

# Regulatory Analysis Form

This space for use by IRRC

2006 AUG 14 PM 3:32

INDEPENDENT REGULATORY  
REVIEW COMMISSION

IRRC Number: 2536

(1) Agency

Pennsylvania State Horse Racing Commission

(2) I.D. Number (Governor's Office Use)

34-65

(3) Short Title

Rules of Racing - Pennsylvania Breeders' Fund Program

(4) PA Code Cite

58 Pa. Code Chapter 163

(5) Agency Contacts & Telephone Numbers

Primary Contact: Benjamin H. Nolt, Jr. (717) 346-9643

Secondary Contact: Michael Dillon (717) 787-8744

(6) Type of Rulemaking (check one)

- Proposed Rulemaking  
 Final Order Adopting Regulation  
 Final Order, Proposed Rulemaking Omitted

(7) Is a 120-Day Emergency Certification Attached?

- No  
 Yes: By the Attorney General  
 Yes: By the Governor

(8) Briefly explain the regulation in clear and nontechnical language.

The Pennsylvania Breeding Fund Program (Program) is established under the Act, and provides for the awarding of financial incentives to: (1) breeders of Pennsylvania-bred thoroughbred horses sired either by a registered Pennsylvania sire or a non-registered sire; (2) owners of registered Pennsylvania sires; and (3) licensed owners of registered Pennsylvania-bred thoroughbred horses.;

The regulation would: (1) revise and clarify several definitions relating to the Program; and (2) meet the statutory requirement that the Pennsylvania State Horse Racing Commission (Commission) promulgate a regulation providing for Program awards.

Proposed § 163.531 (relating to definitions) would clarify the definitions of "Pennsylvania-bred horse" and "Pennsylvania sire," and add definitions for commonly-used terms. Proposed § 163.538 (relating to purses and awards) repeats the award requirements set forth in § 223(b) of the Act.

(9) State the statutory authority for the regulation and any relevant state or federal court decisions.

The Race Horse Industry Reform Act (act of December 17, 1981, P.L. 435, No. 135, 4 P.S. §§ 325.101 - 325.402) (Act) provides the general legal authority for the regulation.

Section 202 of the Act (4 P.S. § 325.202) provides the Commission authority to adopt rules and regulations necessary to its supervision of thoroughbred horse race meetings; and § 223(b) of the Act (4 P.S. § 325.223(b)) requires the Commission to promulgate regulations describing awards under the Program.

Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

Yes. The subject matter of proposed § 163.538 is required by statute to be the subject of a regulation. Section 223(b) of the Act (4 P.S. § 325.223(b)) requires the Commission to promulgate regulations describing awards under the Program.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

There is approximately \$8.2 million in the Pennsylvania Breeding Fund (Fund); and this amount is expected to increase significantly once slot machines are installed at the racetracks. The Program uses money from the Fund to provide financial incentives intended to keep Pennsylvania's thoroughbred race horse breeding industry vital.

The proposed regulation would clarify definitions and meet the statutory requirement that the Program's award structure be formalized by regulation.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

There are no such risks associated with regulation or nonregulation.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

There are approximately 625 persons who have mares, stallions or foals that are currently registered with the Pennsylvania Horse Breeders' Association (PHBA). These are the persons who would ultimately benefit from the clarification the proposed regulation would accomplish.

Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

No persons would be adversely affected by the regulation.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

The persons who must comply with the regulation if they wish to participate in the Program (Program participation is entirely *voluntary*) and their estimated numbers are as follows:

Pennsylvania's thoroughbred breeders - 625.

Owners of thoroughbred sires standing in Pennsylvania - 100.

Owners of Pennsylvania-bred horses - 725 .

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

The Commission and the PHBA have worked together closely in the development and drafting of the proposed regulation.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

The proposed regulation is not expected to result in any costs or savings with respect to the regulated community.

Regulatory Analysis Form

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

No such costs or savings are anticipated.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

No such costs or savings are anticipated.

