

Agenda Item #1

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into between the Indiana Horse Racing Commission (“Commission”), by Deena Pitman (“Executive Director Pitman”), Executive Director of the Indiana Horse Racing Commission Staff (“Commission Staff”) and Brent R. Wendling (“Wendling”), an individual subject to regulation by the Commission. Collectively, the Commission Staff and Wendling shall be referred to herein as “the Parties.” This Agreement is subject to the review and approval of the Commission.

RECITALS

1. The Indiana Horse Racing Commission (“IHRC”) is the administrative agency in the State of Indiana that regulates horse racing pursuant to provisions of the Indiana Code, Title 4, Article 31.
2. At all times relevant to this Settlement Agreement, Brent R. Wendling engaged in activities that required a license from the IHRC.
3. By engaging in activities that required a license, Wendling was subject to IHRC rules and regulations.
4. By engaging in activities that required a license, Wendling was required to be knowledgeable of all IHRC rules and regulations.
5. Ind. Code 4-31 *et seq.*, 71 IAC 5.5 *et seq.*, and 71 IAC 8.5 *et seq.* identify prohibited practices regarding the conduct of an individual subject to the rules and regulations of the IHRC and the treatment of racehorses.
6. On or about August 24, 2019, a vehicle operated by Wendling was searched after entering the backside at Indiana Grand Racing & Casino (“Indiana Grand”).
7. On or about August 24, 2019, the search of the vehicle operated by Wendling revealed thirteen vials of injectables (the “medications”) requiring a veterinarian’s prescription, along with various needles and syringes.
8. On or about August 24, 2019, based on reasonable suspicion, a saliva sample was collected from Wendling and sent for analysis, which returned a positive for THC.
9. On August 24, 2019, the Stewards at Indiana Grand summarily suspended Wendling, finding Wendling had engaged in conduct that is against the best interest of horse racing or compromises the integrity of operation at a track. See Steward’s Ruling No. IG-2019-1850.
10. On or about September 5, 2019, the Commission Staff, through its then Executive Director, Michael Smith, issued an Exclusion Notice to Wendling based on the needles, syringes, and medications found in the truck operated by Wendling. Wendling timely contested the Exclusion Notice and the matter was subsequently assigned to Administrative Law Judge

Bernard L. Pylitt (“ALJ Pylitt”) as directed by the IHRC Chairman Philip Borst. The matter was scheduled for a telephonic prehearing conference on October 3, 2019.

11. On or about September 5, 2019, the Stewards lifted the summary suspension due to the issuance of the Exclusion Notice. See Steward’s Ruling No. IG-2019-1850 AM1.
12. On or about September 27, 2019, Wendling, by counsel, Peter Sacopulos, Esq., asked to pursue a settlement agreement.
13. Wendling wishes to settle the alleged violations in order to avoid the expense, distraction and uncertainties associated with further litigation.
14. The parties now have reached a resolution of the claims at issue in this dispute.
15. Now, in full and complete resolution of any and all further administrative proceedings involving Wendling relative to the vehicle search and the violations referenced above, and the Exclusion Notice of September 5, 2019, the Commission Staff and Wendling agree to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and the promises and covenants to be performed as set forth herein, the Parties agree as follows:

16. Wendling has acknowledged violations of various provisions of IC 4-31-12 *et seq.*, 71 IAC 5.5-1 *et seq.*, 71 IAC 8.5-5 *et seq.*, and 71 IAC 8.5-6 *et seq.*, including:

- a. Wendling violated 71 IAC 5.5-1-14(b)(10);
- b. Wendling violated 71 IAC 8.5-5-1, thirteen counts;
- c. Wendling violated 71 IAC 8.5-6-1, fifteen counts; and
- d. Wendling violated 71 IAC 8.5-10-1(a).

17. Commission Staff maintains that it has sufficient evidence to prove by a preponderance of the evidence that Wendling committed the violations. Wendling contests the same. Wendling contests knowingly being in possession of those items referenced in paragraph seven (7) and that the vehicle and those items, in his possession, were not owned by or the property of Wendling, nor was the trailer he was using on August 24, 2019.

