

SB2273



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2273

Introduced 1/12/2006, by Sen. John J. Cullerton

SYNOPSIS AS INTRODUCED:

230 ILCS 5/30

from Ch. 8, par. 37-30

Amends the Illinois Horse Racing Act of 1975. Makes a technical change in a Section concerning thoroughbred horses.

LRB094 17293 AMC 52586 b

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Horse Racing Act of 1975 is amended
5 by changing Section 30 as follows:

6 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

7 Sec. 30. (a) The ~~The~~ General Assembly declares that it is
8 the policy of this State to encourage the breeding of
9 thoroughbred horses in this State and the ownership of such
10 horses by residents of this State in order to provide for:
11 sufficient numbers of high quality thoroughbred horses to
12 participate in thoroughbred racing meetings in this State, and
13 to establish and preserve the agricultural and commercial
14 benefits of such breeding and racing industries to the State of
15 Illinois. It is the intent of the General Assembly to further
16 this policy by the provisions of this Act.

17 (b) Each organization licensee conducting a thoroughbred
18 racing meeting pursuant to this Act shall provide at least two
19 races each day limited to Illinois conceived and foaled horses
20 or Illinois foaled horses or both. A minimum of 6 races shall
21 be conducted each week limited to Illinois conceived and foaled
22 or Illinois foaled horses or both. No horses shall be permitted
23 to start in such races unless duly registered under the rules
24 of the Department of Agriculture.

25 (c) Conditions of races under subsection (b) shall be
26 commensurate with past performance, quality, and class of
27 Illinois conceived and foaled and Illinois foaled horses
28 available. If, however, sufficient competition cannot be had
29 among horses of that class on any day, the races may, with
30 consent of the Board, be eliminated for that day and substitute
31 races provided.

32 (d) There is hereby created a special fund of the State

1 Treasury to be known as the Illinois Thoroughbred Breeders
2 Fund.

3 Except as provided in subsection (g) of Section 27 of this
4 Act, 8.5% of all the monies received by the State as privilege
5 taxes on Thoroughbred racing meetings shall be paid into the
6 Illinois Thoroughbred Breeders Fund.

7 (e) The Illinois Thoroughbred Breeders Fund shall be
8 administered by the Department of Agriculture with the advice
9 and assistance of the Advisory Board created in subsection (f)
10 of this Section.

11 (f) The Illinois Thoroughbred Breeders Fund Advisory Board
12 shall consist of the Director of the Department of Agriculture,
13 who shall serve as Chairman; a member of the Illinois Racing
14 Board, designated by it; 2 representatives of the organization
15 licensees conducting thoroughbred racing meetings, recommended
16 by them; 2 representatives of the Illinois Thoroughbred
17 Breeders and Owners Foundation, recommended by it; and 2
18 representatives of the Horsemen's Benevolent Protective
19 Association or any successor organization established in
20 Illinois comprised of the largest number of owners and
21 trainers, recommended by it, with one representative of the
22 Horsemen's Benevolent and Protective Association to come from
23 its Illinois Division, and one from its Chicago Division.
24 Advisory Board members shall serve for 2 years commencing
25 January 1 of each odd numbered year. If representatives of the
26 organization licensees conducting thoroughbred racing
27 meetings, the Illinois Thoroughbred Breeders and Owners
28 Foundation, and the Horsemen's Benevolent Protection
29 Association have not been recommended by January 1, of each odd
30 numbered year, the Director of the Department of Agriculture
31 shall make an appointment for the organization failing to so
32 recommend a member of the Advisory Board. Advisory Board
33 members shall receive no compensation for their services as
34 members but shall be reimbursed for all actual and necessary
35 expenses and disbursements incurred in the execution of their
36 official duties.

