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**TITLE 71 INDIANA HORSE RACING
COMMISSION**

LSA Document #01-410(E)

DIGEST

Amends 71 IAC 12-2-15 concerning allocation of riverboat gambling admissions tax revenue. Amends 71 IAC 12-2-18 concerning allocation of interstate simulcasting revenue to purses. Amends 71 IAC 12-2-19 concerning allocation of breakage and outs. Adds 71 IAC 12-2-20 concerning allocation of simulcast revenue between associations. Repeals 71 IAC 12-2-17. Effective January 1, 2002.

71 IAC 12-2-15

71 IAC 12-2-19

71 IAC 12-2-17

71 IAC 12-2-20

71 IAC 12-2-18

SECTION 1. 71 IAC 12-2-15 IS AMENDED TO READ AS FOLLOWS:

71 IAC 12-2-15 Allocation of riverboat gambling admissions tax revenue

Authority: IC 4-31-3-9; IC 4-33-12-6

Affected: IC 4-31-11-10

Sec. 15. (a) An association must be racing live in order to be eligible to receive distributions of riverboat gambling admissions tax revenue pursuant to this section.

(b) The commission shall allocate the riverboat gambling admissions tax revenue distributed to the commission by the treasurer of state pursuant to IC 4-33-12-6 as follows:

(1) Twenty percent (20%) divided equally between the standardbred breed development fund and the thoroughbred breed development fund as established by the commission under IC 4-31-11-10 **after the first one hundred thousand dollars (\$100,000) is allocated to the quarter horse breed development fund.**

(2) Forty percent (40%) to purses for the benefit of horsemen, which shall be divided equally between the standardbred purse account and the thoroughbred purse account **after the first two hundred thousand dollars (\$200,000) is allocated to purses for races for quarter horses. If more than one (1) track races a specific breed, purses for that breed shall be divided to the purse accounts of the tracks in question proportionally based upon the number of live race dates for that breed.** To the extent practical, the revenue received under this subsection shall be distributed as purses for the benefit of horsemen in the year in which the revenue is received.

(3) ~~The lesser of thirty percent (30%) or six million eight hundred thousand dollars (\$6,800,000)~~ **In a year in which only one (1) association conducts live pari-mutuel racing, forty percent (40%) shall go to the association after the first five hundred thousand (\$500,000) is distributed as follows:**

(A) Two hundred thousand (\$200,000) to the thoroughbred development fund.

(B) Two hundred thousand (\$200,000) to the standardbred development fund.

(C) One hundred thousand (\$100,000) to the quarter horse development fund.

Such revenue may be used by the association for purses, promotions, and routine operations of the race track. Provided, however, that such monies shall not be used ~~by the association~~ for long term capital investment or construction. ~~Any monies in excess of the six million eight hundred thousand dollars (\$6,800,000) shall be allocated as follows:~~

~~(A) The first two hundred thousand dollars (\$200,000) to purses for races for quarter horses at the association's race track.~~

~~(B) The next one hundred thousand dollars (\$100,000) to the quarter horse breed development fund.~~

(C) Any remaining monies shall be divided equally between standardbred and thoroughbred breed development funds.
(4) Ten percent (10%) to a promotion fund to be maintained by the commission. Monies in the promotion fund shall be available to reimburse the associations for approved promotional expenditures under guidelines approved by the commission. The executive director shall administer the promotional fund subject to the approval of the commission. Upon petition by the association to the commission and subject to the prior approval of the commission, monies in the promotion fund may also be made available to the association to supplement purses. The breed to benefit from such distribution shall be determined by the association. **In a year in which more than one (1) association conducts live pari-mutuel racing, forty percent (40%) to the associations, which shall be divided proportionally based on the total purses, irrespective of any breed considerations, generated by each association's track and satellite facilities from the following sources:**

- (A) Live handle at track.
- (B) Live handle at satellite facilities.
- (C) Interstate simulcasting receiving handle.
- (D) Interstate simulcasting sending handle.

