

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 405 be amended to read as follows:

1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 4-31-5-11 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The
5 commission ~~may~~ **shall** require each permit holder to schedule ~~one~~ (+)
6 **two (2)** or more races on each racing day:
7 (1) solely for Indiana owned horses;
8 (2) solely for Indiana sired horses;
9 (3) solely for Indiana bred horses; or
10 (4) for a combination of Indiana owned horses, Indiana sired
11 horses, and Indiana bred horses."
12 Page 6, between lines 15 and 16, begin a new paragraph and insert:
13 "SECTION 6. IC 4-31-11-0.3 IS ADDED TO THE INDIANA
14 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
15 [EFFECTIVE UPON PASSAGE]: **Sec. 0.3. As used in this chapter,**
16 **"base purse" means an amount equal to seventy percent (70%) of**
17 **the equivalent open race purse of the same class and condition.**
18 SECTION 7. IC 4-31-11-0.7 IS ADDED TO THE INDIANA CODE
19 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
20 UPON PASSAGE]: **Sec. 0.7. As used in this chapter, "breeder**
21 **award" refers to a monetary award paid to the breeder of any**
22 **registered Indiana bred or sired horse that wins a race at an**
23 **Indiana racetrack for a claiming price of at least ten thousand**

1 **dollars (\$10,000).**

2 SECTION 8. IC 4-31-11-2.3 IS ADDED TO THE INDIANA CODE
3 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: **Sec. 2.3. As used in this chapter, "owner
5 award" refers to a monetary award paid to the owner of any
6 registered Indiana bred or sired horse that wins a race at an
7 Indiana racetrack for a claiming price of at least ten thousand
8 dollars (\$10,000).**

9 SECTION 9. IC 4-31-11-2.7 IS ADDED TO THE INDIANA CODE
10 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
11 UPON PASSAGE]: **Sec. 2.7. As used in this chapter, "stallion owner
12 award" refers to a monetary award paid to the owner of a
13 registered stallion whose progeny wins a race at an Indiana
14 racetrack for a claiming price of at least ten thousand dollars
15 (\$10,000).**

16 SECTION 10. IC 4-31-11-3 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The commission
18 **may shall** establish a separate breed development advisory committee
19 for each breed of horse that participates in racing meetings under this
20 article.

21 SECTION 11. IC 4-31-11-9 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Each
23 development committee **may shall** make recommendations to the
24 commission concerning:

- 25 (1) stakes races;
26 (2) futurity races;
27 (3) races only for horses owned by Indiana residents;
28 (4) races only for horses sired by stallions standing in Indiana;
29 (5) races only for horses foaled in Indiana; or
30 (6) races for any combination of horses described in subdivision
31 (3), (4), or (5).

32 Races described in subdivisions (3) through (6) may be for different
33 distances and may be limited by the age, sex, or gait of the horse.

34 (b) Each development committee **may shall** make recommendations
35 to the commission concerning:

- 36 (1) cooperative arrangements with statewide breed associations;
37 and
38 (2) distribution of money available in a development fund in order
39 to supplement a purse for a race at a county fair or agricultural
40 exposition in Indiana.

41 SECTION 12. IC 4-31-11-10 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The
43 commission **may shall** establish a separate breed development fund for
44 each breed of horse that participates in racing meetings under this
45 article. The development funds shall be administered by the
46 commission."

1 Page 6, between lines 24 and 25, begin a new paragraph and insert:
 2 "SECTION 14. IC 4-31-11-15 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) The
 4 commission shall use the development funds to provide:

- 5 (1) purses ~~and other funding for the activities for races~~ described
 6 in section ~~9~~ **9(a)(3) through 9(a)(6)** of this chapter; and
 7 **(2) the purses and awards for thoroughbred racing required**
 8 **by subsection (b).**

9 **(b) This subsection applies only to the money distributed to the**
 10 **breed development fund for thoroughbreds under**
 11 **IC 4-35-7-12(d)(1)(B). The money must be used as follows:**

- 12 **(1) To provide purses and supplements for races restricted to**
 13 **Indiana bred or sired horses, or a combination of Indiana**
 14 **bred or sired horses.**
 15 **(2) To pay the following awards:**
 16 **(A) Owner awards.**
 17 **(B) Breeder awards.**
 18 **(C) Stallion owner awards.**

