

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WITHDRAWN	Noes _____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 for a race of the same class and**
18 **condition that is:**
19 (1) **not a stakes race; and**
20 (2) **for a claiming price of at least ten thousand dollars**
21 **(\$10,000).**
22 SECTION 7. IC 4-31-11-0.7 IS ADDED TO THE INDIANA CODE
23 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE

1 UPON PASSAGE]: **Sec. 0.7. As used in this chapter, "breeder**
 2 **award" refers to a monetary award paid to the breeder of any**
 3 **registered Indiana bred or sired horse that:**

4 (1) **in the case of a standardbred or quarter horse, satisfies the**
 5 **requirements of an awards program established by the**
 6 **commission; or**

7 (2) **in the case of a thoroughbred, wins a race at an Indiana**
 8 **racetrack for a claiming price of at least ten thousand dollars**
 9 **(\$10,000).**

10 SECTION 8. IC 4-31-11-2.3 IS ADDED TO THE INDIANA CODE
 11 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 12 **UPON PASSAGE]: Sec. 2.3. As used in this chapter, "owner**
 13 **award" refers to a monetary award paid to the owner of any**
 14 **registered Indiana bred or sired horse that:**

15 (1) **in the case of a standardbred or quarter horse, satisfies the**
 16 **requirements of an awards program established by the**
 17 **commission; or**

18 (2) **in the case of a thoroughbred, wins a race at an Indiana**
 19 **racetrack for a claiming price of at least ten thousand dollars**
 20 **(\$10,000).**

21 SECTION 9. IC 4-31-11-2.7 IS ADDED TO THE INDIANA CODE
 22 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 23 **UPON PASSAGE]: Sec. 2.7. As used in this chapter, "stallion owner**
 24 **award" refers to a monetary award paid to the owner of a**
 25 **registered Indiana stallion whose progeny:**

26 (1) **in the case of a standardbred or quarter horse, satisfies the**
 27 **requirements of an awards program established the**
 28 **commission; or**

29 (2) **in the case of a thoroughbred, wins a race at an Indiana**
 30 **racetrack for a claiming price of at least ten thousand dollars**
 31 **(\$10,000).**

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

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

41 (1) stakes races;

42 (2) futurity races;

43 (3) races only for horses owned by Indiana residents;

44 (4) races only for horses sired by stallions standing in Indiana;

45 (5) races only for horses foaled in Indiana; or

46 (6) races for any combination of horses described in subdivision

1 (3), (4), or (5).
 2 Races described in subdivisions (3) through (6) may be for different
 3 distances and may be limited by the age, sex, or gait of the horse.

4 (b) Each development committee may make recommendations to
 5 the commission concerning:

- 6 (1) cooperative arrangements with statewide breed associations;
 7 and
 8 (2) distribution of money available in a development fund in order
 9 to supplement a purse for a race at a county fair or agricultural
 10 exposition in Indiana.

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

17 Page 6, between lines 24 and 25, begin a new paragraph and insert:

18 "SECTION 14. IC 4-31-11-15 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) The
 20 commission shall use the development funds **for the following**
 21 **purposes:**

22 (1) To provide purses and ~~other funding for the activities awards~~
 23 **for races** described in section 9 of this chapter **as required by:**

24 (A) **section 16 of this chapter, in the case of thoroughbred**
 25 **racing; or**

26 (B) **the rules of a program established by the commission,**
 27 **in the case of standardbred or quarter horse racing.**

28 (2) **To fund cooperative arrangements described in section**
 29 **9(b)(1) of this chapter.**

30 (3) **To fund recommendations, if any, made under section**
 31 **9(b)(2) of this chapter.**

32 (b) **The commission may not use money in the development**
 33 **funds to pay administrative expenses incurred by the commission.**

34 SECTION 15. IC 4-31-11-16 IS ADDED TO THE INDIANA
 35 CODE AS A NEW SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) **This section applies**
 37 **only to money distributed to the breed development fund for**
 38 **thoroughbreds.**

39 (b) **The money must be used as follows:**

40 (1) **To provide purses and supplements for races restricted to**
 41 **Indiana bred or sired horses, or a combination of Indiana**
 42 **bred or sired horses.**

43 (2) **To pay the following awards:**

44 (A) **Owner awards.**

45 (B) **Breeder awards.**

46 (C) **Stallion owner awards.**

1 **(c) Money used to provide purses under subsection (b) must**
 2 **supplement the base purse provided from the horse industry trust**
 3 **account established under the rules of the commission.**

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

6 **(1) Twenty percent (20%) of the total purse of the race for**
 7 **which the award is made, including any purse supplements, in**
 8 **the case of an owner award or a breeder award.**

9 **(2) Ten percent (10%) of the total purse of the race for which**
 10 **the award is made, including any purse supplements, in the**
 11 **case of a stallion owner award."**