Regulatory Analysis Form

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
Regulated Community	0	0	0	0	0	0
Local Government	0	0	0	0	0	0
State Government	0	0	0	0	0	0
<b>Total Savings</b>	0	0	0	0	0	0
<b>COSTS:</b>						
Regulated Community	0	0	0	0	0	0
Local Government	0	0	0	0	0	0
State Government	0	0	0	0	0	0
<b>Total Costs</b>	0	0	0	0	0	0
<b>REVENUE LOSSES:</b>						
Regulated Community	0	0	0	0	0	0
Local Government	0	0	0	0	0	0
State Government	0	0	0	0	0	0
<b>Total Revenue Losses</b>	0	0	0	0	0	0

(20a) Explain how the cost estimates listed above were derived.

The proposed regulation would not result in costs or savings – it would simply refine several definitions and restate – in regulation – an award formula that is already stated in the Act.

Regulatory Analysis Form

(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY-3 2002	FY-2 2003	FY-1 2004	Current FY 2005
Pennsylvania Breeding Fund Program	\$9,384,298	\$8,908,909	\$8,076,228	\$7,173,154 (partial figure)

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

The proposed regulation is not expected to impose costs on any entity, so the benefits to be realized from the clarification resulting from this regulation outweigh any costs.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

No non-regulatory alternatives were considered, because the regulation is intended to amend a current regulation and add a regulatory provision that is specifically required by the act.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

No alternative regulatory schemes were considered.

Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

No. There are no applicable Federal standards.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

Breeding fund programs in surrounding states operate under very similar regulations. The revised regulation § 163.531 and the additional regulation at § 163.538 will not put Pennsylvania at any competitive disadvantage with other states.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

No.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

No.

Regulatory Analysis Form

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

No.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

None.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

The proposed regulation would take effect upon final promulgation. No permits, licenses or other approvals are required with respect to this proposed regulation.

(31) Provide the schedule for continual review of the regulation.

The efficacy of the regulation would be reviewed on an ongoing basis.



**FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE  
BUREAU**

**(Pursuant to Commonwealth Documents Law)**

2536

RECEIVED

2006 AUG 14 PM 3:41

INDEPENDENT REGULATORY  
REVIEW COMMISSION

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality.  
Attorney General

By: \_\_\_\_\_  
(Deputy Attorney General)

DATE OF APPROVAL

Check if applicable  
Copy not approved. Objections attached.

Copy below is hereby certified to be true and  
correct copy of a document issued, prescribed or  
promulgated by:

(AGENCY)

DOCUMENT/FISCAL NOTE NO. 34-65

DATE OF ADOPTION 14 July 06

BY Ben H. Nolt, Jr.  
Benjamin H. Nolt, Jr.  
TITLE  
EXECUTIVE SECRETARY  
Pennsylvania State Horse Racing Commission

Copy below is hereby approved as to form and legality  
Executive or Independent Agencies

BY Andrew C. Clark  
Andrew C. Clark  
DATE OF APPROVAL  
AUG 2 2006  
(Deputy General Counsel)  
(Chief Counsel - Independent Agency)  
(Strike inapplicable title)

Check if applicable. No Attorney General Approval  
or objection within 30 days after submission.

**Notice of Final-Form Regulation**

**Title 58 – RECREATION  
58 Pa. Code §163.531 and §163.538**

**PENNSYLVANIA BREEDERS' FUND PROGRAM**

**FINAL RULEMAKING**  
**STATE HORSE RACING COMMISSION**

**RULES OF RACING**  
**[58 PA. CODE CH. 163]**

The State Horse Racing Commission (Commission) hereby revises the current regulation at 58 Pa. Code Chapter 163 (relating to rules of racing), to read as set forth in Annex "A."

*Statutory Authority*

The Race Horse Industry Reform Act (act of December 17, 1981, P.L. 435, No. 135, 4 P.S. §§ 325.101 – 325.402) (Act) provides the general legal authority for the regulation.

Section 202 of the Act (4 P.S. § 325.202) provides the Commission authority to adopt rules and regulations necessary to its supervision of thoroughbred horse race meetings; and § 223(b) of the Act (4 P.S. § 325.223(b)) requires the Commission to promulgate regulations describing awards under the Pennsylvania Breeding Fund Program (Program).

*Purpose of the Final-Form Regulation*

The regulation would: (1) revise and clarify several definitions relating to the Program; and (2) meet the statutory requirement that the Commission promulgate a regulation providing for Program awards.

