

HB0726



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB0726

Introduced 01/31/11, 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.

LRB097 03554 ASK 43591 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

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.

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

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

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

1 representatives of the Horsemen's Benevolent Protective
2 Association or any successor organization established in
3 Illinois comprised of the largest number of owners and
4 trainers, recommended by it, with one representative of the
5 Horsemen's Benevolent and Protective Association to come from
6 its Illinois Division, and one from its Chicago Division.
7 Advisory Board members shall serve for 2 years commencing
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
18 expenses and disbursements incurred in the execution of their
19 official duties.

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

1 (1) To provide purse supplements to owners of horses
2 participating in races limited to Illinois conceived and
3 foaled and Illinois foaled horses. Any such purse
4 supplements shall not be included in and shall be paid in
5 addition to any purses, stakes, or breeders' awards offered
6 by each organization licensee as determined by agreement
7 between such organization licensee and an organization
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.

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
18 wins a maiden special weight, an allowance, overnight
19 handicap race, or claiming race with claiming price of
20 \$10,000 or more providing the race is not restricted to
21 Illinois conceived and foaled or Illinois foaled horses.
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
26 additional awards of 40% of the purse the horse earns for

1 placing first, second or third in those races for Illinois
2 foaled horses and of 60% of the purse the horse earns for
3 placing first, second or third in those races for Illinois
4 conceived and foaled horses, those moneys shall be provided
5 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
13 owner or owners of an Illinois stallion that served outside
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
18 races during each county fair exclusively for 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.

26 (4.1) To provide purse money for an Illinois stallion

1 stakes program.

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

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

17 (h) Whenever the Governor finds that the amount in the
18 Illinois Thoroughbred Breeders Fund is more than the total of
19 the outstanding appropriations from such fund, the Governor
20 shall notify the State Comptroller and the State Treasurer of
21 such fact. The Comptroller and the State Treasurer, upon
22 receipt of such notification, shall transfer such excess amount
23 from the Illinois Thoroughbred Breeders Fund to the General
24 Revenue Fund.

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

1 and foaled horse in races not limited to Illinois foaled horses
2 or Illinois conceived and foaled horses, or both, shall be paid
3 by the organization licensee conducting the horse race meeting.
4 Such sum shall be paid from the organization licensee's share
5 of the money wagered as follows: 11 1/2% to the breeder of the
6 winning horse and 1% to the organization representing
7 thoroughbred breeders and owners whose representative serves
8 on the Illinois Thoroughbred Breeders Fund Advisory Board for
9 verifying the amounts of breeders' awards earned, assuring
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
14 subsection (i) to be audited at least annually by a registered
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
18 copies of each annual audit available to the public upon
19 request and upon payment of the reasonable cost of photocopying
20 the requested number of copies. Such payments shall not reduce
21 any award to the owner of the horse or reduce the taxes payable
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
26 Fund Advisory Board a listing of all the Illinois foaled and

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

8 (j) A sum equal to 12 1/2% of the first prize money won in
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
14 each such race which are the official first, second, third and
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
18 verifying the amounts of breeders' awards earned, assuring
19 their proper distribution in accordance with this Act, and
20 servicing and promoting the Illinois thoroughbred horse racing
21 industry. The organization representing thoroughbred breeders
22 and owners shall cause all expenditures of monies received
23 under this subsection (j) to be audited at least annually by a
24 registered public accountant. The organization shall file
25 copies of each annual audit with the Racing Board, the Clerk of
26 the House of Representatives and the Secretary of the Senate,

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

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

6 (1) 60% of such sum shall be paid to the breeder of the
7 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;

10 (3) 15% of such sum shall be paid to the breeder of the
11 horse which finishes in the official third position; and

12 (4) 5% of such sum shall be paid to the breeder of the
13 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
21 which won breeders' awards and the amount of such breeders'
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.

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

1 horse" is a foal dropped by a mare which enters this State on
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
4 foal is born. An "Illinois foaled horse" also means a foal born
5 of a mare in the same year as the mare enters this State on or
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 an Illinois Registered Stallion (unless a veterinarian
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
13 auction subsequent to the mare entering this State prior to
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.

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

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

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

3 (2) Provide for the registration of Illinois conceived
4 and foaled horses and Illinois foaled horses. No such horse
5 shall compete in the races limited to Illinois conceived
6 and foaled horses or Illinois foaled horses or both unless
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.

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

22 In determining the stakes races and the amount of awards
23 for such races, the Department of Agriculture shall consider
24 factors, including but not limited to, the amount of money
25 appropriated for the Illinois Thoroughbred Breeders Fund
26 program, organization licensees' contributions, availability

1 of stakes caliber horses as demonstrated by past performances,
2 whether the race can be coordinated into the proposed racing
3 dates within organization licensees' racing dates, opportunity
4 for colts and fillies and various age groups to race, public
5 wagering on such races, and the previous racing schedule.

6 (n) The Board and the organizational licensee shall notify
7 the Department of the conditions and minimum purses for races
8 limited to Illinois conceived and foaled and Illinois foaled
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
16 money appropriated for the Illinois Thoroughbred Breeders Fund
17 program, the number of races that may occur, and the
18 organizational licensee's purse structure.

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

1 representatives from the Illinois Thoroughbred Breeders and
2 Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's
3 Association, 3 from Illinois race tracks operating
4 thoroughbred race meets for an average of at least 30 days in
5 the past 3 years, the Director of Agriculture, the Executive
6 Director of the Racing Board, who shall serve as Chairman.
7 (Source: P.A. 91-40, eff. 6-25-99.)