19 **(c) Money used to provide purses under subsection (b) must**
 20 **supplement the base purse provided by a permit holder from the**
 21 **permit holder's purse account.**

22 **(d) An award paid under subsection (b) is equal to the following**
 23 **amounts:**

- 24 **(1) Twenty percent (20%) of the total purse of the race for**
 25 **which the award is made, including any purse supplements, in**
 26 **the case of an owner award or a breeder award.**
 27 **(2) Ten percent (10%) of the total purse of the race for which**
 28 **the award is made, including any purse supplements, in the**
 29 **case of a stallion owner award."**

30 Page 33, delete lines 16 through 42, begin a new paragraph and
 31 insert:

32 "SECTION 44. IC 4-35-7-12, AS AMENDED BY P.L.142-2009,
 33 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: Sec. 12. (a) The Indiana horse racing commission
 35 shall enforce the requirements of this section.

36 (b) Except as provided in ~~subsections~~ **subsection (j)**, ~~and (k)~~, a
 37 licensee shall before the fifteenth day of each month devote to the
 38 gaming integrity fund, horse racing purses, and to horsemen's
 39 associations an amount equal to fifteen percent (15%) of the adjusted
 40 gross receipts of the slot machine wagering from the previous month
 41 at the licensee's racetrack. The Indiana horse racing commission may
 42 not use any of this money for any administrative purpose or other
 43 purpose of the Indiana horse racing commission, and the entire amount
 44 of the money shall be distributed as provided in this section. A licensee
 45 shall pay the first two hundred fifty thousand dollars (\$250,000)
 46 distributed under this section in a state fiscal year to the Indiana horse

1 racing commission for deposit in the gaming integrity fund established
 2 by IC 4-35-8.7-3. After this money has been distributed to the Indiana
 3 horse racing commission, a licensee shall distribute the remaining
 4 money devoted to horse racing purses and to horsemen's associations
 5 under this subsection as follows:

6 (1) Five-tenths percent (0.5%) shall be transferred to horsemen's
 7 associations for equine promotion or welfare according to the
 8 ratios specified in subsection (e).

9 (2) Two and five-tenths percent (2.5%) shall be transferred to
 10 horsemen's associations for backside benevolence according to
 11 the ratios specified in subsection (e).

12 (3) Ninety-seven percent (97%) shall be distributed to promote
 13 horses and horse racing as provided in subsection (d).

14 (c) A horsemen's association shall expend the amounts distributed
 15 to the horsemen's association under subsection (b)(1) through (b)(2) for
 16 a purpose promoting the equine industry or equine welfare or for a
 17 benevolent purpose that the horsemen's association determines is in the
 18 best interests of horse racing in Indiana for the breed represented by the
 19 horsemen's association. Expenditures under this subsection are subject
 20 to the regulatory requirements of subsection (f).

21 (d) A licensee shall distribute the amounts described in subsection
 22 (b)(3) as follows:

23 (1) Forty-six percent (46%) for thoroughbred purposes as follows:

24 (A) Sixty percent (60%) for the following purposes:

25 (i) Ninety-seven percent (97%) for thoroughbred purses.

26 (ii) Two and four-tenths percent (2.4%) to the horsemen's
 27 association representing thoroughbred owners and trainers.

28 (iii) Six-tenths percent (0.6%) to the horsemen's association
 29 representing thoroughbred owners and breeders.

30 (B) Forty percent (40%) to the breed development fund
 31 established for thoroughbreds under IC 4-31-11-10 **to be used**
 32 **as required by IC 4-31-11-15.**

33 (2) Forty-six percent (46%) for standardbred purposes as follows:

34 (A) Fifty percent (50%) for the following purposes:

35 (i) Ninety-six and five-tenths percent (96.5%) for
 36 standardbred purses.

37 (ii) Three and five-tenths percent (3.5%) to the horsemen's
 38 association representing standardbred owners and trainers.

39 (B) Fifty percent (50%) to the breed development fund
 40 established for standardbreds under IC 4-31-11-10.

41 (3) Eight percent (8%) for quarter horse purposes as follows:

42 (A) Seventy percent (70%) for the following purposes:

43 (i) Ninety-five percent (95%) for quarter horse purses.

44 (ii) Five percent (5%) to the horsemen's association
 45 representing quarter horse owners and trainers.