18. This agreement does not cover any violations that may be discovered that are not referenced in the Exclusion Notice or Steward’s Ruling No. IG-2019-1850 AM1, or both.

19. Wendling agrees to dismiss with prejudice, withdraw and/or waive all related pending legal and administrative proceedings including any related appeals, and release all claims and

potential claims against the Commission, the Commission Staff and/or its current or former representatives, agents and/or employees relating to the Commission actions that are the subject of this Settlement Agreement. Wendling specifically agrees to release and forever discharge any claims and/or complaints against the Commission, the Commission Staff and/or its current or former representatives, agents and/or employees and/or the Stewards arising from, relating to, or in any way connected with the issues associated with the Commission Staff's initiation and/or pursuit of the underlying disciplinary action against Wendling.

20. As a result of the disciplinary matter that was the subject of the underlying proceeding, Wendling agrees to a suspension from participating in pari-mutuel racing in Indiana, effective August 24, 2019, through and including April 28, 2020.

21. Additionally, Wendling must submit to a drug test and provide a negative drug test before he is eligible to apply for a license.

22. Further, as a result of the disciplinary matter that was the subject of the underlying proceeding, Wendling agrees to pay a fine of \$1,000.00.

23. Wendling acknowledges that this Agreement is not a guarantee of future licensure.

24. The Parties specifically agree that the suspension shall be governed by applicable Indiana regulations, including but not limited to 71 IAC 10-2-8, 71 IAC 5.5 *et seq.*, and 71 IAC 8.5 *et seq.*, and any failure to comply with those rules is subject to enforcement by the Stewards and/or the Commission.

25. Wendling and Commission Staff acknowledge that this Agreement is subject to the approval of the Indiana Horse Racing Commission.

26. The Commission will enter a ruling consistent with this Agreement which will make clear that the sanctions set forth in Paragraphs 20, 21, and 22 are the total sanctions for the violation referenced in this Settlement Agreement.

27. Any waiver of any provision of this Agreement must be in writing and must be approved by the Commission or the Commission Staff. No waiver of any provision of this Agreement shall constitute either a waiver of any provision hereof (whether or not similar) or a continuing waiver.

28. If and to the extent any provision of this Agreement is held invalid or unenforceable at law, such provision will be deemed stricken from the Agreement and the remainder of the Agreement will continue in effect and be valid and enforceable to the fullest extent permitted by law.

29. The Parties agree that this Agreement shall be deemed executed in the State of Indiana, and shall be governed and construed in accordance with the laws of Indiana, without regard to its choice of law provisions, and all claims relating to or arising out of this Agreement, or the breach

thereof, whether sounding in contract, tort or otherwise, shall likewise be governed by the laws of Indiana, without regard to its choice of law provisions. Exclusive jurisdiction and venue over any and all disputes arising out of or in connection with this Agreement shall be brought only in a state court of competent jurisdiction located in Marion County, Indiana.

30. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, fully enforceable counterpart of all purposes, but all of which constitute one and the same instrument.

31. Wendling represents that he has carefully read and reviewed the foregoing Agreement, acknowledges its contents, has had the right to consult with his own counsel, and agrees to be bound by its terms. Wendling acknowledges that he has voluntarily entered into this Agreement as of the date and year herein set forth.

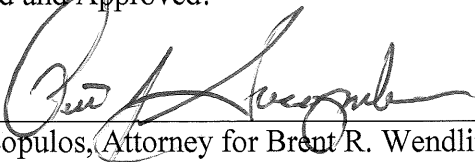
IN WITNESS HEREOF, the Parties have executed this Agreement on the dates listed below.

I swear, under penalties for perjury, that the foregoing representations that have been made by me are true and correct.