1 (g) No monies shall be expended from the Illinois
2 Thoroughbred Breeders Fund except as appropriated by the
3 General Assembly. Monies appropriated from the Illinois
4 Thoroughbred Breeders Fund shall be expended by the Department
5 of Agriculture, with the advice and assistance of the Illinois
6 Thoroughbred Breeders Fund Advisory Board, for the following
7 purposes only:

8 (1) To provide purse supplements to owners of horses
9 participating in races limited to Illinois conceived and
10 foaled and Illinois foaled horses. Any such purse
11 supplements shall not be included in and shall be paid in
12 addition to any purses, stakes, or breeders' awards offered
13 by each organization licensee as determined by agreement
14 between such organization licensee and an organization
15 representing the horsemen. No monies from the Illinois
16 Thoroughbred Breeders Fund shall be used to provide purse
17 supplements for claiming races in which the minimum
18 claiming price is less than \$7,500.

19 (2) To provide stakes and awards to be paid to the
20 owners of the winning horses in certain races limited to
21 Illinois conceived and foaled and Illinois foaled horses
22 designated as stakes races.

23 (2.5) To provide an award to the owner or owners of an
24 Illinois conceived and foaled or Illinois foaled horse that
25 wins a maiden special weight, an allowance, overnight
26 handicap race, or claiming race with claiming price of
27 \$10,000 or more providing the race is not restricted to
28 Illinois conceived and foaled or Illinois foaled horses.
29 Awards shall also be provided to the owner or owners of
30 Illinois conceived and foaled and Illinois foaled horses
31 that place second or third in those races. To the extent
32 that additional moneys are required to pay the minimum
33 additional awards of 40% of the purse the horse earns for
34 placing first, second or third in those races for Illinois
35 foaled horses and of 60% of the purse the horse earns for
36 placing first, second or third in those races for Illinois

1 conceived and foaled horses, those moneys shall be provided
2 from the purse account at the track where earned.

3 (3) To provide stallion awards to the owner or owners
4 of any stallion that is duly registered with the Illinois
5 Thoroughbred Breeders Fund Program prior to the effective
6 date of this amendatory Act of 1995 whose duly registered
7 Illinois conceived and foaled offspring wins a race
8 conducted at an Illinois thoroughbred racing meeting other
9 than a claiming race. Such award shall not be paid to the
10 owner or owners of an Illinois stallion that served outside
11 this State at any time during the calendar year in which
12 such race was conducted.

13 (4) To provide \$75,000 annually for purses to be
14 distributed to county fairs that provide for the running of
15 races during each county fair exclusively for the
16 thoroughbreds conceived and foaled in Illinois. The
17 conditions of the races shall be developed by the county
18 fair association and reviewed by the Department with the
19 advice and assistance of the Illinois Thoroughbred
20 Breeders Fund Advisory Board. There shall be no wagering of
21 any kind on the running of Illinois conceived and foaled
22 races at county fairs.

23 (4.1) To provide purse money for an Illinois stallion
24 stakes program.

25 (5) No less than 80% of all monies appropriated from
26 the Illinois Thoroughbred Breeders Fund shall be expended
27 for the purposes in (1), (2), (2.5), (3), (4), (4.1), and
28 (5) as shown above.

29 (6) To provide for educational programs regarding the
30 thoroughbred breeding industry.

31 (7) To provide for research programs concerning the
32 health, development and care of the thoroughbred horse.

33 (8) To provide for a scholarship and training program
34 for students of equine veterinary medicine.

35 (9) To provide for dissemination of public information
36 designed to promote the breeding of thoroughbred horses in

1 Illinois.

2 (10) To provide for all expenses incurred in the
3 administration of the Illinois Thoroughbred Breeders Fund.

4 (h) Whenever the Governor finds that the amount in the
5 Illinois Thoroughbred Breeders Fund is more than the total of
6 the outstanding appropriations from such fund, the Governor
7 shall notify the State Comptroller and the State Treasurer of
8 such fact. The Comptroller and the State Treasurer, upon
9 receipt of such notification, shall transfer such excess amount
10 from the Illinois Thoroughbred Breeders Fund to the General
11 Revenue Fund.

