

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE ENROLLED ACT No. 1196

AN ACT to amend the Indiana Code concerning gaming.

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

SECTION 1. IC 4-31-2-1.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 1.7. "Biological sample" refers to any fluid, tissue, or other substance obtained from a horse through an internal or external means to test for foreign substances, natural substances at abnormal levels, and prohibited medications. The term includes blood, urine, saliva, hair, muscle tissue collected at a necropsy, semen, and other substances appropriate for testing as determined by the commission.**

SECTION 2. IC 4-31-2-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 21. "State testing barn" means the facility provided by each racetrack and approved by the commission as the location where all horses designated for testing shall be taken by the trainer or the trainer's representative immediately following a race so that necessary ~~blood or urine~~ biological samples may be obtained from the horse.**

SECTION 3. IC 4-31-2-23 IS REPEALED [EFFECTIVE JULY 1, 2019]. **Sec. 23. "Test sample" means a body substance taken from a horse for the purpose of analysis, under the supervision of the commission or state veterinarian and in the manner prescribed by the commission.**

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SECTION 4. IC 4-31-5-6.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 6.5. **(a)** At least sixty (60) days before the commencement of a horse racing meeting, a permit holder shall:

(1) post a bond in an amount not to exceed one million dollars (\$1,000,000), as determined by the commission; **or**

(2) submit to the commission alternative proof of financial responsibility approved by the commission.

(b) ~~The bond, which~~ A bond posted under subsection (a)(1):

(1) is subject to the approval of the commission; **and**

(2) must be payable to the commission as obligee for use in payment of the applicant's financial obligations to the commission or the state and other aggrieved parties, as determined by the rules of the commission.

SECTION 5. IC 4-31-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2. The commission shall adopt rules under IC 4-22-2 establishing **the following:**

(1) Procedures for license applications. ~~and~~

(2) The confidentiality of personal information on license applications, including an applicant's date of birth and home address.

~~(2)~~ **(3)** License fees.

SECTION 6. IC 4-31-8-4, AS AMENDED BY P.L.268-2017, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 4. (a) A permit holder shall provide an alcohol breath-testing device that is approved by the commission and operated by a person certified to use such a device. All drivers, jockeys, judges, starters, assistant starters, and drivers of starting gates shall submit to a breath test at each racing program in which they participate. In addition, the ~~secretary~~ **executive director** of the commission, a member of the commission, a commission investigator, the stewards, or the track chief of security may order a licensee to submit to a breath test at any time there is reason to believe the licensee may have consumed sufficient alcohol to cause the licensee to fail a breath test.

(b) A person whose breath test shows a reading of an alcohol concentration equivalent (as defined in IC 9-13-2-2.4) to more than five-hundredths (0.05) gram of alcohol per two hundred ten (210) liters of the person's breath, is subject to the following sanctions:

(1) A driver or jockey may not be permitted to drive or ride and shall be suspended under the rules of the commission.

(2) A judge, a starter, an assistant starter, or a driver of the starting gate shall be relieved of all duties for that program, and



a report shall be made to the commission for appropriate action.

(3) Any other licensee shall be suspended, beginning that day, under the rules of the commission.

(c) The stewards and judges may, on behalf of the commission, impose the following sanctions against a licensee who refuses to submit to a breath test:

(1) For the first refusal, a civil penalty of one hundred dollars (\$100) and a seven (7) day suspension.

(2) For a second refusal, a civil penalty of two hundred fifty dollars (\$250) and a thirty (30) day suspension.

(3) For any additional refusals to submit to a breath test, a civil penalty of two hundred fifty dollars (\$250), a sixty (60) day suspension, and referral of the case to the commission for any further action that the commission considers necessary.

(d) A sanction under subsection (c) may be appealed to the commission. An appeal stays the sanction until further action by the commission. The appeal must be heard by the commission within thirty (30) days after the date of the appeal.

SECTION 7. IC 4-31-11-4, AS AMENDED BY P.L.256-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 4. (a) Each development committee consists of three (3) members appointed as follows:

(1) One (1) member appointed by the governor, who shall chair the committee.

(2) ~~One (1) member~~ **Two (2) members** appointed by the ~~permit holder of the track where the breed of horse races.~~ **governor.**

(3) ~~One (1) member appointed by the horsemen's association that is approved for funding by the Indiana horse racing commission: and representing owners.~~

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

(c) ~~If more than one (1) horsemen's association for a breed represents owners, the associations must agree on the associations' appointment described in subsection (a)(3) to the development committee.~~

(c) For a member to be eligible for an appointment and to continue to serve on a development committee under subsection (a), the member must hold a valid current license issued by the commission.