1-23-20
Date


Brent R. Wendling

Witnessed and Approved:


Peter Sacopulos, Attorney for Brent R. Wendling

ON BEHALF OF THE INDIANA HORSE RACING COMMISSION:

Date Deena Pitman, Executive Director

Approved as to form:

Dale Lee Pennycuff, Counsel

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I swear, under penalties for perjury, that the foregoing representations that have been made by me are true and correct.

Date

Brent R. Wendling

Witnessed and Approved:

Peter Sacopulos, Attorney for Brent R. Wendling

ON BEHALF OF THE INDIANA HORSE RACING COMMISSION:

1/24/2020
Date

Deena Pitman
Deena Pitman, Executive Director

Approved as to form:

Dale Lee Pennycuff
Dale Lee Pennycuff, Counsel

Agenda Item #2

TITLE 71 INDIANA HORSE RACING COMMISSION

Emergency Rule LSA Document #20-___(E)

DIGEST

Amends 71 IAC 4-3-15 regarding pylons. Amends 71 IAC 5-1-23 regarding visitor's pass. Amends 71 IAC 5.5-1-23 regarding visitor's pass. Amends 71 IAC 7.5-4-1 regarding requirements. Amends 71 IAC 7.5-5-1 regarding horses ineligible. Amends 71 IAC 8-3-5 regarding out of competition testing. Amends 71 IAC 8-10-6 regarding penalties. Amends 71 IAC 8.5-2-5 regarding out of competition testing. Amends 71 IAC 8.5-10-6 regarding penalties. Amends 71 IAC 9-2.2-4 regarding SPMO license criteria and commission action. Amends 71 IAC 9-2.2-5 regarding bond or irrevocable letter of credit. Amends 71 IAC 13-1-3 regarding information to be submitted with a registration. Amends 71 IAC 14-4-4 regarding breeder's awards. Amends 71 IAC 14.5-3-1 regarding owner awards. Amends 71 IAC 14.5-3-2 regarding breeder awards. Amends 71 IAC 14.5-3-3 regarding stallion owner awards. Effective upon filing with the Publisher.

SECTION 1. 71 IAC 4-3-15 IS AMENDED TO READ AS FOLLOWS:

71 IAC 4-3-15 Pylons **Authority: IC 4-31-3-9** **Affected: IC 4-31**

Sec. 15. (a) If, at a race track that has pylon demarcations, a horse or the horse's sulky leaves the course by going inside of a pylon, **when not forced to do so as a result of another driver or horse**, that horse may be penalized by a placing by the judges.

(b) For purposes of placing, the term "going inside of a pylon" means any instance where a wheel goes completely inside the inner limits of the course without striking the base of a pylon, and the following shall apply:

(1) Only the pylons set in accordance with subsection (g)(3) and (g)(4) shall be considered for placings or violations, or both.

(2) If a horse, while on stride, goes inside two (2) consecutive pylons, the offending horse shall be placed behind all horses that are lapped on to the offending horse at the wire.

(3) If a horse, while on stride, goes inside three (3) or more consecutive pylons, the offending horse may be placed last.

(4) If a horse, while on stride, goes inside a pylon or pylons and that action gave the horse an unfair advantage over other horses in the race or the action helped improve its position in the race, the horse may be placed at the discretion of the judges.

(c) If the driver goes inside the pylons and does not immediately correct position, the horse may be penalized by a placing.

(d) Horses using the inside to pass must have complete clearance of the pylons.

(e) Drivers striking pylons but not gaining an unfair advantage may be fined.

(f) When an act of interference causes a horse or part of the horse's sulky to be in violation of this title and the horse is disqualified, the offending horse shall be placed behind the horse with which it interfered.

(g) Pylons shall be spaced consistently and shall be:

(1) thirty (30) inches above ground level;

- (2) at a thirty (30) degree angle, facing inward to the track surface on the turns;
- (3) forty (40) feet apart on the turns; and
- (4) sixty (60) feet apart on the straightaway.