12 (i) A sum equal to 12 1/2% of the first prize money of
13 every purse won by an Illinois foaled or an Illinois conceived
14 and foaled horse in races not limited to Illinois foaled horses
15 or Illinois conceived and foaled horses, or both, shall be paid
16 by the organization licensee conducting the horse race meeting.
17 Such sum shall be paid from the organization licensee's share
18 of the money wagered as follows: 11 1/2% to the breeder of the
19 winning horse and 1% to the organization representing
20 thoroughbred breeders and owners whose representative serves
21 on the Illinois Thoroughbred Breeders Fund Advisory Board for
22 verifying the amounts of breeders' awards earned, assuring
23 their distribution in accordance with this Act, and servicing
24 and promoting the Illinois thoroughbred horse racing industry.
25 The organization representing thoroughbred breeders and owners
26 shall cause all expenditures of monies received under this
27 subsection (i) to be audited at least annually by a registered
28 public accountant. The organization shall file copies of each
29 annual audit with the Racing Board, the Clerk of the House of
30 Representatives and the Secretary of the Senate, and shall make
31 copies of each annual audit available to the public upon
32 request and upon payment of the reasonable cost of photocopying
33 the requested number of copies. Such payments shall not reduce
34 any award to the owner of the horse or reduce the taxes payable
35 under this Act. Upon completion of its racing meet, each
36 organization licensee shall deliver to the organization

1 representing thoroughbred breeders and owners whose
2 representative serves on the Illinois Thoroughbred Breeders
3 Fund Advisory Board a listing of all the Illinois foaled and
4 the Illinois conceived and foaled horses which won breeders'
5 awards and the amount of such breeders' awards under this
6 subsection to verify accuracy of payments and assure proper
7 distribution of breeders' awards in accordance with the
8 provisions of this Act. Such payments shall be delivered by the
9 organization licensee within 30 days of the end of each race
10 meeting.

11 (j) A sum equal to 12 1/2% of the first prize money won in
12 each race limited to Illinois foaled horses or Illinois
13 conceived and foaled horses, or both, shall be paid in the
14 following manner by the organization licensee conducting the
15 horse race meeting, from the organization licensee's share of
16 the money wagered: 11 1/2% to the breeders of the horses in
17 each such race which are the official first, second, third and
18 fourth finishers and 1% to the organization representing
19 thoroughbred breeders and owners whose representative serves
20 on the Illinois Thoroughbred Breeders Fund Advisory Board for
21 verifying the amounts of breeders' awards earned, assuring
22 their proper distribution in accordance with this Act, and
23 servicing and promoting the Illinois thoroughbred horse racing
24 industry. The organization representing thoroughbred breeders
25 and owners shall cause all expenditures of monies received
26 under this subsection (j) to be audited at least annually by a
27 registered public accountant. The organization shall file
28 copies of each annual audit with the Racing Board, the Clerk of
29 the House of Representatives and the Secretary of the Senate,
30 and shall make copies of each annual audit available to the
31 public upon request and upon payment of the reasonable cost of
32 photocopying the requested number of copies.

33 The 11 1/2% paid to the breeders in accordance with this
34 subsection shall be distributed as follows:

35 (1) 60% of such sum shall be paid to the breeder of the
36 horse which finishes in the official first position;

1 (2) 20% of such sum shall be paid to the breeder of the
2 horse which finishes in the official second position;

3 (3) 15% of such sum shall be paid to the breeder of the
4 horse which finishes in the official third position; and

5 (4) 5% of such sum shall be paid to the breeder of the
6 horse which finishes in the official fourth position.

7 Such payments shall not reduce any award to the owners of a
8 horse or reduce the taxes payable under this Act. Upon
9 completion of its racing meet, each organization licensee shall
10 deliver to the organization representing thoroughbred breeders
11 and owners whose representative serves on the Illinois
12 Thoroughbred Breeders Fund Advisory Board a listing of all the
13 Illinois foaled and the Illinois conceived and foaled horses
14 which won breeders' awards and the amount of such breeders'
15 awards in accordance with the provisions of this Act. Such
16 payments shall be delivered by the organization licensee within
17 30 days of the end of each race meeting.