SECTION 8. IC 4-31-11-6 IS REPEALED [EFFECTIVE JULY 1, 2019]. ~~Sec. 6: Each development committee may elect one (1) member to serve as chairman and one (1) member to serve as secretary.~~

SECTION 9. IC 4-31-12-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 5. (a) The judges, the stewards, a commission veterinarian, a member of the commission, or the ~~secretary~~ **executive director** of the commission may order a ~~blood test or urine test, or both, test of a biological sample~~ on a horse for the purpose of analysis.

(b) ~~A blood specimen or urine specimen, or both, biological sample~~ shall be taken from the following horses after the running of each race:

- (1) The horse that finishes first in each race.
- (2) Any other horses designated by the judges, the stewards, a commission veterinarian, a member of the commission, or the ~~secretary~~ **executive director** of the commission. The judges and veterinarian shall designate for the taking of ~~such a specimen a biological sample~~ a horse that races markedly contrary to form.

SECTION 10. IC 4-31-12-6, AS AMENDED BY P.L.268-2017, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 6. (a) The commission:

- (1) shall appoint, at its cost, a veterinarian licensed to practice in Indiana to take or supervise the taking of ~~specimens biological samples~~ under section 5 of this chapter;
- (2) shall approve a laboratory for the analysis of ~~those specimens; a biological sample taken under section 5 of this chapter;~~ and
- (3) may require that a ~~specimen biological sample~~ taken under section 5 of this chapter be analyzed.

(b) The cost of analyzing the ~~primary blood or urine specimens biological samples~~ shall be borne by the commission.

(c) The commission may appoint, at its cost, veterinarians or other persons to supervise all activities in the state testing barn area and to supervise the practice of veterinary medicine at all racetracks in Indiana.

(d) The commission shall employ or contract for assistants to aid in securing ~~specimens biological samples~~ at each racetrack. These assistants shall have free access, under the supervision of the commission's veterinarian, to the state testing barn area. The permit holder shall, in the manner prescribed by the rules of the commission, reimburse the commission for the salaries and other expenses of the assistants who serve at the permit holder's racetrack.

SECTION 11. IC 4-31-12-7, AS AMENDED BY P.L.268-2017, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2019]: Sec. 7. (a) A veterinarian appointed by the commission or employed by a permit holder may not, during the period of the veterinarian's employment, **do the following with respect to a breed of horse registered with the commission for racing at the track of the veterinarian's employment:**

- (1) Treat or issue prescriptions for a horse, ~~on the grounds of or registered to race at a track,~~ except in case of emergency. ~~or to~~
- (2) Perform an endoscopic examination on a horse the day the horse is scheduled to race.

A full and complete record of an emergency treatment or a prescription **authorized by subdivision (1)** shall be filed with the stewards or judges.

(b) Except as provided in subsection (c), an owner or trainer may not directly or indirectly employ or pay compensation to a veterinarian ~~who is employed by the commission or a permit holder.~~ **with respect to the care of a horse belonging to a breed of horse registered with the commission for racing at the track of the veterinarian's employment.**

(c) An owner or trainer may pay a veterinarian employed by the commission or a permit holder for an endoscopic examination permitted under subsection (a).

SECTION 12. IC 4-31-12-8, AS AMENDED BY P.L.34-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 8. (a) As used in this section, "milkshake or bicarbonate loading" means a bicarbonate or alkaline substance, administered to a horse by any possible means, that elevates the horse's bicarbonate level or pH level above those existing naturally in the untreated horse at normal physiological concentrations as determined by the commission.

(b) A finding by the chemist or an authorized commission employee that a milkshake or bicarbonate loading or a foreign substance, other than a medication permitted by the rules of the commission, is present in the ~~test~~ **tested biological** sample shall be considered:

- (1) a positive test and a violation of section 2 of this chapter; and
- (2) prima facie evidence that:
 - (A) the milkshake or bicarbonate loading or foreign substance was administered and carried or attempted to be carried in the body of the horse while participating in a race; and
 - (B) the trainer and the trainer's agents responsible for the care and custody of the horse have been negligent in the handling or care of the horse.

(c) The commission may establish the concentration level that is an



unacceptable concentration level for substances that it considers necessary for the detection of a milkshake or bicarbonate loading under this section.