(Indiana Horse Racing Commission; 71 IAC 4-3-15; emergency rule filed Jun 8, 1999, 9:31 a.m.: 22 IR 3125, eff May 26, 1999 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the secretary of state. LSA Document #99-108(E) was filed with the secretary of state June 8, 1999.]; emergency rule filed Feb 20, 2001, 10:08 a.m.: 24 IR 2098; errata filed Jun 21, 2001, 3:21 p.m.: 24 IR 3652; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Jan 21, 2004, 2:30 p.m.: 27 IR 1912; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA; readopted filed Nov 26, 2013, 11:25 a.m.: 20131225-IR-071130345RFA; emergency rule filed Apr 30, 2018, 3:54 p.m.: 20180502-IR-071180203ERA; readopted filed Aug 28, 2019, 1:23 p.m.: 20190925-IR-071190319RFA; emergency rule filed Dec 5, 2019, 1:56 p.m.: 20191211-IR-071190646ERA)

SECTION 2. 71 IAC 5-1-23 IS AMENDED TO READ AS FOLLOWS:

71 IAC 5-1-23 Visitor's pass

Authority: IC 4-31-6-2

Affected: IC 4-31

Sec. 23. **Judges or track security, with the judges' approval**, may authorize unlicensed persons temporary access to restricted areas. Such persons shall be identified and their purpose and credentials verified and approved ~~in writing by track security.~~ **by the judges.** ~~A copy of the written approval shall be filed with the commission or its designee within forty eight (48) hours.~~ Such authorization or credential may only be used by the person to whom it is issued.

(Indiana Horse Racing Commission; 71 IAC 5-1-23; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1143; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA; readopted filed Nov 26, 2013, 11:25 a.m.: 20131225-IR-071130345RFA; readopted filed Aug 28, 2019, 1:23 p.m.: 20190925-IR-071190319RFA)

SECTION 3. 71 IAC 5.5-1-23 IS AMENDED TO READ AS FOLLOWS:

71 IAC 5.5-1-23 Visitor's pass

Authority: IC 4-31-6-2

Affected: IC 4-31

Sec. 23. **Stewards or track security, with the stewards' approval**, may authorize unlicensed persons temporary access to restricted areas. Such persons shall be identified and their purpose and credentials verified and approved ~~in writing by track security.~~ **by the stewards.** ~~A copy of the written approval shall be filed with the commission or its designee within forty eight (48) hours.~~ Such authorization or credential may only be used by the person to whom it is issued.

(Indiana Horse Racing Commission; 71 IAC 5.5-1-23; emergency rule filed Jun 15, 1995, 5:00 p.m.: 18 IR 2853, eff Jul 1, 1995; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA; readopted filed Nov 26, 2013, 11:25 a.m.: 20131225-IR-071130345RFA; readopted filed Aug 28, 2019, 1:23 p.m.: 20190925-IR-071190319RFA)

SECTION 4. 71 IAC 7.5-4-1 IS AMENDED TO READ AS FOLLOWS:

71 IAC 7.5-4-1 Requirements

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 1. (a) A horse that has not started for a period of sixty (60) days or more prior to race day must have an official timed workout within the previous forty-five (45) days prior to race day. First time starters must have two (2) or more official timed workouts, and at least one (1) such workout must be from the starting gate. The workout must have occurred at a pari-mutuel track or commission recognized training facility. The association may impose more stringent workout requirements. ~~All workouts are subject to the approval of the commission.~~

~~(b) A horse that has not made an official racing start in two (2) years or longer must have a workout in front of a regulatory track veterinarian prior to being declared eligible to race in Indiana. started for a period of three-hundred-sixty-five (365) days or more shall be ineligible to start until it has:~~

~~(1) Successfully completed a racing soundness examination administered by the regulatory or track veterinarian.~~

