (2) of this section, shall be paid to eligible boroughs having a population of less than ten thousand, eligible townships having a population of less than twelve thousand, each of their municipality authorities, or county authorities authorized to service the borough or township, for projects providing for the construction, rehabilitation, alteration, expansion, or improvement of water facilities, sewage disposal facilities and access roads, in amounts not to exceed twenty-five per centum of the cost thereof, in accordance with regulations promulgated by the Secretary of Commerce and approved by the Governor. No distribution shall be

made in connection with any project unless it is determined that the project:

- (i) Is not in conflict with programs of other departments of the Commonwealth;
- (ii) Is not inconsistent with an existing development plan for the municipality;
- (iii) Could not otherwise be financed;
- (iv) Will either strengthen the income-producing capability of the municipality, or improve the health and safety of the community; and
- (v) Is necessary to orderly community development.

(4)](2) 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 per centum of the total sum of such odd cents, which tax is hereby imposed and shall be paid by the permit holder to the Department of Revenue for credit to the Pennsylvania Sire Stakes Fund, which fund is hereby appropriated to the Pennsylvania Harness Racing Commission for distribution in accordance with the terms of this act.

Section 3. Section 16 of the act, amended November 30, 1967 (P.L.643, No.298) and subsection (e) amended September 28, 1972 (P.L.897, No.212), is amended to read:

Section 16. 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 Harness Racing Fund.

(a.1) Thirty-six and one-third per centum of such moneys paid into the State Harness Racing Fund by permit holders conducting racing other than in school districts of the first class shall be paid to the Department of Commerce. Moneys paid to the Department of Commerce are hereby appropriated for distribution by the Secretary of Commerce to eligible boroughs having a population of less than ten thousand, eligible townships having a population of less than twelve thousand, each of their municipality authorities, or county authorities authorized to service the borough or township, for projects providing for the construction, rehabilitation, alteration, expansion, or improvement of water facilities, sewage disposal facilities and access roads, in amounts not to exceed twenty-five per centum of the cost thereof, in accordance with regulations promulgated by the Secretary of Commerce and approved by the Governor. No distribution shall be made in connection with any project unless it is determined that the project:

- (1) Is not in conflict with programs of other departments of the Commonwealth;*
- (2) Is not inconsistent with an existing development plan for the municipality;*

(3) Could not otherwise be financed;

(4) Will either strengthen the income-producing capability of the municipality, or improve the health and safety of the community; and

(5) Is necessary to orderly community development.

(b) As much as may be necessary of such moneys *remaining in the State Harness Racing Fund after payments under subsection (a.1)* is hereby appropriated to pay:

(1) The salaries of employees of the commission employed by or for it in accordance with the provisions of the act of April 9, 1929 (P.L.177, No.175), known as "The Administrative Code of 1929," and its amendments.

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

(2.1) The expenses of the Secretary and the Department of Agriculture incurred in administering their duties under this act, and

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

(c) **[Three-fourths] Eighty-seven per centum** of all moneys, remaining in the State Harness Racing Fund and not required for payments under **[subsection] subsections (a.1) and (b)** shall be paid into the General Fund.

(d) The balance of said moneys shall be paid into a fund known as the Pennsylvania Fair Fund. Moneys in the Pennsylvania Fair Fund are hereby appropriated to the Department of Agriculture and shall be distributed by the Secretary of Agriculture, annually, on or before the first day of March beginning with the year 1968, as follows:

(1) For reimbursement to county agricultural societies, independent agricultural societies and other organizations conducting an annual agricultural fair, as defined hereinafter as follows:

(i) a basic payment for operating expenses, the sum of which may not exceed twelve thousand dollars (\$12,000) for Class A fairs, ten thousand dollars (\$10,000) for Class B fairs, eight thousand dollars (\$8,000) for Class C fairs, six thousand dollars (\$6,000) for Class D fairs, and two thousand dollars (\$2,000) for Class E fairs. Class A fairs are those which operate on forty acres or more of land and pay ten thousand dollars (\$10,000) or more in premiums to winners of agricultural or agribusiness contests or exhibits; Class B fairs are those operating on thirty acres or more of land and pay seven thousand five hundred dollars (\$7,500) to nine thousand nine hundred ninety-nine (\$9,999) in premiums to winners of agricultural or agribusiness contests or exhibits; Class C fairs are those operating on twenty acres or more and pay five thousand dollars (\$5,000) to seven thousand four hundred ninety-nine dollars (\$7,499) in premiums to winners of agricultural or agribusiness contests or exhibits; Class D fairs are those operating on ten or more

acres and pay two thousand five hundred dollars (\$2,500) to four thousand nine hundred ninety-nine dollars (\$4,999) in premiums to winners of agricultural or agribusiness contests or exhibits; and Class E fairs are those operating on less than ten acres and pay less than two thousand five hundred dollars (\$2,500) in premiums to winners of agricultural or agribusiness contests or exhibits. This basic payment may also be used for the premium awards if expenses of the fair do not total as much as the maximum amount which can be granted in the basic payment, plus (ii) fifty percent of money paid for all other agricultural premiums not included in subclause (i) with a maximum payment for premiums not to exceed **[ten thousand dollars (\$10,000)] fifteen thousand dollars (\$15,000)**.

