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## HOUSE BILL NO. 2919

Offered February 14, 1997

*A BILL to amend and reenact § 59.1-392 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 59.1-372.1, relating to the Virginia Racing Commission; retainage; creation of the Virginia Equine Research and Improvement Fund.*

Patrons—Shuler, Dickinson, Guest, May and Mims; Senator: Waddell

Consent to introduce

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:**

**1. That § 59.1-392 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 59.1-372.1 as follows:**

*§ 59.1-372.1. Virginia Equine Research and Improvement Fund.*

*There is hereby created within the state treasury a special, nonreverting fund to be known as the Virginia Equine Research and Improvement Fund, hereafter referred to as "the Fund." The Fund, together with the interest thereon, shall be administered by the Commission. The cost of administration of the Fund shall be deducted from the Fund, and the balance shall be disbursed quarterly by the Commission to the Marion DuPont Scott Equine Medical Center in Leesburg, a part of the Virginia-Maryland Regional College of Veterinary Medicine, and shall be used solely for equine research, breeding, showing, racing, nutritional health, and marketing. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Executive Secretary of the Commission.*

*§ 59.1-392. Percentage retained; tax.*

A. Any person holding an operator's license pursuant to this chapter shall be authorized to conduct pari-mutuel wagering on horse racing subject to the provisions of this chapter and the conditions and regulations of the Commission.

B. On pari-mutuel pools generated by wagering on live horse racing conducted within the Commonwealth, involving win, place and show wagering, the licensee shall retain an amount not to exceed eighteen *and one-quarter* percent of the pool, and the legitimate breakage, out of which shall be paid:

1. a. If there are no satellite facilities, one and one-half percent of the pool to the Commonwealth as a license tax which shall be paid within five days to the Commonwealth;

b. If there are satellite facilities, one percent of the pool to the Commonwealth as a license tax which shall be paid within five days to the Commonwealth, and one-quarter percent of the pool shall be paid to the locality in which the satellite facility is located and one-quarter percent to the locality in which the track is located which shall be paid within five days to the locality. If any satellite facility is located in more than one locality, the license tax shall be prorated in equal shares among those localities;

2. Eight percent of the pool as purses or prizes to the participants in such race meeting;

3. Seven and one-half percent of the pool, the breakage and the proceeds of pari-mutuel tickets unredeemed 180 days from the date on which the race was conducted, to the operator; ~~and~~

4. One percent of the pool to the Virginia Breeders Fund which shall be paid to the Commission within five days and shall be used in support of the policy of the Commonwealth to sustain and promote the growth of a native industry; *and*

*5. One quarter of one percent of the pool to the Virginia Equine Research and Improvement Fund.*

C. On pari-mutuel pools generated by wagering on live horse racing conducted within the Commonwealth involving wagering other than that set forth in subsection B of this section, the licensee shall retain an amount not to exceed twenty-two *and one-quarter* percent of the pool and the legitimate breakage, out of which shall be paid:

1. a. If there are no satellite facilities, three percent of the pool to the Commonwealth as a license tax which shall be paid within five days to the Commonwealth;

b. If there are satellite facilities, two percent of the pool to the Commonwealth as a license tax which shall be paid within five days to the Commonwealth, and one-half percent of the pool shall be paid to the locality in which the satellite facility is located and one-half percent to the locality in which the track is located which shall be paid within five days to the locality. If any satellite facility is located in

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60 more than one locality, the license tax shall be prorated in equal shares among those localities;  
61 2. Nine percent of the pool as purses or prizes to the participants in such race meeting;  
62 3. Nine percent of the pool, the breakage and the proceeds of the pari-mutuel tickets unredeemed 180  
63 days from the date on which the race was conducted, to the operator; ~~and~~  
64 4. One percent of the pool to the Virginia Breeders Fund which shall be paid to the Commission  
65 within five days and shall be used in support of the policy of the Commonwealth to sustain and promote  
66 the growth of a native industry; *and*  
67 5. *One quarter of one percent of the pool to the Virginia Equine Research and Improvement Fund.*  
68 D. On pari-mutuel wagering generated by simulcast horse racing transmitted from jurisdictions  
69 outside the Commonwealth, with the approval of the Commission the licensee may commingle pools  
70 with the racetrack where the transmission emanates or establish separate pools for wagering within the  
71 Commonwealth. All simulcast horse racing in this subsection must comply with the Interstate Horse  
72 Racing Act of 1978 (15 U.S.C. § 3001 et seq.).  
73 E. On pari-mutuel pools generated by wagering on simulcast horse racing transmitted from  
74 jurisdictions outside the Commonwealth, involving win, place and show wagering, the licensee shall  
75 retain:  
76 1. a. If there are no satellite facilities, one and one-half percent of the pool to the Commonwealth as  
77 a license tax which shall be paid within five days to the Commonwealth;  
78 b. If there are satellite facilities, one percent of the pool to the Commonwealth as a license tax which  
79 shall be paid within five days to the Commonwealth, and one-quarter percent of the pool to the locality  
80 in which the satellite facility is located and one-quarter percent to the Virginia locality in which the  
81 track is located which shall be paid within five days to the locality. If the satellite facility is located in  
82 more than one locality, the license tax shall be prorated in equal shares among those localities; and  
83 2. One percent of the pool to the Virginia Breeders Fund which shall be paid to the Commission  
84 within five days and shall be used in support of the policy of the Commonwealth to sustain and promote  
85 the growth of a native industry.  
86 Any contractual agreement between a licensee and other entities concerning the distribution of the  
87 remaining portion of the retainage is subject to the approval of the Commission.  
88 F. On pari-mutuel pools generated by simulcast horse racing transmitted from jurisdictions outside  
89 the Commonwealth, involving wagering other than that set forth in subsection E, the licensee shall  
90 retain:  
91 1. a. If there are no satellite facilities, three percent of the pool to the Commonwealth as a license  
92 tax which shall be paid within five days to the Commonwealth;  
93 b. If there are satellite facilities, two percent of the pool to the Commonwealth as a license tax which  
94 shall be paid within five days to the Commonwealth, and one-half percent of the pool to the locality in  
95 which the satellite facility is located and one-half percent to the Virginia locality in which the track is  
96 located which shall be paid within five days to the locality. If the satellite facility is located in more  
97 than one locality, the license tax shall be prorated in equal shares among the localities; and  
98 2. One percent of the pool to the Virginia Breeders Fund which shall be paid to the Commission  
99 within five days and shall be used in support of the policy of the Commonwealth to sustain and promote  
100 the growth of a native industry.  
101 Any contractual agreement between a licensee and other entities concerning the distribution of the  
102 remaining portion of the retainage is subject to the approval of the Commission.  
103 G. Moneys payable to the Commonwealth shall be deposited in the general fund. Gross receipts for  
104 license tax purposes under Chapter 37 (§ 58.1-3700 et seq.) of Title 58.1 shall not include pari-mutuel  
105 wagering pools and license taxes authorized by this section.  
106 **2. That it is the intent of the General Assembly that disbursements from the Virginia Equine**  
107 **Research and Improvement Fund created by this act to the Marion DuPont Scott Equine Medical**  
108 **Center shall supplement, but not supplant, funds appropriated to such Center as provided in the**  
109 **appropriations act or funds normally allocated by Virginia Polytechnic Institute and State**  
110 **University to the College of Veterinary Medicine.**