*Background*

The Pennsylvania Breeding Fund (Fund) is intended to stimulate and sustain the Commonwealth's thoroughbred breeding industry. The Fund currently receives an amount equivalent to one percent of the dollar amount wagered each day on thoroughbred horses at Pennsylvania facilities conducting pari-mutuel wagering. The Fund is a restricted account in the State Racing Fund, and helps support live thoroughbred racing for a series of incentive award payments to: (1) breeders of Pennsylvania-bred thoroughbred horses sired either by a registered Pennsylvania sire or a non-registered sire; (2) owners of registered Pennsylvania sires; and (3) licensed owners of registered Pennsylvania-bred thoroughbred horses. The Act has, since 1981, provided a clear description of how awards are to be calculated and distributed, but also required that the Commission address this subject in regulation.

The Pennsylvania Horse Breeders' Association (PHBA) retains records relevant to the Commission's administration of the Program, and performs other functions described in §223 of the Act.

*Comments and Responses*

A notice of proposed rulemaking was published at 36 *Pennsylvania Bulletin* 2173 (May 6, 2006), affording the public, the Legislature and the Independent Regulatory Review Commission (IRRC) the opportunity to offer comments. No comments were offered.

*Fiscal Impact*

The final-form regulation will impose no additional costs and have no fiscal impact upon the Commonwealth, political subdivisions, the public sector, or the general public.

*Paperwork Requirements*

The final-form regulation will result in no additional paperwork for the Commission.

*Effective Date*

The final-form regulation will take effect upon publication in the *Pennsylvania Bulletin*.

*Additional Information*

Individuals who need information about the final-form regulation should contact Benjamin H. Nolt, Jr., Executive Secretary, State Horse Racing Commission, Room 304, Department of Agriculture, 2301 North Cameron Street, Harrisburg, PA 17110. Telephone: (717) 346-9643.

*Regulatory Review*

Under §5(a) of the Regulatory Review Act (71 P. S. §745.5 (a)), on April 24, 2006 the State Horse Racing Commission submitted a copy of the Notice of Proposed Rulemaking (published at 36 *Pennsylvania Bulletin* 2173 (May 6, 2006)) to the Independent Regulatory Review Commission (IRRC). On that same date the State Horse Racing Commission submitted a copy to the Chairpersons of the House State Government Committee and the Senate State Government Committee for review and comment.

This final-form regulation was (deemed) approved by the House State Government Committee on \_\_\_\_\_; was (deemed) approved by the Senate State Government Committee on \_\_\_\_\_; and was (deemed) approved by IRRC on \_\_\_\_\_.

### *Findings*

The State Horse Racing Commission finds that:

- (1) Public notice of intention to adopt this final-form regulation has been given under sections 201 and 202 of the act of July 31, 1968 (P. L. 769, No. 240) (45 P. S. §§1201 and 1202) and their attendant regulations at 1 Pa. Code §§7.1 and 7.2.
- (2) A public comment period was provided as required by law and no comments were received.
- (3) The adoption of the regulation in the manner provided in this Order is necessary and appropriate for the administration of the authorizing statute.

### *Order*

The State Horse Racing Commission, acting under the authorizing statutes, orders the following:

- (1) The current regulations of the State Horse Racing Commission at 58 Pa. Code Chapter 163 (relating to rules of racing) are revised to read as set forth in Annex "A."
- (2) The Executive Secretary of the State Horse Racing Commission shall submit this order, 36 *Pennsylvania Bulletin* 2173 (May 6, 2006) and Annex "A" to the Office of General Counsel and the Office of Attorney General for approval as required by law.
- (3) The Executive Secretary of the State Horse Racing Commission shall certify and deposit this order, 36 *Pennsylvania Bulletin* 2173 (May 6, 2006) and Annex "A" with the Legislative Reference Bureau as required by law.
- (4) This order shall take effect upon publication in the *Pennsylvania Bulletin*.