SECTION 13. IC 4-31-12-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 10. (a) The commission veterinarian may order a post-mortem examination of:

- (1) each horse that:
 - (A) suffers a breakdown on the racetrack, in training, or in competition; and
 - (B) is destroyed; and
- (2) each horse that expires under suspicious or unusual circumstances while stabled on a racetrack under the jurisdiction of the commission;

to determine the injury or sickness that resulted in euthanasia or natural death.

(b) A post-mortem examination under this section shall be conducted by a veterinarian approved by the commission, at a time and place acceptable to the commission veterinarian.

(c) ~~Test~~ **Biological** samples specified by the commission veterinarian **for testing** shall be obtained from the carcass upon which the post-mortem examination is conducted and shall be sent to a laboratory approved by the commission for testing for foreign substances and natural substances at abnormal levels. However, blood, ~~and~~ urine, ~~test and similar biological~~ samples shall be procured **for testing** before euthanasia when practical.

(d) The commission shall pay all costs involved in a post-mortem examination ordered by the commission or the commission veterinarian.

(e) A written record shall be filed with the commission veterinarian at the completion of each post-mortem examination. The record must contain all information normally contained in a post-mortem report, as well as any other information specifically requested by the commission veterinarian.

SECTION 14. IC 4-31-12-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 11. The commission may direct the official laboratory to retain and preserve by freezing **biological** samples for future analysis.

SECTION 15. IC 4-31-12-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 13. (a) This section applies to a horse entered to race at a track operated under a permit issued by the commission.

(b) The following provisions apply if the analysis of a ~~blood~~



~~specimen or urine specimen~~ **biological sample** shows that a person has violated section 2 of this chapter:

- (1) The owner of the horse from which the ~~specimen~~ **biological sample** was obtained shall forfeit the purse and any trophy or award.
- (2) If the purse was paid before the maker of that payment was notified of the result of the analysis, the horse, the owner, and the trainer of the horse ~~are~~ **may be** suspended. A permit holder is not required to make any other distribution of the purse until the refund has been made. The judges shall disqualify the horse from which the positive ~~specimen~~ **biological sample** was obtained and the remaining horses shall be advanced accordingly. The horse ultimately designated as the winner of the race shall be awarded any additional portions of the purse that remain following the disqualification if there are not enough unoffending horses to share the purse.
- (3) A suspension made under this section continues until the purse is refunded and properly redistributed or for any other period determined by the commission.

SECTION 16. IC 4-31-12-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 14. The trainer of a horse that is the winner of a race or from which the judges order a ~~specimen~~ **biological sample** to be taken shall see that the horse is taken directly to the state testing barn as soon as the race in which the horse competed has been completed.

SECTION 17. IC 4-31-12-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 17. (a) The owner, the trainer, or a representative of the owner or trainer must be present in the quarantine area when a ~~saliva, urine, or blood specimen~~ **biological sample** is taken from a horse, and must remain until the specimen is sealed. The official tag attached to a ~~specimen~~ **biological sample** shall be signed by the owner, the trainer, or the owner's or trainer's representative as witness to the taking of the ~~specimen~~ **biological sample**. The judges shall immediately suspend a person who:

- (1) willfully fails to be present at the taking of a ~~specimen~~ **biological sample**;
- (2) refuses to allow the taking of a ~~specimen~~ **biological sample**;
- or
- (3) otherwise interferes with the taking of a ~~specimen~~ **biological sample**;

and the matter shall be referred to the commission for any further penalty that the commission considers appropriate.



(b) An owner or trainer who is not present either in person or by representative when a ~~specimen biological sample~~ is taken from a horse may not claim that the ~~specimen biological sample~~ tested was not the ~~specimen biological sample~~ taken from the horse.

SECTION 18. IC 4-35-7-12, AS AMENDED BY P.L.28-2018, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 12. (a) The Indiana horse racing commission shall enforce the requirements of this section.

(b) A licensee shall before the fifteenth day of each month distribute the following amounts for the support of the Indiana horse racing industry,

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

(2) The percentage of the adjusted gross receipts of the slot machine wagering from the previous month at each casino operated by the licensee that is determined under section 16 or 17 of this chapter with respect to adjusted gross receipts received after December 31, 2013, and before July 1, 2015.

(3) subject to section 12.5 of this chapter, the percentage of the adjusted gross receipts of the gambling game wagering from the previous month at each casino operated by the licensee that is determined under section 16 or 17 of this chapter with respect to adjusted gross receipts received after June 30, 2015.

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

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

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

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

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

(e) A horsemen's association shall expend the amounts distributed to the horsemen's association under subsection (d)(1) through (d)(2) for a purpose promoting the equine industry or equine welfare or for a



benevolent purpose that the horsemen's association determines is in the best interests of horse racing in Indiana for the breed represented by the horsemen's association. Expenditures under this subsection are subject to the regulatory requirements of subsection (h).

