

## 98TH GENERAL ASSEMBLY

## State of Illinois

## 2013 and 2014

### HB4003

by Rep. Michael J. Madigan

## 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.

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1 AN ACT concerning gaming.

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

Section 5. The Illinois Horse Racing Act of 1975 is amended
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: sufficient numbers of high quality thoroughbred horses to 11 participate in thoroughbred racing meetings in this State, and 12 to establish and preserve the agricultural and commercial 13 14 benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further 15 16 this policy by the provisions of this Act.

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

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1 of the Department of Agriculture.

2 (c) Conditions of races under subsection (b) shall be 3 commensurate with past performance, quality, and class of 4 Illinois conceived and foaled and Illinois foaled horses 5 available. If, however, sufficient competition cannot be had 6 among horses of that class on any day, the races may, with 7 consent of the Board, be eliminated for that day and substitute 8 races provided.

9 (d) There is hereby created a special fund of the State 10 Treasury to be known as the Illinois Thoroughbred Breeders 11 Fund.

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

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

(f) The Illinois Thoroughbred Breeders Fund Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; a member of the Illinois Racing Board, designated by it; 2 representatives of the organization licensees conducting thoroughbred racing meetings, recommended by them; 2 representatives of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by it; and 2

Horsemen's Benevolent Protective 1 representatives of the 2 Association or any successor organization established in 3 Illinois comprised of the largest number of owners and trainers, recommended by it, with one representative of the 4 5 Horsemen's Benevolent and Protective Association to come from its Illinois Division, and one from its Chicago Division. 6 Advisory Board members shall serve for 2 years commencing 7 8 January 1 of each odd numbered year. If representatives of the 9 organization licensees conducting thoroughbred racing 10 meetings, the Illinois Thoroughbred Breeders and Owners 11 Foundation. and the Horsemen's Benevolent Protection 12 Association have not been recommended by January 1, of each odd 13 numbered year, the Director of the Department of Agriculture 14 shall make an appointment for the organization failing to so 15 recommend a member of the Advisory Board. Advisory Board 16 members shall receive no compensation for their services as 17 members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their 18 official duties. 19

20 monies shall be expended from the (a) No Illinois Thoroughbred Breeders Fund except as appropriated by the 21 22 General Assembly. Monies appropriated from the Illinois 23 Thoroughbred Breeders Fund shall be expended by the Department of Agriculture, with the advice and assistance of the Illinois 24 25 Thoroughbred Breeders Fund Advisory Board, for the following 26 purposes only:

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(1) To provide purse supplements to owners of horses 1 2 participating in races limited to Illinois conceived and 3 foaled and Illinois foaled horses. Any such purse supplements shall not be included in and shall be paid in 4 5 addition to any purses, stakes, or breeders' awards offered 6 by each organization licensee as determined by agreement between such organization licensee and an organization 7 8 representing the horsemen. No monies from the Illinois 9 Thoroughbred Breeders Fund shall be used to provide purse 10 supplements for claiming races in which the minimum 11 claiming price is less than \$7,500.

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12 (2) To provide stakes and awards to be paid to the 13 owners of the winning horses in certain races limited to 14 Illinois conceived and foaled and Illinois foaled horses 15 designated as stakes races.

16 (2.5) To provide an award to the owner or owners of an 17 Illinois conceived and foaled or Illinois foaled horse that wins a maiden special weight, an allowance, overnight 18 19 handicap race, or claiming race with claiming price of 20 \$10,000 or more providing the race is not restricted to Illinois conceived and foaled or Illinois foaled horses. 21 22 Awards shall also be provided to the owner or owners of 23 Illinois conceived and foaled and Illinois foaled horses 24 that place second or third in those races. To the extent 25 that additional moneys are required to pay the minimum additional awards of 40% of the purse the horse earns for 26

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placing first, second or third in those races for Illinois foaled horses and of 60% of the purse the horse earns for placing first, second or third in those races for Illinois conceived and foaled horses, those moneys shall be provided from the purse account at the track where earned.