BENJAMIN H. NOLT, JR.  
*Executive Secretary,*  
*State Horse Racing Commission*

Annex "A"

STATE HORSE RACING COMMISSION  
[58 PA. CODE]  
CHAPTER 163. RULES OF RACING

\* \* \* \* \*

PENNSYLVANIA BREEDERS' FUND PROGRAM

§ 163.531. Definitions.

The following words and terms, when used in this part, have the following meanings, unless the context clearly indicates otherwise:

*Breeder*—[A breeder is the] The owner of the dam at the time of foaling, and indicated as such on the certificate of registration issued by the Jockey Club.

[When a horse is held under a lease or partnership registered with the jockey club, the lease or partnership will be deemed to be the owner.]

*Fund*—The Pennsylvania Breeding Fund as created by § 223 of the act (4 P.S. § 325.223).

*The Jockey Club* – The breed registry organization for all thoroughbred horses in North America, having responsibility for maintaining the American Stud Book, which includes all thoroughbreds foaled in the United States, Canada, and Puerto Rico, as well as thoroughbreds imported into those countries from other countries that maintain similar thoroughbred registries.

*Pennsylvania-bred horse*—[A Pennsylvania-bred horse is a thoroughbred horse foaled in this Commonwealth, which during the year of foaling, the foal or its dam spent a minimum of 90 days at a facility in this Commonwealth and is subsequently registered with the Pennsylvania Horse Breeders Association and

the Jockey Club.] A thoroughbred horse with respect to which all of the following apply:

- (i) The horse was foaled in this Commonwealth.
- (ii) The horse is the subject of a current certificate of registration issued by the Jockey Club.
- (iii) The horse meets the registration eligibility qualifications for participation in the Fund program as determined by the Pennsylvania Horse Breeders Association.
- (iv) The horse is registered with the Pennsylvania Horse Breeders Association in accordance with § 163.535 (relating to records of registration).

*Pennsylvania sire*—[A Pennsylvania sire is a thoroughbred stallion that regularly stands for a breeding season in this Commonwealth and is registered with the Pennsylvania Horse Breeders Association.] A thoroughbred stallion with respect to which all of the following apply:

- (i) The horse regularly stands in this Commonwealth.
- (ii) The horse meets the registration eligibility qualifications for participation in the Fund program as determined by the Pennsylvania Horse Breeders Association.
- (iii) The horse is registered with the Pennsylvania Horse Breeders Association in accordance with § 163.535; and is so registered each year the stallion stands in Pennsylvania.

\* \* \* \* \*

§ 163.538. Purses and awards.

\* \* \* \* \*

(b) The Pennsylvania Breeders Association shall compile awards earned by breeders [and], owners of Pennsylvania sires and owners of Pennsylvania-bred horses and maintain a separate ledger of them. Monthly, a certified report of awards earned shall be forwarded to the Commission. After the Commission has reviewed and approved them it will be forwarded to the Department of Treasury for payment to the awardees. Awards shall be provided for as follows:

(1) Awards to breeders. An award of 30% of the purse earned by every registered Pennsylvania-bred thoroughbred horse sired by a registered Pennsylvania sire at the time of conception of the registered Pennsylvania-bred thoroughbred horse, or an award of 20% of the purse earned by every registered Pennsylvania-bred thoroughbred horse sired by a non-registered sire, which finishes first, second or third in any race conducted by a licensed corporation under the act shall be paid to the breeder of the registered Pennsylvania-bred thoroughbred horse. A single award under this paragraph may not exceed 1% of the total annual Fund money.

(2) Awards to owners of registered Pennsylvania sires. An award of 10% of the purse earned by any Pennsylvania-bred thoroughbred horse which finishes first,

second or third in any race conducted by a licensed corporation under the act shall be paid to the owner of the registered Pennsylvania sire which regularly stood in Pennsylvania at the time of conception of the Pennsylvania-bred thoroughbred horse. A single award under this paragraph may not exceed .5% of the total annual Fund money.

(3) Awards to owners of Pennsylvania-bred horses. An award of 10% of the purse earned by any registered Pennsylvania-bred thoroughbred horse which finishes first in any race conducted by a licensed corporation under the act not restricting entry to registered Pennsylvania-bred thoroughbred horses shall be paid to the licensed owner of the registered Pennsylvania-bred thoroughbred horse at the time of winning. A single award under this paragraph may not exceed .5% of the total annual Fund money.