To be eligible for payment from the Pennsylvania Fair Fund, applications must be filed and approved during the calendar year in which an activity is held.

An annual agricultural fair in the intent of this act shall be deemed to be an event or events totaling no less than three days of activities for Class D and E fairs, no less than five days of activities for Class A, B and C fairs, with each day of activities for all classes consisting of a program or programs of six hours or more in length and all activities so designed as to contribute to the development of several or many phases of agriculture and/or agribusiness and with each fair required to employ the following devices or meet the following requirements: (a) exhibit agricultural or agribusiness products, materials and equipment; (b) conduct agricultural or agribusiness educational activities and demonstrations; (c) award premiums to agricultural or agribusiness contest and exhibit winners with a top award for first place and proportionate awards to runners-up adjudged by position following the winner but not to exceed ten in number; (d) provides proper first aid through medical personnel and adequate sanitary facilities which meet State and local requirements; (e) provide supervision and control over all activities by an officially appointed committee or a board of directors of not less than five persons; (f) file all reports, forms and applications for Pennsylvania Fair Funds and maintains records as required by the rules and regulations drafted and approved by the Secretary of Agriculture; and (g) provides that at least twenty-five percent of the events for which agricultural or agribusiness premiums are paid must be "open class" events.

No society hereafter incorporated or recognized by a county government or the Commonwealth shall be entitled to the benefits of this act until such society shall have conducted three consecutive annual exhibitions of the character designated in the above clause of this subsection and such society upon its inception shall file with the Secretary of Agriculture a declaration of its intention to apply for said premium money for its fourth year. Such society must also file its report

during its first three years the same as any other eligible society. This clause will not apply to an eligible society heretofore or hereafter incorporated, which shall resume the holding of annual exhibitions of the character designated in the above clause of this subsection, which exhibitions have been for a period of not more than two years temporarily discontinued.

(2) For reimbursement for each county agricultural society and each independent agricultural society conducting harness horse racing during its annual fair other than races for two and three-year-old colts and fillies which races are provided for in clause (3) below, an amount of money equal to that used during their annual fair as purse money for harness horse racing, track and stable maintenance, starting gate rental and the cost of all harness horse racing officials required during their annual fair, but not more than **[six thousand dollars (\$6,000)]** *ten thousand dollars (\$10,000), a minimum of one-third of which must be used for purse money.*

(3) For reimbursement for each county agricultural society and independent agricultural society conducting races for two and three-year-old colts and fillies, at their annual fair on which a maximum of seven hundred dollars (\$700) was paid for each such race but not more than fifty-six hundred dollars (\$5,600) annually. Entrance fees collected for each such race shall not be included when computing the amount distributed by the Secretary of Agriculture under this subsection.

(3.1) For reimbursement to State-wide agricultural organizations who contribute to the development of many phases of agriculture and/or agribusiness as provided under the rules and regulations drafted and approved by the Secretary of Agriculture: (i) a maximum payment of two thousand dollars (\$2,000) for operating expenses including the payment of agricultural premiums plus; (ii) fifty percent of money paid for all other agricultural premiums not included in subclause (i). In no instance can this total amount exceed twelve thousand dollars (\$12,000). To be eligible for payment from the Pennsylvania Fair Fund, applications must be filed and approved during the calendar year in which an activity is held.

(4) To county-wide or State-wide 4-H and FFA or combined FFA and FHA units of boys and girls under twenty-one years of age, a basic payment up to two thousand dollars (\$2,000) annually, to be used for the general operations of such units in agriculture or agribusiness programs, provided that an organization whose members consist entirely of minors must apply through and be represented by an adult advisory group and both the organization and the advisory group must be recognized by their respective county governments or by the Commonwealth of Pennsylvania, and further provided that each county-wide or State-wide 4-H and FFA or combined FFA and FHA unit be required to report on its activities and justify these activities as events which

contribute to the advancement of agriculture or agribusiness. Such reports shall also include a record of expenses incurred in the conduct of these qualifying activities. The amount awarded to each such youth group cannot exceed the amount of expenses reported for the conduct of activities. In addition to basic payments each participating 4-H, FFA, or combined FFA and FHA units whose membership exceeds one thousand members will be eligible for additional payments at the rate of two dollars (\$2) per member for each member in excess of one thousand.