~~(2) Completed an official workout of not less than four (4) furlongs in a time of fifty-two (52) seconds, or better, under the observation of the regulatory or track veterinarian. A horse participating in an official workout is subject to placement on the veterinarian's list and may be required to submit to a post-work biologic sample collection and testing for foreign substances in accordance with 71 IAC 8.5-1-2 and 71 IAC 8.5-1-4.2. Placement of a horse on the veterinarian's list shall be in accordance with the requirements set forth in 71 IAC 8.5-8-1. All testing as required by this section and ordered by the regulatory or track veterinarian shall be conducted in accordance with commission sample collection and testing procedures with all tests to be at the expense of the horse owner or trainer.~~

(Indiana Horse Racing Commission; 71 IAC 7.5-4-1; emergency rule filed Jun 15, 1995, 5:00 p.m.: 18 IR 2869, eff Jul 1, 1995; emergency rule filed Mar 25, 1997, 10:00 a.m.: 20 IR 2156; emergency rule filed Jun 22, 2000, 3:05 p.m.: 23 IR 2780; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA; emergency rule filed Mar 23, 2010, 1:27 p.m.: 20100331-IR-071100170ERA; emergency rule filed Mar 3, 2011, 11:50 a.m.: 20110309-IR-071110100ERA; readopted filed Nov 26, 2013, 11:25 a.m.: 20131225-IR-071130345RFA; readopted filed Aug 28, 2019, 1:23 p.m.: 20190925-IR-071190319RFA; emergency rule filed Dec 5, 2019, 1:56 p.m.: 20191211-IR-071190646ERA)

SECTION 5. 71 IAC 7.5-5-1 IS AMENDED TO READ AS FOLLOWS:

71 IAC 7.5-5-1 Horses ineligible

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 1. (a) A horse is ineligible to start in a race when:

(1) it is not stabled on the grounds of the association or present by the time established by the commission;

(2) for a quarter horse, its breed registration certificate is not on file with the racing secretary or horse identifier, unless the racing secretary has submitted the certificate to the appropriate breed registry for correction, or the information contained on the registration certificate is available to the racing secretary, or his or her designee, through the electronic

registration system, **however**

- (A) the stewards for good cause may waive this requirement if the horse is otherwise correctly identified to the satisfaction of the stewards and identifier;
 - (B) if the electronic registration system fails for any reason, the stewards may require presentation of a horse's registration certificate prior to a horse being entered or raced in Indiana;
 - (C) the stewards may at any time require presentation of a horse's registration certificate; and
 - (D) a horse may not receive a preference date prior to entry unless the horse's registration paper is on file with the racing secretary;
- (3) it is not fully identified and tattooed on the inside of the upper lip or microchipped or identified by any other method approved by the appropriate breed registry and the commission;
 - (4) it has been fraudulently entered or raced in any jurisdiction under a different name, with an altered registration certificate, or altered lip tattoo or microchip or other identification method approved by the appropriate breed registry and the commission;
 - (5) it is wholly or partially owned by a disqualified person or a horse is under the direct or indirect training or management of a disqualified person;
 - (6) it is wholly or partially owned by the spouse of a disqualified person or a horse is under the direct or indirect management of the spouse of a disqualified person, in such cases, it being presumed that the disqualified person and spouse constitute a single financial entity with respect to the horse, which presumption may be rebutted;
 - (7) the stakes or entrance money for the horse has not been paid, in accordance with the conditions of the race;
 - (8) its name appears on the starter's list, stewards' list, or veterinarian's list;
 - (9) it is a first time starter and has not been approved to start by the starter;
 - (10) it is owned in whole or in part by an undisclosed person or interest;
 - (11) it lacks sufficient official published workouts or ~~rae~~ past **race** performances;
 - (12) it has been entered in a stakes race and has subsequently been transferred with its engagements unless the racing secretary has been notified of such prior to the start;
 - (13) it is subject to a lien, which has not been approved by the stewards and filed with the horsemen's bookkeeper;
 - (14) it is subject to a lease not filed with the stewards;
 - (15) it is not in sound racing condition;
 - (16) it has had a posterior digital neurectomy (heel denerving), which has not been approved by the official veterinarian;
 - (17) it has been trachea tubed to artificially assist breathing;
 - (18) it has been blocked with alcohol or otherwise drugged or surgically denerved to desensitize the nerves above the ankle;
 - (19) it has impaired eyesight in both eyes;
 - (20) it is barred or suspended in any recognized jurisdiction;
 - (21) it does not meet the eligibility conditions of the race;
 - (22) its owner or lessor is in arrears for any stakes fees, except with approval of the racing secretary;
 - (23) its owners, lessors, lessees, or trainer have not completed the licensing procedures required by the commission;
 - (24) it is by an unknown sire or out of an unknown mare;
 - (25) there is no negative test certificate for equine infectious anemia issued within the preceding twelve (12) months attached to its breed registration certificate;