\* \* \* \* \*



# PROPOSED RULEMAKING

## STATE HORSE RACING COMMISSION

[58 PA. CODE CH. 163]

### Pennsylvania Breeding Fund Program

[36 Pa.B. 2173]

The State Horse Racing Commission (Commission) proposes to amend Chapter 163 (relating to rules of racing) to read as set forth in Annex A.

#### *Statutory Authority*

The Race Horse Industry Reform Act (act) (4 P. S. §§ 325.101--325.402) provides the general legal authority for this proposed rulemaking.

Section 202 of the act (4 P. S. § 325.202) provides the Commission authority to adopt rules and regulations necessary to its supervision of thoroughbred horse race meetings. Section 223(b) of the act (4 P. S. § 325.223(b)) requires the Commission to promulgate regulations describing awards under the Pennsylvania Breeding Fund Program (Program).

#### *Purpose of the Proposed Rulemaking*

The proposed rulemaking revises and clarifies several definitions regarding the Program and meets the statutory requirement that the Commission promulgate a regulation providing for Program awards.

#### *Background*

The Pennsylvania Breeding Fund (Fund) is intended to stimulate and sustain this Commonwealth's thoroughbred breeding industry. The Fund currently receives an amount equivalent to 1% of the dollar amount wagered each day on thoroughbred horses at facilities conducting pari-mutuel wagering in this Commonwealth. The Fund is a restricted account in the State Racing Fund and helps support live thoroughbred racing for a series of incentive award payments to: (1) breeders of Pennsylvania-bred thoroughbred horses sired either by a registered Pennsylvania sire or a nonregistered sire; (2) owners of registered Pennsylvania sires; and (3) licensed owners of registered Pennsylvania-bred thoroughbred horses. Since 1981, the act has provided a clear description of how awards are to be calculated and distributed, but also requires that the Commission address this subject in regulation.

The Pennsylvania Horse Breeders' Association (PHBA) retains records relevant to the Commission's administration of the Program and performs other functions described in

section 223 of the act.

### *Overview of the Proposed Rulemaking*

Proposed amendments to § 163.531 (relating to definitions) clarify the definitions of "Pennsylvania-bred horse" and "Pennsylvania sire" and add definitions for commonly used terms.

Proposed amendments to § 163.538 (relating to purses and awards) repeat the award requirements in section 223(b) of the act.

The Commission is satisfied that there are no reasonable alternatives to proceeding with this proposed rulemaking.

### *Affected Individuals and Organizations*

There are approximately 625 persons who have foals or stallions that are currently registered with the PHBA who would be affected by this proposed rulemaking. The number of currently-registered foals and stallions is approximately 1,100. Since the number of affected persons would not be appreciably changed by the proposed rulemaking, and the requirements of the Program would not be substantively altered by the proposed rulemaking, the Commission does not expect there to be an appreciable adverse impact on the affected community.

### *Fiscal Impact*

The proposed rulemaking will impose no additional costs and have no fiscal impact upon the Commonwealth, the public sector or the general public.

### *Paperwork Requirements*

The proposed rulemaking will result in no additional paperwork for the Commission.

### *Effective Date*

The proposed rulemaking will take effect upon final-form publication in the *Pennsylvania Bulletin*.

### *Public Comments and Contact Person*

Interested persons are invited to submit written comments regarding this proposed rulemaking to Benjamin H. Nolt, Jr., Executive Secretary, State Horse Racing Commission, Room 304, Department of Agriculture, 2301 North Cameron Street, Harrisburg, PA 17110, (717) 346-9643 within 30 calendar days after the date of publication of this proposed rulemaking in the *Pennsylvania Bulletin*.

### *Regulatory Review*

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on April 24, 2006, the Commission submitted a copy of this proposed rulemaking and a copy of a Regulatory

Analysis Form to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of House State Government Committee and the Senate State Government Committee. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, IRRC may convey any comments, recommendations or objections to the proposed rulemaking within 30 days of the close of the public comment period. The comments, recommendations or objections must specify the regulatory review criteria which have not been met. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the rulemaking, by the Commission, the General Assembly and the Governor of comments, recommendations or objections raised.