(e) In the event there is in the Pennsylvania Fair Fund an excess over the amount required to make payments specified in subsection (d) above, such excess shall be distributed as follows: **[ten percent of such excess or] no more than** seventy-five thousand dollars (\$75,000), **[whichever amount is greater]** to be used by the Department of Agriculture for marketing and consumer service programs; **[and fifty percent of such excess or] no more than** four hundred thousand dollars (\$400,000), **[whichever amount is greater]** for agricultural research projects, as determined by a committee to include in its membership, the Secretary of Agriculture, the chairman and a minority member of the Agriculture Committee of the Senate, the chairman and a minority member of the Agriculture Committee of the House of Representatives, six persons designated by the Pennsylvania State Council of Farm Organizations, the chairman of the State Harness Racing Commission or his designate, one person designated by the Pennsylvania Canners and Fruit Processors Association, one person designated by the Pennsylvania Association of County Fairs and three persons designated by the Secretary of Agriculture from his staff.

There are hereby created subcommittees, the members of which shall consist of the Secretary of Agriculture or his designate, the chairman of the Agriculture Committee of the Senate or his designate, the chairman of the Agriculture Committee of the House of Representatives or his designate, and a member designated by the group representing the producers involved in the research project which shall meet annually in the month of September to evaluate research projects and report their findings and recommendations to the Secretary of Agriculture and the members of the committee.

In the event the amount of money in the Pennsylvania Fair Fund is less than is required to make payments specified in subsection (d) above, the amount granted to each recipient shall be reduced proportionately.

(e.1) In the event there is in the Pennsylvania Fair Fund an excess over the amounts required to make payment specified in subsections (d) and (e), such excess shall be disbursed by a committee consisting of the Secretary of Agriculture, the chairman of the House Agriculture and Dairy Industries Committee, the chairman of the Senate Agriculture Committee and four additional members to be appointed by the

Secretary of Agriculture, two of which shall come from fairs and two of which shall come from the Department of Agriculture as follows: **[eighty percent of]** such excess shall be disbursed on a matching fund basis to fairs in amounts not to exceed **[fifteen thousand dollars (\$15,000)]** *twenty-five thousand dollars (\$25,000)* to any one fair for the purpose of improving buildings and grounds, of adding more land, or constructing new facilities for the proper conduct of the fairs except that a fair shall not be eligible for funds hereunder more than once every three years; such disbursements to be made by the Department of Agriculture according to rules and regulations drafted by the Secretary of Agriculture and approved by the committee. Any balance remaining in the funds shall be returned to the General Fund.

(f) The Secretary of Agriculture shall provide forms for application for the distribution of the funds to county and independent agricultural societies and to youth groups with the exception of disbursements made under subsection (e.1). The Secretary of Agriculture shall prescribe such rules and regulations as he may deem necessary to carry out the provisions of this section and may make such investigations necessary to determine the validity of any claims and applications for distribution of moneys hereunder.

Section 4. Section 25 of the act, added January 19, 1968 (P.L.989, No.441), is amended to read:

Section 25. Appropriation of Funds of Pennsylvania Sire Stakes Fund.—(a) After deduction of sufficient funds to cover the commission's cost of administration of the provisions of this section seventy-five per centum of all remaining moneys in the Pennsylvania Sire Stakes Fund shall be divided equally among the licensees licensed under section 7 of this act.

(b) As an additional condition of the grant of a license under section 7 of this act, each licensee shall accept such amount, to be used solely as purses for the following races, which each licensee shall sponsor at some time during its licensed meeting:

(1) Four two year old races—one pace for colts, one pace for fillies, one trot for colts, and one trot for fillies;

(2) Four three year old races—one pace for colts, one pace for fillies, one trot for colts, one trot for fillies;

[(3) Two aged races—one free-for-all pace, and one free-for-all trot.]

Entry for these races shall be limited to harness horses which were sired by a standard-bred stallion regularly standing in Pennsylvania; and each such race shall be designated a Pennsylvania Sire Stakes Race. The commission shall make such provisions and regulations as it shall deem necessary for the proper administration of the entry restriction.

(c) Each licensee shall divide the funds received hereunder **[as follows: ten per centum]** *equally* for each of the two year old races,

[twelve and one-half per centum] and for each of the three year old races, **[and five per centum for each of the aged races]** each such allotment shall provide purse money for the respective races. Such purse money shall be in addition to any entry fees or other funds available.

(d) Each licensee shall schedule such races subject to the right of the commission to prevent conflicts in the event of contemporaneous meetings.

(e) The remaining moneys in the Pennsylvania Sire Stakes Fund shall be divided equally among those agricultural fairs conducting harness horse races for two year old and three year old harness horses. Each fair receiving such funds shall divide the total amount equally among all eligible races for two year old and three year old harness horses and shall apply the funds solely as additional purse funds. Only races to which entry is restricted to Pennsylvania bred or foaled horses shall be eligible and the commission shall make such provisions and regulations as it shall deem necessary for the proper administration of the eligibility restriction.

Section 5. This act shall take effect immediately.

APPROVED—The 30th day of December, A. D. 1974.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 364.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive, flowing style.

Secretary of the Commonwealth.