

# SENATE BILL No. 609

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-31.

**Synopsis:** Horse racing. Requires the Indiana horse racing commission (IHRC) to report on the competitive status of the Indiana horse racing industry as compared to the horse racing industries of other states. Specifies that the IHRC may appoint administrative law judges to conduct hearings. Prohibits members of the IHRC, employees of the IHRC, and racing officials from wagering on horse racing at racetracks and satellite facilities located in Indiana. Requires the IHRC to post information concerning complaints and disciplinary actions on the IHRC Internet web site. Specifies the following concerning disciplinary action initiated by stewards and judges: (1) that unless appealed within 10 days, a suspension or civil penalty must be imposed within 60 days of the sanctioned violation; (2) that judges and stewards must prove the violation by the preponderance of the evidence; and (3) that the IHRC must conduct a hearing on an appealed sanction not more than 180 days after the appeal is filed. Requires the IHRC to commission an independent study of the economic impact of horse racing in Indiana.

**Effective:** July 1, 2013; January 1, 2014.

---

---

## Kenley

---

---

January 17, 2013, read first time and referred to Committee on Appropriations.

---

---

C  
o  
p  
y



First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

C  
o  
p  
y

## SENATE BILL No. 609



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 4-31-2-9.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2013]: **Sec. 9.5. "Licensed facility" refers to the following:**
- 4 (1) **A racetrack at which live horse racing is conducted in**
- 5 **accordance with a permit issued by the commission under**
- 6 **IC 4-31-5.**
- 7 (2) **A satellite facility licensed under IC 4-31-5.5.**
- 8 SECTION 2. IC 4-31-2-19.5 IS ADDED TO THE INDIANA CODE
- 9 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 10 1, 2013]: **Sec. 19.5. "Racing official" refers to either of the**
- 11 **following:**
- 12 (1) **An individual employed by a permit holder during a**
- 13 **racing meeting whose employment must be reported to the**
- 14 **commission under IC 4-31-5-5 or the rules of the commission.**
- 15 (2) **An individual who:**
- 16 (A) **is employed as an assistant to an individual described**
- 17 **in subdivision (1); and**



- 1                   **(B) performs duties integral to the conduct of pari-mutuel**  
 2                   **horse racing.**  
 3           SECTION 3. IC 4-31-3-8, AS AMENDED BY P.L.2-2008,  
 4           SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5           JULY 1, 2013]: Sec. 8. The commission shall:  
 6           (1) prescribe the rules and conditions under which horse racing at  
 7           a recognized meeting may be conducted;  
 8           (2) initiate safeguards as necessary to account for the amount of  
 9           money wagered at each track or satellite facility in each wagering  
 10           pool;  
 11           (3) require all permit holders to provide a photographic or  
 12           videotape recording, approved by the commission, of the entire  
 13           running of all races conducted by the permit holder;  
 14           (4) make annual reports concerning: ~~its~~  
 15                   **(A) the competitive status of the Indiana horse racing**  
 16                   **industry as compared to the horse racing industries of**  
 17                   **other states and measured by purse, handle, and any other**  
 18                   **factors determined by the commission;**  
 19                   **(B) the commission's operations; and**  
 20                   **(C) its recommendations;**  
 21           to the governor and, in an electronic format under IC 5-14-6, to  
 22           the general assembly; ~~and~~  
 23           (5) carry out the provisions of IC 15-19-2, after considering  
 24           recommendations received from the Indiana standardbred  
 25           advisory board under IC 15-19-2;  
 26           **(6) develop internal procedures for accepting, recording,**  
 27           **investigating, and resolving complaints from licensees and the**  
 28           **general public; and**  
 29           **(7) annually post the following information on the**  
 30           **commission's Internet web site:**  
 31                   **(A) A summary of the disciplinary actions taken by the**  
 32                   **commission in the preceding calendar year.**  
 33                   **(B) A summary of the complaints received and resolved in**  
 34                   **the preceding calendar year.**  
 35           SECTION 4. IC 4-31-3-13 IS AMENDED TO READ AS  
 36           FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 13. (a) The  
 37           commission shall employ a director of security who is qualified by  
 38           training and experience in law enforcement or security to supervise,  
 39           direct, coordinate, and administer the security activities of the  
 40           commission.  
 41           (b) The director of security may do the following:  
 42           (1) Investigate licensees of the commission, including applicants

C  
O  
P  
Y

- 1           for licenses, necessary to ensure the security and integrity of
- 2           pari-mutuel racing.
- 3           (2) Investigate an alleged violation of this article or a rule adopted
- 4           by the commission.
- 5           (3) Enter a permit holder's premises for the performance of the
- 6           director's lawful duties.
- 7           (4) Conduct searches authorized by IC 4-31-13-4.
- 8           (5) Perform other duties the commission prescribes.