BENJAMIN H. NOLT, Jr.,  
Executive Secretary

**Fiscal Note:** 34-65. No fiscal impact; (8) recommends adoption.

## Annex A

### TITLE 58. RECREATION

#### PART IV. HORSE RACING COMMISSION

##### CHAPTER 163. RULES OF RACING

##### PENNSYLVANIA BREEDERS' FUND PROGRAM

#### § 163.531. Definitions.

The following words and terms, when used in this part, have the following meanings, unless the context clearly indicates otherwise:

**Breeder**--[A breeder is the] The owner of the dam at the time of foaling, and indicated as such on the certificate of registration issued by the Jockey Club. [When a horse is held under a lease or partnership registered with the jockey club, the lease or partnership will be deemed to be the owner.]

**Fund**--The Pennsylvania Breeding Fund as created by section 223 of the act (4 P. S. § 325.223).

**The Jockey Club**--The breed registry organization for all thoroughbred horses in North America, having responsibility for maintaining the American Stud Book, which includes all thoroughbreds foaled in the United States, Canada and Puerto Rico, as well as thoroughbreds imported into those countries from other countries that maintain similar thoroughbred registries.

**Pennsylvania-bred horse**--[A Pennsylvania-bred horse is a thoroughbred horse foaled in this Commonwealth, which during the year of foaling, the foal or its dam spent a minimum of 90 days at a facility in this Commonwealth and is subsequently registered

with the Pennsylvania Horse Breeders Association and the Jockey Club.] A thoroughbred horse with respect to which all of the following apply:

- (i) The horse was foaled in this Commonwealth.
- (ii) The horse is the subject of a current certificate of registration issued by the Jockey Club.
- (iii) The horse meets the registration eligibility qualifications for participation in the Fund program as determined by the Pennsylvania Horse Breeders Association.
- (iv) The horse is registered with the Pennsylvania Horse Breeders Association in accordance with § 163.535 (relating to records of registration).

*Pennsylvania sire*--[A Pennsylvania sire is a thoroughbred stallion that regularly stands for a breeding season in this Commonwealth and is registered with the Pennsylvania Horse Breeders Association.] A thoroughbred stallion with respect to which all of the following apply:

- (i) The horse regularly stands in this Commonwealth.
- (ii) The horse meets the registration eligibility qualifications for participation in the Fund program as determined by the Pennsylvania Horse Breeders Association.
- (iii) The horse is registered with the Pennsylvania Horse Breeders Association in accordance with § 163.535; and is so registered each year the stallion stands in Pennsylvania.

#### § 163.538. Purses and awards.

\* \* \* \* \*

(b) The Pennsylvania Breeders Association shall compile awards earned by breeders [and], owners of Pennsylvania sires and owners of Pennsylvania-bred horses and maintain a separate ledger of them. Monthly, a certified report of awards earned shall be forwarded to the Commission. After the Commission has reviewed and approved them it will be forwarded to the Department of Treasury for payment to the awardees. Awards shall be provided for as follows:

(1) *Awards to breeders.* An award of 30% of the purse earned by every registered Pennsylvania-bred thoroughbred horse sired by a registered Pennsylvania sire at the time of conception of the registered Pennsylvania-bred thoroughbred horse, or an award of 20% of the purse earned by every registered Pennsylvania-bred thoroughbred horse sired by a nonregistered sire, which finishes first, second or third in any race conducted by a licensed corporation under the act shall be paid to the breeder of the registered Pennsylvania-bred thoroughbred horse. A single award under this paragraph may not exceed 1% of the total annual Fund money.

(2) *Awards to owners of registered Pennsylvania sires.* An award of 10% of the purse

earned by any Pennsylvania-bred thoroughbred horse which finishes first, second or third in any race conducted by a licensed corporation under the act shall be paid to the owner of the registered Pennsylvania sire which regularly stood in Pennsylvania at the time of conception of the Pennsylvania-bred thoroughbred horse. A single award under this paragraph may not exceed .5% of the total annual Fund money.

