



H.B. 158

126th General Assembly
(As Introduced)

**Reps. Seitz, Blasdel, Hartnett, Cassell, S. Patton, Harwood, D. Evans,
Schneider, Webster, Brinkman, Driehaus**

BILL SUMMARY

- Authorizes live horse racing permit holders to conduct pari-mutual wagering at their place, track, or enclosure on horse races that are simulcast via an instant racing system.
- Levies a tax on amounts wagered via an instant racing system.
- Provides for the distribution of revenue retained by permit holders from amounts wagered via an instant racing system.

CONTENT AND OPERATION

Instant racing system

The bill requires the State Racing Commission, upon written request of a horse racing permit holder, to authorize that permit holder to operate on racing days at the place, track, or enclosure where the permit holder conducts horse racing an "instant racing system."¹ This system allows pari-mutuel wagering on audio and visual signals of horse races previously conducted at facilities inside or outside the state that are telecast to the permit holder's place, track, or enclosure by means of individual viewing terminals installed and operated by the permit holder. (R.C. 3769.0811(A), (B), and (D), 3769.0812(A) and (B), and 3769.08(A).)

¹ A "permit holder" includes a corporation, trust, partnership, limited partnership, association, person, or group of persons issued a permit under the Horse Racing Law to conduct a horse racing meeting, other than the holder of a permit issued for a horse racing meeting at a county fair or an independent fair (R.C. 3769.25--not in the bill).

Distribution of revenue

The bill requires moneys wagered on a racing day via an instant racing system to be separated from the moneys wagered on live horse racing conducted at, and on other horse races simulcast to, the permit holder's place, track, or enclosure on that racing day. From the moneys wagered via an instant racing system on that day, the permit holder must retain a *permit holder's commission*, which is an amount that does not exceed 12% of the total of those moneys. In turn, at the close of each racing day, the permit holder must pay to the Tax Commissioner by check, draft, or money order *a tax* in an amount equal to 20% of *the permit holder's commission*. The bill provides that moneys wagered via an instant racing system are subject only to this tax and not to any other tax levied on wagering on live horse racing and simulcast horse racing at the permit holder's place, track, or enclosure. (R.C. 3769.08(A), 3769.0811(C), and 3769.0813(A) and (B).)

After payment of the tax from the permit holder's commission to the Tax Commissioner, the remaining amount of the commission--i.e., the permit holder's *net commission*--is to be allocated as follows (R.C. 3769.03, 3769.083(B), 3769.085, and 3769.0813(C)):

- (1) The permit holder must pay 19% of the net commission to the permit holder's purse account. This 19% is to be distributed as follows:
 - The Ohio Division of the Horsemen's Benevolent and Protective Association may direct that up to 50% of that money be designated for either horsemen's health and benevolence programs or payment into the Ohio Thoroughbred Race Fund.
 - The Ohio Harness Horsemen's Association may direct that up to 50% of that money be designated for horsemen's health and benevolence programs, payment into the Ohio Standardbred Development Fund, or payment into the Ohio Fairs Fund.
- (2) The permit holder must pay an amount not to exceed 1% of the net commission, as determined by rule of the State Racing Commission, into the State Racing Commission Operating Fund as an administrative fee.
- (3) The permit holder must retain the balance of the net commission remaining after paying the foregoing amounts.

Miscellaneous changes

The bill requires the State Racing Commission to deny a horse racing permit to any permit holder that has defaulted in any of the required payments outlined above as well as to any successor purchaser of the place, track, or enclosure for as long as the default is not satisfied by either the permit holder/seller or the successor purchaser (R.C. 3769.03). And, the bill allows the Tax Commissioner to make an assessment against a permit holder who fails to pay the previously discussed 20% tax from the permit holder's commission (R.C. 3769.088(A)).

HISTORY

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