6 (3) To provide stallion awards to the owner or owners 7 of any stallion that is duly registered with the Illinois 8 Thoroughbred Breeders Fund Program prior to the effective 9 date of this amendatory Act of 1995 whose duly registered 10 Illinois conceived and foaled offspring wins a race 11 conducted at an Illinois thoroughbred racing meeting other 12 than a claiming race. Such award shall not be paid to the owner or owners of an Illinois stallion that served outside 13 14 this State at any time during the calendar year in which 15 such race was conducted.

16 (4) To provide \$75,000 annually for purses to be 17 distributed to county fairs that provide for the running of during each county fair exclusively for 18 races the 19 thoroughbreds conceived and foaled in Illinois. The 20 conditions of the races shall be developed by the county 21 fair association and reviewed by the Department with the 22 advice and assistance of the Illinois Thoroughbred 23 Breeders Fund Advisory Board. There shall be no wagering of 24 any kind on the running of Illinois conceived and foaled 25 races at county fairs.

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(4.1) To provide purse money for an Illinois stallion

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1 stakes program. 2 (5) No less than 80% of all monies appropriated from the Illinois Thoroughbred Breeders Fund shall be expended 3 for the purposes in (1), (2), (2.5), (3), (4), (4.1), and 4 5 (5) as shown above. 6 (6) To provide for educational programs regarding the 7 thoroughbred breeding industry. 8 (7) To provide for research programs concerning the 9 health, development and care of the thoroughbred horse. 10 (8) To provide for a scholarship and training program 11 for students of equine veterinary medicine. 12 (9) To provide for dissemination of public information 13 designed to promote the breeding of thoroughbred horses in Illinois. 14 (10) To provide for all expenses incurred in the 15 16 administration of the Illinois Thoroughbred Breeders Fund. 17 (h) Whenever the Governor finds that the amount in the Illinois Thoroughbred Breeders Fund is more than the total of 18 19 the outstanding appropriations from such fund, the Governor 20 shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon 21 22 receipt of such notification, shall transfer such excess amount 23 from the Illinois Thoroughbred Breeders Fund to the General Revenue Fund. 24

(i) A sum equal to 12 1/2% of the first prize money of
every purse won by an Illinois foaled or an Illinois conceived

and foaled horse in races not limited to Illinois foaled horses 1 2 or Illinois conceived and foaled horses, or both, shall be paid 3 by the organization licensee conducting the horse race meeting. Such sum shall be paid from the organization licensee's share 4 5 of the money wagered as follows: 11 1/2% to the breeder of the 6 and 1% to the winning horse organization representing 7 thoroughbred breeders and owners whose representative serves 8 on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring 9 10 their distribution in accordance with this Act, and servicing 11 and promoting the Illinois thoroughbred horse racing industry. 12 The organization representing thoroughbred breeders and owners 13 shall cause all expenditures of monies received under this subsection (i) to be audited at least annually by a registered 14 15 public accountant. The organization shall file copies of each 16 annual audit with the Racing Board, the Clerk of the House of 17 Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon 18 19 request and upon payment of the reasonable cost of photocopying 20 the requested number of copies. Such payments shall not reduce any award to the owner of the horse or reduce the taxes payable 21 22 under this Act. Upon completion of its racing meet, each 23 organization licensee shall deliver to the organization 24 representing thoroughbred breeders and owners whose 25 representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and 26

the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards under this subsection to verify accuracy of payments and assure proper distribution of breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

(j) A sum equal to 12 1/2% of the first prize money won in 8 9 each race limited to Illinois foaled horses or Illinois 10 conceived and foaled horses, or both, shall be paid in the 11 following manner by the organization licensee conducting the 12 horse race meeting, from the organization licensee's share of 13 the money wagered: 11 1/2% to the breeders of the horses in each such race which are the official first, second, third and 14 15 fourth finishers and 1% to the organization representing 16 thoroughbred breeders and owners whose representative serves 17 on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring 18 their proper distribution in accordance with this Act, and 19 20 servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders 21 22 and owners shall cause all expenditures of monies received 23 under this subsection (j) to be audited at least annually by a registered public accountant. The organization shall file 24 25 copies of each annual audit with the Racing Board, the Clerk of 26 the House of Representatives and the Secretary of the Senate,

and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies.

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

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

8 (2) 20% of such sum shall be paid to the breeder of the
9 horse which finishes in the official second position;

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

12 (4) 5% of such sum shall be paid to the breeder of the13 horse which finishes in the official fourth position.

