

# HOUSE BILL No. 1270

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-31; IC 4-35-7.

**Synopsis:** Horse racing matters. Provides that the minimum salary per diem for a member of the Indiana horse racing commission equals the maximum per diem amount that an employee of the executive branch of the federal government receives. Removes the prohibition that certain funds distributed to the horsemen's association cannot be used for lobbying purposes. Changes the appointment process for members of breed development advisory committees and the process to appoint new members. Changes the distribution of funds to promote horses and horse racing.

**Effective:** July 1, 2015.

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## Cherry, Lehe, Friend

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January 13, 2015, read first time and referred to Committee on Public Policy.

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First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

# HOUSE BILL No. 1270



A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-31-3-5 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2015]: Sec. 5. **(a)** Each member of the  
3 commission is entitled to the minimum salary per diem **provided by**  
4 ~~IC 4-10-11-2.1(b)~~ **for each day the member is engaged in official**  
5 **business.**  
6 **(b) The minimum salary per diem that each member of the**  
7 **commission is entitled to receive equals the maximum daily amount**  
8 **allowed to employees of the executive branch of the federal**  
9 **government for subsistence expenses while away from home in**  
10 **travel status in Indianapolis.**  
11 **(c)** Each member is also entitled to reimbursement for traveling  
12 expenses and other expenses actually incurred in connection with the  
13 member's duties, as provided in the state travel policies and procedures  
14 established by the department of administration and approved by the  
15 budget agency.



1 SECTION 2. IC 4-31-11-4 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. Each development  
 3 committee consists of ~~three (3)~~ **four (4)** members appointed by the  
 4 ~~governor.~~ **as follows:**

5 **(1) One (1) member appointed by the governor.**

6 **(2) One (1) member appointed by the permit holder of each of**  
 7 **the two (2) tracks where the breed races.**

8 **(3) One (1) member appointed by the horsemen's association**  
 9 **with the largest membership.**

10 The members of each development committee must be residents of  
 11 Indiana who are knowledgeable in horse breeding and racing and must  
 12 include one (1) member who is an owner and one (1) member who is  
 13 a breeder. No more than two (2) members of each development  
 14 committee may be members of the same political party.

15 SECTION 3. IC 4-31-11-5 IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. **Except as provided**  
 17 **in section 5.5 of this chapter**, a member of a development committee  
 18 serves a term of four (4) years. If a vacancy occurs on a development  
 19 committee ~~the governor shall appoint due to the death, resignation,~~  
 20 **or removal of a member**, a new member **shall be appointed** to serve  
 21 for the remainder of the unexpired term **in the same manner as the**  
 22 **original member was appointed under section 4 of this chapter.**

23 SECTION 4. IC 4-31-11-5.5 IS ADDED TO THE INDIANA CODE  
 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 25 1, 2015]: Sec. 5.5. **(a) This section applies to a member of a breed**  
 26 **development committee appointed before July 1, 2015.**

27 **(b) When a vacancy occurs on a breed development committee**  
 28 **under this chapter for any reason, a new member shall be**  
 29 **appointed in the following manner:**

30 **(1) The first appointment shall be made by the permit holder**  
 31 **of the track where the breed races. If the breed races at more**  
 32 **than one (1) track, each permit holder of the track where the**  
 33 **breed races may appoint a member.**

34 **(2) The second appointment shall be made by the horsemen's**  
 35 **association described in section 4(3) of this chapter.**

36 **(3) The third appointment shall be made by the governor.**

37 **(c) This section expires June 30, 2019.**

38 SECTION 5. IC 4-35-7-12, AS AMENDED BY P.L.210-2013,  
 39 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2015]: Sec. 12. (a) The Indiana horse racing commission shall  
 41 enforce the requirements of this section.

42 (b) A licensee shall before the fifteenth day of each month distribute



1 the following amounts for the support of the Indiana horse racing  
2 industry:

3 (1) An amount equal to fifteen percent (15%) of the adjusted  
4 gross receipts of the slot machine wagering from the previous  
5 month at each casino operated by the licensee with respect to  
6 adjusted gross receipts received after June 30, 2013, and before  
7 January 1, 2014.