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

- (1) Forty-six percent (46%) for thoroughbred purposes as follows:
 - (A) Fifty-five percent (55%) for the following purposes:
 - (i) Ninety-seven percent (97%) for thoroughbred purses.
 - (ii) Two and four-tenths percent (2.4%) to the horsemen's association representing thoroughbred owners and trainers.
 - (iii) Six-tenths percent (0.6%) to the horsemen's association representing thoroughbred owners and breeders.
 - (B) Forty-five percent (45%) to the breed development fund established for thoroughbreds under IC 4-31-11-10. **Beginning the date that table games are authorized under section 19 of this chapter, the amounts distributed under this clause shall be further distributed for the following purposes:**
 - (i) **At least forty-one percent (41%) to the Indiana sired horses program.**
 - (ii) **The remaining amount for other purposes of the fund.**
- (2) Forty-six percent (46%) for standardbred purposes as follows:
 - (A) Three hundred seventy-five thousand dollars (\$375,000) to the state fair commission to be used by the state fair commission to support standardbred racing and facilities at the state fairgrounds.
 - (B) One hundred twenty-five thousand dollars (\$125,000) to the state fair commission to be used by the state fair commission to make grants to county fairs and the department of parks and recreation in Johnson County to support standardbred racing and facilities at county fair and county park tracks. The state fair commission shall establish a review committee to include the standardbred association board, the Indiana horse racing commission, the Indiana county fair association, and a member of the board of directors of a county park established under IC 36-10 that provides or intends to provide facilities to support standardbred racing, to make recommendations to the state fair commission on grants under this clause. A grant may be provided to the Johnson County fair or department of parks and recreation under this clause only if the county fair or department provides matching funds



equal to one dollar (\$1) for every three dollars (\$3) of grant funds provided.

(C) Fifty percent (50%) of the amount remaining after the distributions under clauses (A) and (B) for the following purposes:

(i) Ninety-six and five-tenths percent (96.5%) for standardbred purses.

(ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.

(D) Fifty percent (50%) of the amount remaining after the distributions under clauses (A) and (B) to the breed development fund established for standardbreds under IC 4-31-11-10.

(3) Eight percent (8%) for quarter horse purposes as follows:

(A) Seventy percent (70%) for the following purposes:

(i) Ninety-five percent (95%) for quarter horse purses.

(ii) Five percent (5%) to the horsemen's association representing quarter horse owners and trainers.

(B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

Expenditures under this subsection are subject to the regulatory requirements of subsection (h).

(g) Money distributed under subsection (d)(1) and (d)(2) shall be allocated as follows:

(1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and trainers.

(2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and trainers.

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

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



association receiving a distribution of money under this section:

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

The state board of accounts shall audit the accounts, books, and records of the Indiana horse racing commission. Each horsemen's association, a licensee, and any association for backside benevolence ~~containing any information relating to the distribution of money under this section~~ **shall submit to an annual audit of their accounts, books, and records relating to the distribution of money under this section. The audit shall be performed by an independent public accountant, and the audit report shall be provided to the Indiana horse racing commission.**

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

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

- (1) issue a warning to the licensee;
- (2) impose a civil penalty that may not exceed one million dollars (\$1,000,000); or
- (3) suspend a meeting permit issued under IC 4-31-5 to conduct a pari-mutuel wagering horse racing meeting in Indiana.

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

SECTION 19. IC 4-35-7-12.5, AS ADDED BY P.L.213-2015, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 12.5. (a) This section applies to adjusted gross receipts received after June 30, 2015.

(b) A licensee shall annually withhold the product of:

- (1) seventy-five thousand dollars (\$75,000); multiplied by
- (2) the number of racetracks operated by the licensee;

from the amount that must be distributed under section ~~12(b)(3)~~ **12(b)** of this chapter.

(c) A licensee shall transfer the amount withheld under subsection (b) to the Indiana horse racing commission for deposit in the gaming



integrity fund established by IC 4-35-8.7-3. Money transferred under this subsection must be used for the purposes described in IC 4-35-8.7-3(f)(1).

SECTION 20. IC 4-35-7-16, AS AMENDED BY P.L.255-2015, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 16. (a) The amount of gambling game revenue that must be distributed under section ~~12(b)(3)~~ **12(b)** of this chapter must be determined in a distribution agreement entered into by negotiation committees representing all licensees and the horsemen's associations having contracts with licensees that have been approved by the Indiana horse racing commission.