Notwithstanding above formula, in a year which two (2) associations conduct commission approved live racing of both thoroughbreds and standardbreds at each facility, the forty percent (40%) shall be divided equally between associations.

(e) The commission shall review the allocation of riverboat gambling admissions tax revenue as provided in this rule every two (2) years or upon the acceptance by the commission of a complete application for a permit or the issuance of a permit to construct a new pari-mutuel race track. *(Indiana Horse Racing Commission; 71 IAC 12-2-15; emergency rule filed Mar 9, 1994, 2:50 p.m.: 17 IR 1629; emergency rule filed Mar 25, 1996, 10:15 a.m.: 19 IR 2090; emergency rule filed Feb 13, 1998, 10:00 a.m.: 21 IR 2423; emergency rule filed Dec 22, 1999, 4:13 p.m.: 23 IR 1113, eff Dec 15, 1999 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the secretary of state. LSA Document #99-269(E) was filed with the secretary of state on December 22, 1999]; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Nov 29, 2001, 1:20 p.m.: 25 IR 1189)*

SECTION 2. 71 IAC 12-2-18 IS AMENDED TO READ AS FOLLOWS:

71 IAC 12-2-18 Allocation of interstate simulcasting revenue to purses

Authority: IC 4-31-3-9
Affected: IC 4-31-9-2

Sec. 18. Interstate simulcasting Revenue for purses under IC 4-31-9-2 for an association that races more than one (1) breed of horse shall be allocated **generated from the simulcasting of out-of-state signals into the state shall be divided and applied** equally between the to standardbred purse account purses and the thoroughbred purse account purses statewide. **This division shall apply irrespective of the number of tracks, the breed of the incoming signal, and the number of live race dates conducted for either breed. If more than one (1) track races a specific breed, purses for that breed shall be divided to the purse accounts of the tracks in question proportionally based upon the number of live race dates for that breed.** *(Indiana Horse Racing Commission; 71 IAC 12-2-18; emergency rule filed Mar 9, 1994, 2:50 p.m.: 17 IR 1630; emergency rule filed Feb 13, 1998, 10:00 a.m.: 21 IR 2423; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Nov 29, 2001, 1:20 p.m.: 25 IR 1190)*

SECTION 3. 71 IAC 12-2-19 IS AMENDED TO READ AS FOLLOWS:

71 IAC 12-2-19 Allocation of breakage and outs

Authority: IC 4-31-3-9; IC 4-31-9-10
Affected: IC 4-31-11-10; IC 4-31-11-11

Sec. 19. All breakage and outs shall be distributed equally, **irrespective of the number of tracks**, between the standardbred breed development fund and the thoroughbred breed development fund as established by the commission under IC 4-31-11-10. *(Indiana Horse Racing Commission; 71 IAC 12-2-19; emergency rule filed Feb 13, 1998, 10:00 a.m.: 21 IR 2424; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Nov 29, 2001, 1:20 p.m.: 25 IR 1190)*

SECTION 4. 71 IAC 12-2-20 IS ADDED TO READ AS FOLLOWS:

71 IAC 12-2-20 Allocation of simulcast revenue between associations

Authority: IC 4-31-3-9; IC 4-31-9-10

Affected: IC 4-31-11-10; IC 4-31-11-11

Sec. 20. In a year in which more than one (1) association conducts live pari-mutuel racing, an association that simulcasts into its track or satellite facilities a breed of horse which it does not race live shall share one-half (½) of its net retainage (after pari-mutuel taxes, host simulcast fees, and purses) on such wagering with any association that conducts live racing on said breed. Provided, however, that such sharing shall be limited to the track and/or any satellite facilities that are within twenty-five (25) miles of the other permit holder's track and/or satellite facilities. (Indiana Horse Racing Commission; 71 IAC 12-2-20; emergency rule filed Nov 29, 2001, 1:20 p.m.: 25 IR 1190)

SECTION 5. 71 IAC 12-2-17 IS REPEALED.

LSA Document #01-410(E)

Filed with Secretary of State: November 29, 2001, 1:20 p.m.