46 (B) Thirty percent (30%) to the breed development fund

1 established for quarter horses under IC 4-31-11-10.
 2 Expenditures under this subsection are subject to the regulatory
 3 requirements of subsection (f).

4 (e) Money distributed under subsection (b)(1) and (b)(2) shall be
 5 allocated as follows:

6 (1) Forty-six percent (46%) to the horsemen's association
 7 representing thoroughbred owners and trainers.

8 (2) Forty-six percent (46%) to the horsemen's association
 9 representing standardbred owners and trainers.

10 (3) Eight percent (8%) to the horsemen's association representing
 11 quarter horse owners and trainers.

12 (f) Money distributed under this section may not be expended unless
 13 the expenditure is for a purpose authorized in this section and is either
 14 for a purpose promoting the equine industry or equine welfare or is for
 15 a benevolent purpose that is in the best interests of horse racing in
 16 Indiana or the necessary expenditures for the operations of the
 17 horsemen's association required to implement and fulfill the purposes
 18 of this section. The Indiana horse racing commission may review any
 19 expenditure of money distributed under this section to ensure that the
 20 requirements of this section are satisfied. The Indiana horse racing
 21 commission shall adopt rules concerning the review and oversight of
 22 money distributed under this section and shall adopt rules concerning
 23 the enforcement of this section. The following apply to a horsemen's
 24 association receiving a distribution of money under this section:

25 (1) The horsemen's association must annually file a report with
 26 the Indiana horse racing commission concerning the use of the
 27 money by the horsemen's association. The report must include
 28 information as required by the commission.

29 (2) The horsemen's association must register with the Indiana
 30 horse racing commission.

31 (g) The commission shall provide the Indiana horse racing
 32 commission with the information necessary to enforce this section.

33 (h) The Indiana horse racing commission shall investigate any
 34 complaint that a licensee has failed to comply with the horse racing
 35 purse requirements set forth in this section. If, after notice and a
 36 hearing, the Indiana horse racing commission finds that a licensee has
 37 failed to comply with the purse requirements set forth in this section,
 38 the Indiana horse racing commission may:

39 (1) issue a warning to the licensee;

40 (2) impose a civil penalty that may not exceed one million dollars
 41 (\$1,000,000); or

42 (3) suspend a meeting permit issued under IC 4-31-5 to conduct
 43 a pari-mutuel wagering horse racing meeting in Indiana.

44 (i) A civil penalty collected under this section must be deposited in
 45 the state general fund.

46 (j) For a state fiscal year beginning after June 30, 2008, and ending

1 before July 1, 2009, the amount of money dedicated to the purposes
2 described in subsection (b) for a particular state fiscal year is equal to
3 the lesser of:

- 4 (1) fifteen percent (15%) of the licensee's adjusted gross receipts
- 5 for the state fiscal year; or
- 6 (2) eighty-five million dollars (\$85,000,000).

7 If fifteen percent (15%) of a licensee's adjusted gross receipts for the
8 state fiscal year exceeds the amount specified in subdivision (2), the
9 licensee shall transfer the amount of the excess to the commission for
10 deposit in the state general fund. The licensee shall adjust the transfers
11 required under this section in the final month of the state fiscal year to
12 comply with the requirements of this subsection.

13 (k) For a state fiscal year beginning after June 30, 2009, the amount
14 of money dedicated to the purposes described in subsection (b) for a
15 particular state fiscal year is equal to the lesser of:

- 16 (1) fifteen percent (15%) of the licensee's adjusted gross receipts
- 17 for the state fiscal year; or
- 18 (2) the amount dedicated to the purposes described in subsection
- 19 (b) in the previous state fiscal year increased by a percentage that
- 20 does not exceed the percent of increase in the United States
- 21 Department of Labor Consumer Price Index during the year
- 22 preceding the year in which an increase is established.

23 If fifteen percent (15%) of a licensee's adjusted gross receipts for the
24 state fiscal year exceeds the amount specified in subdivision (2); the
25 licensee shall transfer the amount of the excess to the commission for
26 deposit in the state general fund. The licensee shall adjust the transfers
27 required under this section in the final month of the state fiscal year to
28 comply with the requirements of this subsection."

- 29 Delete pages 34 through 35.
- 30 Page 36, delete lines 1 through 25.
- 31 Renumber all SECTIONS consecutively.
- (Reference is to ESB 405 as printed February 19, 2010.)

Representative Goodin