9           **(c) The executive director or the director of security may issue**  
 10 **a summons to any licensee who is alleged to have violated this**  
 11 **article, the rules of the commission, or an order of the commission.**  
 12 **The summons must set forth substantially the nature of the alleged**  
 13 **violation and command the licensee to appear before the**  
 14 **commission at a stated time and place. However, the stated time**  
 15 **for a hearing held under this subsection must be at least thirty (30)**  
 16 **days after the issuance of the summons.**

17           SECTION 5. IC 4-31-3-15 IS ADDED TO THE INDIANA CODE  
 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 19 1, 2013]: **Sec. 15. (a) A commission member or an administrative**  
 20 **law judge appointed by the commission may do the following:**

- 21           **(1) Conduct a hearing authorized under this article.**
- 22           **(2) Recommend findings of fact and decisions to the**
- 23           **commission.**

24           **(b) The commission member or administrative law judge**  
 25 **conducting a hearing has all the powers and rights granted to the**  
 26 **commission. A hearing under this article shall be conducted under**  
 27 **IC 4-21.5.**

28           SECTION 6. IC 4-31-7-9 IS ADDED TO THE INDIANA CODE  
 29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 30 1, 2013]: **Sec. 9. The following individuals may not wager on horse**  
 31 **racing at a licensed facility:**

- 32           **(1) A member of the commission.**
- 33           **(2) An employee of the commission.**
- 34           **(3) A racing official.**

35           SECTION 7. IC 4-31-12-15 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: **Sec. 15. (a) The**  
 37 **commission may adopt rules under IC 4-22-2 to delegate to the**  
 38 **stewards and judges of racing meetings the authority to conduct**  
 39 **disciplinary hearings on behalf of the commission. The stewards and**  
 40 **judges shall give at least twelve (12) hours notice of any such hearing.**  
 41 **The stewards and judges, on behalf of the commission, may impose one**  
 42 **(1) or more of the following sanctions against a licensee who violates**

C  
o  
p  
y



sections 2 through 13 of this chapter:

(1) A civil penalty not to exceed ~~one~~ **five** thousand dollars ~~(\$1,000)~~. **(\$5,000)**.

(2) A temporary order or other immediate action in the nature of a summary suspension where a licensee's actions constitute an immediate danger to the public health, safety, or welfare.

(3) Suspension of a license held by the licensee for up to ~~sixty (60) days~~. **one (1) year**. The suspension of a license under this subdivision is:

(A) valid even though the suspension extends beyond the period of the racing meeting for which the stewards and judges have been appointed; and

(B) effective at all other racing meetings under the jurisdiction of the commission.

(4) A rule that a person must stay off the premises of one (1) or more permit holders if necessary in the public interest to maintain proper control over recognized meetings.

(5) Referral of the matter to the commission for its consideration.

However, at least two (2) of the stewards or judges must concur in a sanction.

(b) **Unless a suspension of a license or the imposition of a civil penalty under this section is appealed by the person sanctioned not more than ten (10) days after being sanctioned**, the suspension of a license or the imposition of a civil penalty under this section must occur within sixty (60) days of the date of the violation.

(c) A sanction under this section may be appealed to the commission. **Judges and stewards imposing sanctions under this section must prove the person's violation by a preponderance of the evidence.** The commission shall adopt rules establishing procedures for appeals and stays of appeals. **The commission shall conduct a hearing on an appeal filed under this section not more than one hundred eighty (180) days after the date the appeal is filed.**

SECTION 8. IC 4-31-12-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 16. The commission ~~or the commission's designee, as determined under the rules of the commission, on its own motion or in addition to a penalty assessed by the stewards and judges,~~ may impose one (1) or more of the following sanctions against a licensee who violates sections 2 through 13 of this chapter:

(1) Revocation of a license held by the licensee.

(2) Suspension of a license held by the licensee.