18 (k) The term "breeder", as used herein, means the owner of
19 the mare at the time the foal is dropped. An "Illinois foaled
20 horse" is a foal dropped by a mare which enters this State on
21 or before December 1, in the year in which the horse is bred,
22 provided the mare remains continuously in this State until its
23 foal is born. An "Illinois foaled horse" also means a foal born
24 of a mare in the same year as the mare enters this State on or
25 before March 1, and remains in this State at least 30 days
26 after foaling, is bred back during the season of the foaling to
27 an Illinois Registered Stallion (unless a veterinarian
28 certifies that the mare should not be bred for health reasons),
29 and is not bred to a stallion standing in any other state
30 during the season of foaling. An "Illinois foaled horse" also
31 means a foal born in Illinois of a mare purchased at public
32 auction subsequent to the mare entering this State prior to
33 February 1 of the foaling year providing the mare is owned
34 solely by one or more Illinois residents or an Illinois entity
35 that is entirely owned by one or more Illinois residents.

36 (1) The Department of Agriculture shall, by rule, with the

1 advice and assistance of the Illinois Thoroughbred Breeders
2 Fund Advisory Board:

3 (1) Qualify stallions for Illinois breeding; such
4 stallions to stand for service within the State of Illinois
5 at the time of a foal's conception. Such stallion must not
6 stand for service at any place outside the State of
7 Illinois during the calendar year in which the foal is
8 conceived. The Department of Agriculture may assess and
9 collect application fees for the registration of
10 Illinois-eligible stallions. All fees collected are to be
11 paid into the Illinois Thoroughbred Breeders Fund.

12 (2) Provide for the registration of Illinois conceived
13 and foaled horses and Illinois foaled horses. No such horse
14 shall compete in the races limited to Illinois conceived
15 and foaled horses or Illinois foaled horses or both unless
16 registered with the Department of Agriculture. The
17 Department of Agriculture may prescribe such forms as are
18 necessary to determine the eligibility of such horses. The
19 Department of Agriculture may assess and collect
20 application fees for the registration of Illinois-eligible
21 foals. All fees collected are to be paid into the Illinois
22 Thoroughbred Breeders Fund. No person shall knowingly
23 prepare or cause preparation of an application for
24 registration of such foals containing false information.

25 (m) The Department of Agriculture, with the advice and
26 assistance of the Illinois Thoroughbred Breeders Fund Advisory
27 Board, shall provide that certain races limited to Illinois
28 conceived and foaled and Illinois foaled horses be stakes races
29 and determine the total amount of stakes and awards to be paid
30 to the owners of the winning horses in such races.

31 In determining the stakes races and the amount of awards
32 for such races, the Department of Agriculture shall consider
33 factors, including but not limited to, the amount of money
34 appropriated for the Illinois Thoroughbred Breeders Fund
35 program, organization licensees' contributions, availability
36 of stakes caliber horses as demonstrated by past performances,

1 whether the race can be coordinated into the proposed racing
2 dates within organization licensees' racing dates, opportunity
3 for colts and fillies and various age groups to race, public
4 wagering on such races, and the previous racing schedule.

5 (n) The Board and the organizational licensee shall notify
6 the Department of the conditions and minimum purses for races
7 limited to Illinois conceived and foaled and Illinois foaled
8 horses conducted for each organizational licensee conducting a
9 thoroughbred racing meeting. The Department of Agriculture
10 with the advice and assistance of the Illinois Thoroughbred
11 Breeders Fund Advisory Board may allocate monies for purse
12 supplements for such races. In determining whether to allocate
13 money and the amount, the Department of Agriculture shall
14 consider factors, including but not limited to, the amount of
15 money appropriated for the Illinois Thoroughbred Breeders Fund
16 program, the number of races that may occur, and the
17 organizational licensee's purse structure.

18 (o) In order to improve the breeding quality of
19 thoroughbred horses in the State, the General Assembly
20 recognizes that existing provisions of this Section to
21 encourage such quality breeding need to be revised and
22 strengthened. As such, a Thoroughbred Breeder's Program Task
23 Force is to be appointed by the Governor by September 1, 1999
24 to make recommendations to the General Assembly by no later
25 than March 1, 2000. This task force is to be composed of 2
26 representatives from the Illinois Thoroughbred Breeders and
27 Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's
28 Association, 3 from Illinois race tracks operating
29 thoroughbred race meets for an average of at least 30 days in
30 the past 3 years, the Director of Agriculture, the Executive
31 Director of the Racing Board, who shall serve as Chairman.

32 (Source: P.A. 91-40, eff. 6-25-99.)