(3) *Awards to owners of Pennsylvania-bred horses.* An award of 10% of the purse earned by any registered Pennsylvania-bred thoroughbred horse which finishes first in any race conducted by a licensed corporation under the act not restricting entry to registered Pennsylvania-bred thoroughbred horses shall be paid to the licensed owner of the registered Pennsylvania-bred thoroughbred horse at the time of winning. A single award under this paragraph may not exceed .5% of the total annual Fund money.

\* \* \* \* \*

[Pa.B. Doc. No. 06-753. Filed for public inspection May 5, 2006, 9:00 a.m.]

No part of the information on this site may be reproduced for profit or sold for profit.

This material has been drawn directly from the official *Pennsylvania Bulletin* full text database. Due to the limitations of HTML or differences in display capabilities of different browsers, this version may differ slightly from the official printed version.

The Pennsylvania

**BULLETIN** BULLETIN • PREV • NEXT • NEXT BULLETIN • SEARCH • HOME  
TOC

[webmaster@PaBulletin.com](mailto:webmaster@PaBulletin.com)

COMMONWEALTH OF PENNSYLVANIA



GOVERNOR'S OFFICE OF GENERAL COUNSEL  
DEPARTMENT OF AGRICULTURE  
2301 N. Cameron Street • Room 201  
Harrisburg, Pennsylvania 17110-9408

OFFICE OF CHIEF COUNSEL

Tel: 717-787-8744  
Fax: 717-787-1270

August 14, 2006

Independent Regulatory Review Commission  
333 Market Street, 14<sup>th</sup> Floor  
Harrisburg, PA 17120

**RE: FINAL-FORM REGULATION**  
**State Horse Racing Commission**  
**58 Pa. Code Chapter 163**  
**Rules of Racing – PA Breeders' Fund Program**  
**I.D. No. 34-65**  
**Proposed Rulemaking: 36 Pa. Bulletin 2173 (May 6, 2006)**  
**Approved by Office of General Counsel: August 2, 2006**

Dear Sir or Madam:

Please find enclosed a copy of the above-referenced final-form regulation (Preamble and Annex "A"). Copies of the Regulatory Analysis Form and Notice of Proposed Rulemaking are also enclosed. This material is submitted to you in accordance with the Regulatory Review Act (at 71 P.S. §745.5a(a)).

The State Horse Racing Commission did not receive any public comments or comments from the Senate and House State Government Committees regarding this regulation. The State Horse Racing Commission has been notified that IRRC has no comments, recommendations or objections regarding any portion of the regulation and IRRC did not specify any regulatory review criteria which have not been met. Copies of the final-form regulation have been delivered to the appropriate Legislative Committees (the House & Senate State Government Committees) on this date.

I respectfully request the Commission's approval of this final-form regulation. The State Horse Racing Commission will provide any assistance you may require to facilitate a thorough review of this final-form regulation. Thank you for your consideration of this document.

Sincerely,

A handwritten signature in cursive script that reads "Michael A. Dillon".

Michael A. Dillon  
Assistant Counsel

Enclosures

**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE  
REGULATORY REVIEW ACT**

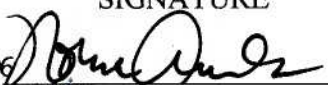




I.D. NUMBER: 34-65  
 SUBJECT: PENNSYLVANIA BREEDERS' FUND PROGRAM  
 AGENCY: DEPARTMENT OF AGRICULTURE

**TYPE OF REGULATION**

- Proposed Regulation
- X Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
  - a. With Revisions
  - b. Without Revisions

RECEIVED  
 2006 AUG 14 PM 3:32  
 INDEPENDENT REGULATORY  
 REVIEW COMMISSION

**FILING OF REGULATION**

DATE	SIGNATURE	DESIGNATION
8-14-06		CLYMER HOUSE COMMITTEE ON AGRICULTURE & RURAL AFFAIRS
8-14-06		JOSEPHS
8-14-06		LEMOND SENATE COMMITTEE ON AGRICULTURE & RURAL AFFAIRS
8-14-06		WILLIAMS
8-14-06		INDEPENDENT REGULATORY REVIEW COMMISSION
		ATTORNEY GENERAL (for Final Omitted only)
		LEGISLATIVE REFERENCE BUREAU (for Proposed only)