14 Such payments shall not reduce any award to the owners of a 15 horse or reduce the taxes payable under this Act. Upon 16 completion of its racing meet, each organization licensee shall 17 deliver to the organization representing thoroughbred breeders 18 and owners whose representative serves on the Illinois 19 Thoroughbred Breeders Fund Advisory Board a listing of all the 20 Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' 21 22 awards in accordance with the provisions of this Act. Such 23 payments shall be delivered by the organization licensee within 24 30 days of the end of each race meeting.

(k) The term "breeder", as used herein, means the owner ofthe mare at the time the foal is dropped. An "Illinois foaled

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horse" is a foal dropped by a mare which enters this State on 1 2 or before December 1, in the year in which the horse is bred, 3 provided the mare remains continuously in this State until its foal is born. An "Illinois foaled horse" also means a foal born 4 of a mare in the same year as the mare enters this State on or 5 6 before March 1, and remains in this State at least 30 days 7 after foaling, is bred back during the season of the foaling to 8 Illinois Registered Stallion (unless a veterinarian an 9 certifies that the mare should not be bred for health reasons), 10 and is not bred to a stallion standing in any other state 11 during the season of foaling. An "Illinois foaled horse" also 12 means a foal born in Illinois of a mare purchased at public auction subsequent to the mare entering this State prior to 13 14 February 1 of the foaling year providing the mare is owned 15 solely by one or more Illinois residents or an Illinois entity 16 that is entirely owned by one or more Illinois residents.

(1) The Department of Agriculture shall, by rule, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board:

20 (1) Qualify stallions for Illinois breeding; such stallions to stand for service within the State of Illinois 21 22 at the time of a foal's conception. Such stallion must not 23 stand for service at any place outside the State of Illinois during the calendar year in which the foal is 24 25 conceived. The Department of Agriculture may assess and application fees for the registration 26 collect of

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1 2 Illinois-eligible stallions. All fees collected are to be paid into the Illinois Thoroughbred Breeders Fund.

3 (2) Provide for the registration of Illinois conceived and foaled horses and Illinois foaled horses. No such horse 4 5 shall compete in the races limited to Illinois conceived and foaled horses or Illinois foaled horses or both unless 6 7 registered with the Department of Agriculture. The 8 Department of Agriculture may prescribe such forms as are 9 necessary to determine the eligibility of such horses. The 10 Department of Agriculture may assess and collect. 11 application fees for the registration of Illinois-eligible 12 foals. All fees collected are to be paid into the Illinois 13 Thoroughbred Breeders Fund. No person shall knowingly 14 prepare or cause preparation of an application for 15 registration of such foals containing false information.

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

In determining the stakes races and the amount of awards for such races, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, organization licensees' contributions, availability of stakes caliber horses as demonstrated by past performances, whether the race can be coordinated into the proposed racing dates within organization licensees' racing dates, opportunity for colts and fillies and various age groups to race, public wagering on such races, and the previous racing schedule.

(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 9 horses conducted for each organizational licensee conducting a 10 thoroughbred racing meeting. The Department of Agriculture 11 with the advice and assistance of the Illinois Thoroughbred 12 Breeders Fund Advisory Board may allocate monies for purse 13 supplements for such races. In determining whether to allocate 14 money and the amount, the Department of Agriculture shall 15 consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund 16 17 program, the number of races that may occur, and the organizational licensee's purse structure. 18

19  $(\circ)$ Τn order to improve the breeding quality of 20 thoroughbred horses in the State, the General Assembly recognizes that existing provisions of 21 this Section to 22 encourage such quality breeding need to be revised and 23 strengthened. As such, a Thoroughbred Breeder's Program Task Force is to be appointed by the Governor by September 1, 1999 24 25 to make recommendations to the General Assembly by no later than March 1, 2000. This task force is to be composed of 2 26

representatives from the Illinois Thoroughbred Breeders and 1 2 Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's 3 Association, 3 from Illinois race tracks operating thoroughbred race meets for an average of at least 30 days in 4 the past 3 years, the Director of Agriculture, the Executive 5 Director of the Racing Board, who shall serve as Chairman. 6

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