SPONSOR: Sen. Ennis & Rep. Bennett & Rep. Bush & Rep. Carson
Sens. Brown, Hansen, Hocker, Lawson, Lopez, Pettyjohn, Poore, Sokola, Wilson; Reps. Bolden, Brady, Briggs King, Gray, Hensley, Kowalko, Ramone, Michael Smith, Spiegelman, Vanderwende

DELAWARE STATE SENATE
151st GENERAL ASSEMBLY

SENATE BILL NO. 29
AS AMENDED BY
SENATE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE STATE LOTTERY FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 4815, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 4815. State Lottery Fund.

(b) All proceeds, net of proceeds returned to players pursuant to paragraph (b)(1) of this section, from the operation of the video lottery shall be electronically transferred daily or weekly at the discretion of the Lottery Director into a designated State Lottery account by the agent, and transferred to the State Lottery Fund by the Lottery on a daily or weekly basis and shall be applied as follows:

(3)a. Proceeds returned to the State. — Except as otherwise provided by this paragraph, of amounts remaining after all payments under paragraphs (b)(1) and (b)(2) of this section, there shall be returned to the State 42 1/2%, less any qualified capital expenditure adjustment provided for in this paragraph. For licensees which conducted 40 or fewer (but at least 1) days of live harness horse races during 1992, should such licensees' video lottery proceeds, net of proceeds returned to players, at the end of any fiscal year fall below $107,500,000, then, in the subsequent fiscal year, there shall be returned to the State 41 1/2% of amounts remaining after all payments under paragraphs (b)(1) and (b)(2) of this section, less any qualified capital expenditure adjustment provided for in this paragraph.

d. The State's contribution to the Delaware Standardbred Breeder's Program pursuant to this subsection shall be ~~$750,000,~~ $1,250,000, and said amount is to be allocated equally as of January 1 of the calendar year among existing licensees which conduct live harness horse racing, but moneys shall not be expended for the program until such time as a plan has been approved pursuant to paragraph (b)(4)b.2. of this section. The State's contribution to the Delaware Certified Thoroughbred Program (DCTP) pursuant to this subsection shall be ~~$250,000,~~ $500,000, and said amount shall be allocated as of January 1 of each calendar year to the existing

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licensee which conducts live thoroughbred horse racing, but moneys shall not be expended for the program until such time as a plan has been approved pursuant to paragraph (b)(4)b.1. of this section.

(4) Application of remaining proceeds. — The proceeds remaining after payments as set forth in paragraphs (b)(1), (2) and (3) of this section shall be applied as follows:

b. Purses. —

1. For video lottery agents licensed only to conduct horse racing meets under Chapter 101 of Title 3 or Chapter 4 of Title 28, such agents shall be paid and shall pay additional purses (and related administrative expenses of the horse racing association) to be applied under the direction of the Delaware Thoroughbred Racing Commission, for races conducted at such agent's racetrack in accordance with § 10148 of Title 3 or § 427 of Title 28 as appropriate, in an amount calculated as follows: 9.6% of the proceeds remaining after payments made under paragraph (b)(1) of this section. ~~Five hundred thousand~~ Seven hundred fifty thousand dollars of those proceeds, which would otherwise fund purses, on an annual basis, shall fund a Delaware Certified Thoroughbred Program (DCTP) to enhance the quantity of thoroughbred foals and/or yearlings stabled within Delaware for a period meeting the Delaware minimum residency requirement. The DCTP shall be administered by a Board comprised of the following:

2. For video lottery agents licensed only to conduct harness racing meets under Chapter 100 of Title 3, such agents shall be paid and shall pay additional purses (and related administrative expenses of the horse racing association) to be applied under the direction of the Delaware Harness Racing Commission to purses for races conducted at such agent's racetrack in accordance with § 10048 of Title 3, in an amount calculated as follows: 11.35% of the proceeds remaining after payments made under paragraph (b)(1) of this section.

~~One million five hundred thousand~~ Two million dollars of those proceeds, which would otherwise fund purses, on an annual basis (~~$750,000~~ $1,000,000 to come from each licensee which conducts live harness horse racing) to be set aside for purses under this paragraph (b)(4)b.2. shall be used to fund a Delaware Standardbred Breeder's Program which shall be administered by a board comprised of 4 members from the Delaware Standardbred Owners Association, 1 member from the Standardbred Breeders and Owners of Delaware, Inc., 1 member from each video lottery agent licensed to conduct harness racing meets under Chapter 100 of Title 3, 1 member appointed by the Speaker of House of the General Assembly, 1 member appointed by the President Pro Tempore of the Senate of the General Assembly, the Secretary of Agriculture or the Secretary's designee, and the Secretary of Finance or the Secretary's designee. Members shall be chosen by the organizations they represent, and shall serve 4-year terms except that 4 of the initial board selected by the members of the Delaware Standardbred Owners Association shall serve an initial term of 2 years, and 4 years thereafter. The board created

hereunder will present a plan for the administration of the Program to the General Assembly no later than May 15, 1999. This plan, and all subsequent amendments to the plan, shall be subject to the written approval of the Secretary of Agriculture or the Secretary's designee, the Chairperson of the Delaware Harness Racing Commission or the Chairperson's designee, and the Secretary of Finance or the Secretary's designee. The board shall transmit minutes of all meetings and any proposed actions to the Delaware Harness Racing Commission within 10 days after each meeting. The board shall transmit an annual report detailing the allocation of proceeds from the fund and make available to the State Auditor or the State Auditor's representative such information as may be required to perform an annual audit of funds allocated from the Delaware Standardbred Breeder's Program. In addition to funding special purses for Delaware standardbred horses, the board created hereby may also use the funds dedicated to this Program for advertising, promotion, educational and administrative purposes. Funds dedicated to the Delaware Standardbred Breeder's Program shall not be subject to the 1-year payout requirement of § 10048 of Title 3.

Section 2. This Act takes effect on July 1 of the year of its enactment.

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