(b) Each horsemen's association shall appoint a representative to a negotiation committee to negotiate the distribution agreement required by subsection (a). If there is an even number of horsemen's associations appointing representatives to the committee, the members appointed by each horsemen's association shall jointly appoint an at-large member of the negotiation committee to represent the interests of all of the horsemen's associations. The at-large member is entitled to the same rights and privileges of the members appointed by the horsemen's associations.

(c) Each licensee shall appoint a representative to a negotiation committee to negotiate the distribution agreement required by subsection (a). If there is an even number of licensees, the members appointed by each licensee shall jointly appoint an at-large member of the negotiation committee to represent the interests of all of the licensees. The at-large member is entitled to the same rights and privileges of the members appointed by the licensees.

(d) If a majority of the members of each negotiation committee is present, the negotiation committees may negotiate and enter into a distribution agreement binding all horsemen's associations and all licensees as required by subsection (a).

(e) The initial distribution agreement entered into by the negotiation committees:

- (1) must be in writing;
- (2) must be submitted to the Indiana horse racing commission before October 1, 2013;
- (3) must be approved by the Indiana horse racing commission before January 1, 2014; and
- (4) may contain any terms determined to be necessary and appropriate by the negotiation committees, subject to subsection (f) and section 12 of this chapter.

(f) A distribution agreement must provide that at least ten percent



(10%) and not more than twelve percent (12%) of a licensee's adjusted gross receipts must be distributed under section ~~12(b)(3)~~ **12(b)** of this chapter. A distribution agreement applies to adjusted gross receipts received by the licensee after December 31 of the calendar year in which the distribution agreement is approved by the Indiana horse racing commission.

(g) A distribution agreement may expire on December 31 of a particular calendar year if a subsequent distribution agreement will take effect on January 1 of the following calendar year. A subsequent distribution agreement:

- (1) is subject to the approval of the Indiana horse racing commission; and
- (2) must be submitted to the Indiana horse racing commission before October 1 of the calendar year preceding the calendar year in which the distribution agreement will take effect.

(h) The Indiana horse racing commission shall annually report to the budget committee on the effect of each distribution agreement on the Indiana horse racing industry before January 1 of the following calendar year.

SECTION 21. IC 4-35-7-17, AS ADDED BY P.L.210-2013, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 17. (a) Subject to subsection (b), if:

- (1) a distribution agreement is not submitted to the Indiana horse racing commission before the deadlines imposed by section 16 of this chapter; or
- (2) the Indiana horse racing commission is unable to approve a distribution agreement;

the Indiana horse racing commission shall determine the percentage of a licensee's adjusted gross receipts that must be distributed under section ~~12(b)(2)~~ **12(b)** of this chapter.

(b) The Indiana horse racing commission shall give the negotiation committees an opportunity to correct any deficiencies in a proposed distribution agreement before making a determination of the applicable percentage under subsection (a).

(c) The Indiana horse racing commission shall consider the factors used to evaluate a distribution agreement under section 18 of this chapter when making a determination under subsection (a).

SECTION 22. IC 4-35-8.7-3, AS AMENDED BY P.L.86-2018, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 3. (a) The gaming integrity fund is established.

(b) The fund shall be administered by the Indiana horse racing commission.



(c) The fund consists of gaming integrity fees deposited in the fund under this chapter and money distributed to the fund under IC 4-35-7-12.5 and IC 4-35-7-15. For each licensee, the Indiana horse racing commission shall annually transfer:

- (1) seventy-five thousand dollars (\$75,000); multiplied by
- (2) the number of racetracks operated by the licensee;

from the fund to the Indiana state board of animal health to be used by the state board to pay the costs associated with equine health and equine care programs under IC 15-17.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Money in the fund may be used by the Indiana horse racing commission only for the following purposes:

- (1) To pay the cost of taking and analyzing equine ~~specimens~~ **biological samples** under IC 4-31-12-6(b) or another law or rule and the cost of any supplies related to the taking or analysis of ~~specimens~~ **biological samples**.
- (2) To pay dues to the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International.
- (3) To provide grants for research for the advancement of equine drug testing. Grants under this subdivision must be approved by the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International or by the Racing Mediation and Testing Consortium.
- (4) To pay the costs of post-mortem examinations under IC 4-31-12-10.
- (5) To pay other costs incurred by the commission to maintain the integrity of pari-mutuel racing.

(g) Money in the fund is continuously appropriated to the Indiana horse racing commission to carry out the purposes described in subsection (f).



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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