8 (2) The percentage of the adjusted gross receipts of the slot  
9 machine wagering from the previous month at each casino  
10 operated by the licensee that is determined under section 16 or 17  
11 of this chapter with respect to adjusted gross receipts received  
12 after December 31, 2013.

13 (c) The Indiana horse racing commission may not use any of the  
14 money distributed under this section for any administrative purpose or  
15 other purpose of the Indiana horse racing commission.

16 (d) A licensee shall distribute the money devoted to horse racing  
17 purses and to horsemen's associations under this subsection as follows:

18 (1) Five-tenths percent (0.5%) shall be transferred to horsemen's  
19 associations for equine promotion or welfare according to the  
20 ratios specified in subsection (g).

21 (2) Two and five-tenths percent (2.5%) shall be transferred to  
22 horsemen's associations for backside benevolence according to  
23 the ratios specified in subsection (g).

24 (3) Ninety-seven percent (97%) shall be distributed to promote  
25 horses and horse racing as provided in subsection (f).

26 (e) A horsemen's association shall expend the amounts distributed  
27 to the horsemen's association under subsection (d)(1) through (d)(2) for  
28 a purpose promoting the equine industry or equine welfare or for a  
29 benevolent purpose that the horsemen's association determines is in the  
30 best interests of horse racing in Indiana for the breed represented by the  
31 horsemen's association. Expenditures under this subsection are subject  
32 to the regulatory requirements of subsection (h).

33 (f) A licensee shall distribute the amounts described in subsection  
34 (d)(3) as follows:

35 (1) Forty-six percent (46%) for thoroughbred purposes as follows:

36 (A) ~~Sixty~~ **Fifty** percent (~~60%~~) (**50%**) for the following  
37 purposes:

38 (i) Ninety-seven percent (97%) for thoroughbred purses.

39 (ii) Two and four-tenths percent (2.4%) to the horsemen's  
40 association representing thoroughbred owners and trainers.

41 (iii) Six-tenths percent (0.6%) to the horsemen's association  
42 representing thoroughbred owners and breeders.



- 1 (B) ~~Forty~~ **Fifty** percent (~~40%~~) (**50%**) to the breed  
 2 development fund established for thoroughbreds under  
 3 IC 4-31-11-10.
- 4 (2) Forty-six percent (46%) for standardbred purposes as follows:  
 5 (A) Three hundred seventy-five thousand dollars (\$375,000)  
 6 to the state fair commission to be used by the state fair  
 7 commission to support standardbred racing and facilities at the  
 8 state fairgrounds.  
 9 (B) One hundred twenty-five thousand dollars (\$125,000) to  
 10 the state fair commission to be used by the state fair  
 11 commission to make grants to county fairs to support  
 12 standardbred racing and facilities at county fair tracks. The  
 13 state fair commission shall establish a review committee to  
 14 include the standardbred association board, the Indiana horse  
 15 racing commission, and the Indiana county fair association to  
 16 make recommendations to the state fair commission on grants  
 17 under this clause.  
 18 (C) Fifty percent (50%) of the amount remaining after the  
 19 distributions under clauses (A) and (B) for the following  
 20 purposes:  
 21 (i) Ninety-six and five-tenths percent (96.5%) for  
 22 standardbred purses.  
 23 (ii) Three and five-tenths percent (3.5%) to the horsemen's  
 24 association representing standardbred owners and trainers.  
 25 (D) Fifty percent (50%) of the amount remaining after the  
 26 distributions under clauses (A) and (B) to the breed  
 27 development fund established for standardbreds under  
 28 IC 4-31-11-10.
- 29 (3) Eight percent (8%) for quarter horse purposes as follows:  
 30 (A) Seventy percent (70%) for the following purposes:  
 31 (i) Ninety-five percent (95%) for quarter horse purses.  
 32 (ii) Five percent (5%) to the horsemen's association  
 33 representing quarter horse owners and trainers.  
 34 (B) Thirty percent (30%) to the breed development fund  
 35 established for quarter horses under IC 4-31-11-10.
- 36 Expenditures under this subsection are subject to the regulatory  
 37 requirements of subsection (h).
- 38 (g) Money distributed under subsection (d)(1) and (d)(2) shall be  
 39 allocated as follows:  
 40 (1) Forty-six percent (46%) to the horsemen's association  
 41 representing thoroughbred owners and trainers.  
 42 (2) Forty-six percent (46%) to the horsemen's association



