

# HB1922



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB1922

Introduced 2/14/2005, by Rep. Michael J. Madigan - Barbara Flynn Currie - Lou Lang

#### 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 02931 LRD 32932 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.)