12 Page 33, delete lines 16 through 42, begin a new paragraph and
 13 insert:

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

18 (b) Except as provided in ~~subsections~~ **subsection (j), and (k)**, a
 19 licensee shall before the fifteenth day of each month devote to the
 20 gaming integrity fund, horse racing purses, and to horsemen's
 21 associations an amount equal to fifteen percent (15%) of the adjusted
 22 gross receipts of the slot machine wagering from the previous month
 23 at the licensee's racetrack. The Indiana horse racing commission may
 24 not use any of this money for any administrative purpose or other
 25 purpose of the Indiana horse racing commission, and the entire amount
 26 of the money shall be distributed as provided in this section. A licensee
 27 shall pay the first two hundred fifty thousand dollars (\$250,000)
 28 distributed under this section in a state fiscal year to the Indiana horse
 29 racing commission for deposit in the gaming integrity fund established
 30 by IC 4-35-8.7-3. After this money has been distributed to the Indiana
 31 horse racing commission, a licensee shall distribute the remaining
 32 money devoted to horse racing purses and to horsemen's associations
 33 under this subsection as follows:

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

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

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

42 (c) A horsemen's association shall expend the amounts distributed
 43 to the horsemen's association under subsection (b)(1) through (b)(2) for
 44 a purpose promoting the equine industry or equine welfare or for a
 45 benevolent purpose that the horsemen's association determines is in the
 46 best interests of horse racing in Indiana for the breed represented by the

1 horsemen's association. Expenditures under this subsection are subject
2 to the regulatory requirements of subsection (f).

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

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

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

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

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

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

12 (B) Forty percent (40%) to the breed development fund
13 established for thoroughbreds under IC 4-31-11-10 **to be used**
14 **as required by IC 4-31-11-16.**

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

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

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

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

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

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

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

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

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

28 (B) Thirty percent (30%) to the breed development fund
29 established for quarter horses under IC 4-31-11-10.

30 Expenditures under this subsection are subject to the regulatory
31 requirements of subsection (f).

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

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

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

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

40 (f) Money distributed under this section may not be expended unless
41 the expenditure is for a purpose authorized in this section and is either
42 for a purpose promoting the equine industry or equine welfare or is for
43 a benevolent purpose that is in the best interests of horse racing in
44 Indiana or the necessary expenditures for the operations of the
45 horsemen's association required to implement and fulfill the purposes
46 of this section. The Indiana horse racing commission may review any

1 expenditure of money distributed under this section to ensure that the
 2 requirements of this section are satisfied. The Indiana horse racing
 3 commission shall adopt rules concerning the review and oversight of
 4 money distributed under this section and shall adopt rules concerning
 5 the enforcement of this section. The following apply to a horsemen's
 6 association receiving a distribution of money under this section:

7 (1) The horsemen's association must annually file a report with
 8 the Indiana horse racing commission concerning the use of the
 9 money by the horsemen's association. The report must include
 10 information as required by the commission.

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

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

15 (h) The Indiana horse racing commission shall investigate any
 16 complaint that a licensee has failed to comply with the horse racing
 17 purse requirements set forth in this section. If, after notice and a
 18 hearing, the Indiana horse racing commission finds that a licensee has
 19 failed to comply with the purse requirements set forth in this section,
 20 the Indiana horse racing commission may:

21 (1) issue a warning to the licensee;

22 (2) impose a civil penalty that may not exceed one million dollars
 23 (\$1,000,000); or

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

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

28 (j) For a state fiscal year beginning after June 30, ~~2008, and ending~~
 29 ~~before July 1, 2009~~, the amount of money dedicated to the purposes
 30 described in subsection (b) for a particular state fiscal year is equal to
 31 the lesser of:

32 (1) fifteen percent (15%) of the licensee's adjusted gross receipts
 33 for the state fiscal year; or

34 (2) eighty-five million dollars (\$85,000,000).

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

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

44 (1) fifteen percent (15%) of the licensee's adjusted gross receipts
 45 for the state fiscal year; or

46 (2) the amount dedicated to the purposes described in subsection

- 1 (b) in the previous state fiscal year increased by a percentage that
2 does not exceed the percent of increase in the United States
3 Department of Labor Consumer Price Index during the year
4 preceding the year in which an increase is established.
5 If fifteen percent (15%) of a licensee's adjusted gross receipts for the
6 state fiscal year exceeds the amount specified in subdivision (2); the
7 licensee shall transfer the amount of the excess to the commission for
8 deposit in the state general fund. The licensee shall adjust the transfers
9 required under this section in the final month of the state fiscal year to
10 comply with the requirements of this subsection."
11 Delete pages 34 through 35.
12 Page 36, delete lines 1 through 25.
13 Renumber all SECTIONS consecutively.
(Reference is to ESB 405 as printed February 19, 2010.)

Representative Goodin