1 representing standardbred owners and trainers.

2 (3) Eight percent (8%) to the horsemen's association representing  
3 quarter horse owners and trainers.

4 (h) Money distributed under this section may not be expended  
5 unless the expenditure is for a purpose authorized in this section and is  
6 either for a purpose promoting the equine industry or equine welfare or  
7 is for a benevolent purpose that is in the best interests of horse racing  
8 in Indiana or the necessary expenditures for the operations of the  
9 horsemen's association required to implement and fulfill the purposes  
10 of this section. The Indiana horse racing commission may review any  
11 expenditure of money distributed under this section to ensure that the  
12 requirements of this section are satisfied. The Indiana horse racing  
13 commission shall adopt rules concerning the review and oversight of  
14 money distributed under this section and shall adopt rules concerning  
15 the enforcement of this section. The following apply to a horsemen's  
16 association receiving a distribution of money under this section:

17 (1) The horsemen's association must annually file a report with  
18 the Indiana horse racing commission concerning the use of the  
19 money by the horsemen's association. The report must include  
20 information as required by the commission.

21 (2) The horsemen's association must register with the Indiana  
22 horse racing commission.

23 The state board of accounts shall annually audit the accounts, books,  
24 and records of the Indiana horse racing commission, each horsemen's  
25 association, a licensee, and any association for backside benevolence  
26 containing any information relating to the distribution of money under  
27 this section.

28 (i) The commission shall provide the Indiana horse racing  
29 commission with the information necessary to enforce this section.

30 (j) The Indiana horse racing commission shall investigate any  
31 complaint that a licensee has failed to comply with the horse racing  
32 purse requirements set forth in this section. If, after notice and a  
33 hearing, the Indiana horse racing commission finds that a licensee has  
34 failed to comply with the purse requirements set forth in this section,  
35 the Indiana horse racing commission may:

36 (1) issue a warning to the licensee;

37 (2) impose a civil penalty that may not exceed one million dollars  
38 (\$1,000,000); or

39 (3) suspend a meeting permit issued under IC 4-31-5 to conduct  
40 a pari-mutuel wagering horse racing meeting in Indiana.

41 (k) A civil penalty collected under this section must be deposited in  
42 the state general fund.



1 SECTION 6. IC 4-35-7-13, AS AMENDED BY P.L.95-2008,  
2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2015]: Sec. 13. (a) The definitions in IC 3-5-2 apply to this  
4 section to the extent they do not conflict with the definitions in this  
5 article.

6 (b) As used in this section, "candidate" refers to any of the  
7 following:

- 8 (1) A candidate for a state office.
- 9 (2) A candidate for a legislative office.
- 10 (3) A candidate for a local office.

11 (c) As used in this section, "committee" refers to any of the  
12 following:

- 13 (1) A candidate's committee.
- 14 (2) A regular party committee.
- 15 (3) A committee organized by a legislative caucus of the house of  
16 the general assembly.
- 17 (4) A committee organized by a legislative caucus of the senate  
18 of the general assembly.

19 (d) Money distributed to a horsemen's association under section 12  
20 of this chapter may not be used for any of the following purposes:

- 21 (1) to make a contribution to a candidate or a committee.
- 22 (2) For lobbying (as defined in IC 2-7-1-9).

