

2018 SESSION

LEGISLATION NOT PREPARED BY DLS
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HB1609

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HOUSE BILL NO. 1609

Offered January 29, 2018

A *BILL to amend and reenact § 59.1-365 of the Code of Virginia, relating to horse racing and pari-mutuel wagering.*

Patrons—Webert, Peace, Bell, John J., Ingram, James, Knight, Krizek, Poindexter, Robinson and Sickles;
Senator: McClellan

Unanimous consent to introduce

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That § 59.1-365 of the Code of Virginia is amended and reenacted as follows:

§ 59.1-365. Definitions.

As used in this chapter, unless the context requires a different meaning:

"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.

"Historical horse racing" means a form of horse racing that creates pari-mutuel pools from wagers placed on previously conducted horse races and is hosted at (i) a racetrack owned or operated by a significant infrastructure limited licensee or (ii) a satellite facility that is owned or operated by (a) a significant infrastructure limited licensee or (b) the nonprofit industry stakeholder organization recognized by the Commission and licensed to own or operate such satellite facilities. Pari-mutuel pools created by wagering on historical horse racing shall be taxed in an amount equal to that set forth in Va. Code 59.1-392 (I) and (J).

"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 or operator's license under Article 2 (§ 59.1-375 et seq.).

"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 a licensee, less deductions required or permitted by law and includes pari-mutuel wagering on simulcast horse racing and historical 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,

58 concessionaire or employee thereof, track employee, or other position the Commission deems necessary
59 to regulate to ensure the integrity of horse racing in Virginia.

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

63 "Person" means any individual, group of individuals, firm, company, corporation, partnership,
64 business, trust, association, or other legal entity.

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

66 "Principal stockholder" means any person who individually or in concert with his spouse and
67 immediate family members, beneficially owns or controls, directly or indirectly, five percent or more of
68 the stock of any person which is a licensee, or who in concert with his spouse and immediate family
69 members, has the power to vote or cause the vote of five percent or more of any such stock. However,
70 "principal stockholder" shall not include a broker-dealer registered under the Securities Exchange Act of
71 1934, as amended, which holds in inventory shares for sale on the financial markets for a publicly
72 traded corporation holding, directly or indirectly, a license from the Commission.

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

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

77 "Recognized majority horsemen's group" means the organization recognized by the Commission as
78 the representative of the majority of owners and trainers racing at race meetings subject to the
79 Commission's jurisdiction.

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

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

86 "Significant infrastructure facility" means a horse racing facility that has been approved by a local
87 referendum pursuant to § 59.1-391 and has a minimum racing infrastructure consisting of (i) a one-mile
88 dirt track for flat racing, (ii) a seven-eighths-mile turf course for flat or jump racing, (iii) covered
89 seating for no fewer than 500 persons, and (iv) barns with no fewer than 400 permanent stalls.

90 "Significant infrastructure limited licensee" means a person who owns or operates a significant
91 infrastructure facility and holds a limited license under § 59.1-376.

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

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

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

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

105 2. That the Virginia Racing Commission shall promulgate regulations to implement the provisions
106 of this act to be effective within 180 days of its enactment.