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SENATE BILL NO. 398

Offered January 8, 2014

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A *BILL to amend and reenact §§ 59.1-365 and 59.1-378.1 of the Code of Virginia, relating to the Virginia Racing Commission; steeplechase race meetings; simulcast horse racing.*

 Patron—Vogel

 Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:**1. That §§ 59.1-365 and 59.1-378.1 of the Code of Virginia are amended and reenacted as follows:****§ 59.1-365. Definitions.**

Unless another meaning is required by the context, the following words shall have the meanings prescribed by this section:

"Advance deposit account wagering" means a method of pari-mutuel wagering conducted in the Commonwealth that is permissible under the Interstate Horseracing Act, § 3001 et seq. of Chapter 57 of Title 15 of the United States Code, and in which an individual may establish an account with an entity, licensed by the Commission, to place pari-mutuel wagers in person or electronically.

"Breakage" means the odd cents by which the amount payable on each dollar wagered exceeds a multiple of \$0.10.

"Commission" means the Virginia Racing Commission.

"Dependent" means a son, daughter, father, mother, brother, sister, or other person, whether or not related by blood or marriage, if such person receives from an officer or employee more than one-half of his financial support.

"Drug" shall have the meaning prescribed by § 54.1-3401. The Commission shall by regulation define and designate those drugs the use of which is prohibited or restricted.

"Enclosure" means all areas of the property of a track to which admission can be obtained only by payment of an admission fee or upon presentation of authorized credentials, and any additional areas designated by the Commission.

"Handle" means the total amount of all pari-mutuel wagering sales excluding refunds and cancellations.

"Horse racing" means a competition on a set course involving a race between horses on which pari-mutuel wagering is permitted.

"Immediate family" means (i) a spouse and (ii) any other person residing in the same household as an officer or employee, who is a dependent of the officer or employee or of whom the officer or employee is a dependent.

"Licensee" includes any person holding an owner's, operator's or limited license under §§ 59.1-375 through 59.1-386 of this chapter. The licensee under a limited license shall not be deemed an owner for the purposes of owning or operating a satellite facility *unless such owner is licensed pursuant to § 59.1-378.1.*

"Member" includes any person designated a member of a nonstock corporation, and any person who by means of a pecuniary or other interest in such corporation exercises the power of a member.

"Pari-mutuel wagering" means the system of wagering on horse races in which those who wager on horses that finish in the position or positions for which wagers are taken share in the total amounts wagered, plus any amounts provided by an unlimited licensee, less deductions required or permitted by law and includes pari-mutuel wagering on simulcast horse racing originating within the Commonwealth or from any other jurisdiction.

"Participant" means any person who (i) has an ownership interest in any horse entered to race in the Commonwealth or who acts as the trainer, jockey, or driver of any horse entered to race in the Commonwealth or (ii) takes part in any horse racing subject to the jurisdiction of the Commission or in the conduct of a race meeting or pari-mutuel wagering there, including but not limited to a horse owner, trainer, jockey, or driver, groom, stable foreman, valet, veterinarian, agent, pari-mutuel employee, concessionaire or employee thereof, track employee, or other position the Commission deems necessary to regulate to ensure the integrity of horse racing in Virginia.

"Permit holder" includes any person holding a permit to participate in any horse racing subject to the jurisdiction of the Commission or in the conduct of a race meeting or pari-mutuel wagering thereon as provided in § 59.1-387.

"Person" means any individual, group of individuals, firm, company, corporation, partnership,

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59 business, trust, association, or other legal entity.

60 "Pool" means the amount wagered during a race meeting or during a specified period thereof.

61 "Principal stockholder" means any person who individually or in concert with his spouse and
62 immediate family members, beneficially owns or controls, directly or indirectly, five percent or more of
63 the stock of any person which is a licensee, or who in concert with his spouse and immediate family
64 members, has the power to vote or cause the vote of five percent or more of any such stock. However,
65 "principal stockholder" shall not include a broker-dealer registered under the Securities Exchange Act of
66 1934, as amended, which holds in inventory shares for sale on the financial markets for a publicly
67 traded corporation holding, directly or indirectly, a license from the Commission.

68 "Race meeting" means the whole consecutive period of time during which horse racing with
69 pari-mutuel wagering is conducted by a licensee.

70 "Racetrack" means an outdoor course located in Virginia which is laid out for horse racing and is
71 licensed by the Commission.

72 "Retainage" means the total amount deducted from the pari-mutuel wagering pool for (i) a license fee
73 to the Commission and localities, (ii) the unlimited license, (iii) purse money for the participants, (iv)
74 the Virginia Breeders Fund, and (v) certain enumerated organizations as required or permitted by law,
75 regulation or contract approved by the Commission.

76 "Satellite facility" means all areas of the property at which simulcast horse racing is received for the
77 purposes of pari-mutuel wagering, and any additional areas designated by the Commission.

78 "Simulcast horse racing" means the simultaneous transmission of the audio or video portion, or both,
79 of horse races from a licensed horse racetrack or satellite facility to another licensed horse racetrack or
80 satellite facility, regardless of state of licensure, whether such races originate within the Commonwealth
81 or any other jurisdiction, by satellite communication devices, television cables, telephone lines, or any
82 other means for the purposes of conducting pari-mutuel wagering.

83 "Steward" means a racing official, duly appointed by the Commission, with powers and duties
84 prescribed by Commission regulations.

85 "Stock" includes all classes of stock, partnership interest, membership interest, or similar ownership
86 interest of an applicant or licensee, and any debt or other obligation of such person or an affiliated
87 person if the Commission finds that the holder of such interest or stock derives therefrom such control
88 of or voice in the operation of the applicant or licensee that he should be deemed an owner of stock.

89 "Virginia Breeders Fund" means the fund established to foster the industry of breeding race horses in
90 the Commonwealth of Virginia.

91 **§ 59.1-378.1. Licensing of owners or operators of certain pari-mutuel facilities.**

92 A. Notwithstanding the provisions of § 59.1-391, the Commission may grant a license, for a duration
93 to be determined by the Commission, to the owner or operator of a steeplechase facility for the purpose
94 of conducting pari-mutuel wagering on steeplechase race meetings *and for simulcast horse racing* at that
95 facility for a period not to exceed ~~fourteen~~ 14 days in any calendar year, provided that, prior to making
96 application for such license, (i) the steeplechase facility has been sanctioned by the Virginia
97 Steeplechase Association or National Steeplechase Association and (ii) the owner or operator of such
98 facility has been granted tax-exempt status under § 501 (c) (3) or (4) of the Internal Revenue Code. For
99 purposes of this section, "steeplechase facility" means a turf racecourse constructed over natural ground
100 which is utilized primarily for races where horses jump over fences.

101 B. In deciding whether to grant any license pursuant to this section, the Commission shall consider
102 (i) the results of, circumstances surrounding, and issues involved in any referendum conducted under the
103 provisions of § 59.1-391 and (ii) whether the Commission had previously granted a license to such
104 facility, owner, or operator.

105 C. In no event shall the Commission issue more than ~~twelve~~ 12 licenses in a calendar year pursuant
106 to this section.