C  
o  
p  
y



1 (3) A civil penalty not to exceed five thousand dollars (\$5,000).  
2 SECTION 9. IC 4-31-13-1 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 1. (a) The  
4 commission ~~or the commission's designee, as determined under the~~  
5 ~~rules of the commission, on its own motion or in addition to a penalty~~  
6 ~~assessed by the stewards and judges, may issue orders under IC 4-21.5~~  
7 to:

- 8 (1) issue, deny, suspend, diminish, or revoke permits and licenses  
9 as authorized by this article; **and**  
10 (2) impose civil penalties, in addition to any other penalty  
11 imposed by the commission on a person who violates this article  
12 or a rule or an order of the commission. ~~and~~  
13 ~~(3)~~

14 **(b) The commission or the commission's designee, as determined**  
15 **under the rules of the commission, on its own motion or in addition**  
16 **to a penalty assessed by the stewards and judges, may issue orders**  
17 **under IC 4-21.5** to rule a person off one (1) or more permit holders'  
18 premises, if necessary in the public interest to maintain proper control  
19 over recognized meetings.

20 ~~(b) Except as provided in IC 4-31-12-16,~~ (c) A civil penalty imposed  
21 against a licensee under subsection (a)(2) may not exceed five  
22 thousand dollars (\$5,000). For purposes of subsection (a)(2), each day  
23 during which a violation of this article or a rule or an order of the  
24 commission continues to occur constitutes a separate offense.

25 ~~(e)~~ (d) Civil penalties imposed under this article shall be deposited  
26 in the state general fund.

27 SECTION 10. IC 4-31-13-2 IS AMENDED TO READ AS  
28 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 2. (a) The  
29 commission may adopt rules under IC 4-22-2 to delegate to the  
30 stewards and judges of racing meetings under the jurisdiction of the  
31 commission the power to conduct disciplinary hearings on behalf of the  
32 commission. The stewards and judges shall give at least twelve (12)  
33 hours notice of any such hearing. The stewards and judges, on behalf  
34 of the commission, may impose one (1) or more of the following  
35 sanctions against a licensee who violates this article or the rules or  
36 orders of the commission:

- 37 (1) A civil penalty not to exceed ~~one~~ **five** thousand dollars  
38 ~~(\$1,000): (\$5,000).~~  
39 (2) A temporary order or other immediate action in the nature of  
40 a summary suspension if a licensee's actions constitute an  
41 immediate danger to the public health, safety, or welfare.  
42 (3) Suspension of a license held by the licensee for not more than

C  
o  
p  
y



1            ~~sixty (60) days.~~ **one (1) year.** The suspension of a license under  
 2 this subdivision is:

3            (A) valid even though the suspension extends beyond the  
 4 period of the racing meeting for which the stewards and judges  
 5 have been appointed; and

6            (B) effective at all other racing meetings under the jurisdiction  
 7 of the commission.

8            (4) A rule that a person must stay off the premises of one (1) or  
 9 more permit holders if necessary in the public interest to maintain  
 10 proper control over recognized meetings.

11            (5) Referral of the matter to the commission for its consideration.

12 However, at least two (2) of the stewards or judges at a racing meeting  
 13 must concur in a suspension or civil penalty.

14            **(b) Unless a suspension of a license or the imposition of a civil**  
 15 **penalty under this section is appealed by the person sanctioned not**  
 16 **more than ten (10) days after being sanctioned,** the suspension of a  
 17 license or the imposition of a civil penalty under this section must  
 18 occur within sixty (60) days after the date of the violation.

19            (c) A suspension or civil penalty under this section may be appealed  
 20 to the commission. **Judges and stewards imposing sanctions under**  
 21 **this section must prove the person's violation by a preponderance**  
 22 **of the evidence.** The commission shall adopt rules establishing  
 23 procedures for appeals and stays of appeals. **The commission shall**  
 24 **conduct a hearing on an appeal filed under this section not more**  
 25 **than one hundred eighty (180) days after the date the appeal is**  
 26 **filed.**

27            SECTION 11. [EFFECTIVE JULY 1, 2013] **(a) The Indiana horse**  
 28 **racing commission shall commission an independent study**  
 29 **concerning the economic impact of horse racing in Indiana through**  
 30 **an open, objective, competitive process and procedure adopted by**  
 31 **the Indiana horse racing commission.**

32            **(b) This SECTION expires January 1, 2016.**

C  
O  
P  
Y