(26) if a quarter horse, it has shoes (racing plates) that have toe grabs with a height greater than four (4) millimeters (fifteen thousand seven hundred forty-eight hundred-thousandths (0.15748) inches), or any other traction device on the front hooves while racing or training on all racing surfaces;

(27) if a thoroughbred, it has shoes (racing plates) which have toe grabs with a height greater than two (2) millimeters (seven thousand eight hundred seventy-four hundred-thousandths (0.07874) inches), bends, jar caulks, stickers, or any other traction device on the front hooves while racing or training on all racing surfaces;

(28) it has reached the age of twelve (12) **years**;

(29) it is a maiden that has reached the age of six (6) **years or older with more than six (6) starts**;

(30) the race date is within ten (10) days of having extracorporeal shock wave or radial pulse wave therapy; or

(31) upon claim, sale, or any transfer of ownership, if the foal certificate is not otherwise on file with the racing office, the previous owner shall present the foal certificate to the racing secretary within seventy-two (72) hours of the change of ownership so the ownership can be updated.

(b) The stewards may consider extenuating circumstances in determining ineligibility of a horse with respect to subsection (a)(1) and (a)(2).

(c) A horse that has not made an official racing start in two (2) years or longer must have a workout in front of a regulatory track veterinarian prior to being declared eligible to race in Indiana.

(Indiana Horse Racing Commission; 71 IAC 7.5-5-1; emergency rule filed Jun 15, 1995, 5:00 p.m.: 18 IR 2870, eff Jul 1, 1995; emergency rule filed Aug 9, 1995, 10:30 a.m.: 18 IR 3408; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA; emergency rule filed Jul 23, 2007, 9:16 a.m.: 20070808-IR-071070461ERA, eff Jul 18, 2007 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #07-461(E) was filed with the Publisher July 23, 2007.]; errata filed Aug 14, 2007, 1:28 p.m.: 20070829-IR-071070461ACA; emergency rule filed Mar 12, 2008, 1:53 p.m.: 20080326-IR-071080191ERA, eff Mar 11, 2008 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #08-191(E) was filed with the Publisher March 12, 2008.]; emergency rule filed Mar 19, 2009, 11:07 a.m.: 20090401-IR-071090195ERA, eff Mar 12, 2009 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #09-195(E) was filed with the Publisher March 19, 2009.]; emergency rule filed Mar 23, 2010, 1:27 p.m.: 20100331-IR-071100170ERA; emergency rule filed Mar 8, 2012, 11:43 a.m.: 20120321-IR-071120117ERA; emergency rule filed Jul 5, 2012, 2:14 p.m.: 20120718-IR-071120402ERA; readopted filed Nov 26, 2013, 11:25 a.m.: 20131225-IR-071130345RFA; readopted filed Aug 28, 2019, 1:23 p.m.: 20190925-IR-071190319RFA; emergency rule filed Dec 5, 2019, 1:56 p.m.: 20191211-IR-071190646ERA)

SECTION 6. 71 IAC 8-3-5 IS AMENDED TO READ AS FOLLOWS:

71 IAC 8-3-5 Out of competition

Authority: IC 4-31-3-9

Affected: IC 4-31-12

Sec. 5. (a) Any horse eligible to race in Indiana under this subsection is subject to testing without advance notice for prohibited substances, practices, and procedures as specified in

subsection (f), while the horse is located on the grounds of a racetrack under the jurisdiction of the commission, or stabled off association grounds while under the care or control of trainer or owner licensed by the commission under the restrictions listed in subsection (e). A horse is eligible to race in Indiana if it is listed:

- (1) on an owner's or trainer's license application;
- (2) on a stall application or nomination list; or
- (3) on the horse sign-in sheet at any time during the meet;

or has raced at any Indiana race meet during the preceding three hundred sixty-five (365) days. A horse shall be presumed eligible if it is a racing breed, at least two (2) years old, and an Indiana bred or sired horse. The owner of such an Indiana bred or sired horse may render the horse ineligible for the testing as described in this rule by indicating in writing the Indiana bred or sired horse is not intended to race in Indiana under subsection (b) provided that the owner of such an Indiana bred or sired horse provides such written notice to the office of the commission thirty (30) days before the horse turns two (2) years old or within thirty (30) days after the owner acquires the horse. In this event, the horse shall be deemed ineligible for racing in Indiana as provided for in subsection (b).

(b) If a horse to be tested is not covered under subsection (a), the executive director or judges may nevertheless test any such horse as eligible to race in Indiana for prohibited substances, practices, and procedures specified in subsection (f), unless the owner or trainer or other authorized representative or designee of such horse immediately represents in writing that the horse is not intended to be, and will not be, raced in Indiana for a minimum of three hundred sixty-five (365) days. If the owner, trainer, or other authorized representative or designee so represents, the horse shall be deemed ineligible for racing in Indiana for no less than three hundred sixty-five (365) days from that date. This three hundred sixty-five (365) day ineligibility to race in Indiana shall follow the horse even if sold or transferred to another owner or trainer. An owner or trainer may, however, consent to the collection of a sample from a horse selected for testing under this rule, even if the horse is not presently intended to be raced in Indiana, and if such horse tests negative, it will remain eligible to race in Indiana.

(c) The executive director or judges may order any horse of a licensed trainer or owner to report to a track under the jurisdiction of the commission for out of competition testing. The trainer or owner is responsible to have the horse or horses available at the designated time and location. In the event that a horse is ordered to report to a track pursuant to the authority granted by this subsection, a licensed trainer or owner is entitled to reimbursement by the commission for mileage (at the current rate paid by the state of Indiana as specified in the current Indiana financial management circular) to and from the location where the horse was stabled when the horse was ordered to report to the track. Under no circumstances will a trainer or owner be entitled to reimbursement for mileage in excess of the actual mileage to the track from the place where the horse was stabled when ordered to report and from the track to the place where the horse is first stabled following the testing. The trainer or owner is not entitled to receive reimbursement from the commission for any other expense relating to any order under this subsection to report to a track for out of competition testing.

(d) The official veterinarian, a licensed veterinarian authorized by the commission, or a veterinary technician under the direct supervision of the official veterinarian or a licensed veterinarian authorized by the commission may take a urine, blood, or hair sample from a horse for testing as provided for in this section.

(e) Unless sample collection occurs on the grounds of a racetrack or other location within Indiana under the commission's jurisdiction, the commission's representatives ~~must~~ **may** arrive **at a reasonable time** for the taking of blood, urine, or hair samples from an eligible horse, as defined in subsection (a) or (b), ~~only between the hours of 7:00 a.m. and noon,~~ after announcing their

presence at the premises where the horse or horses to be tested are located and showing their credentials to collect samples from the horse or horses selected for testing for prohibited substances, practices, and procedures as specified in subsection (f). The commission's representatives or designees will request to meet with the trainer or owner of the selected horse or horses. If neither is available, the collection will be deferred until the trainer or owner, or both, or their representative or designee, becomes reasonably available, but the collection must occur not later than one (1) hour after the commission's designee arrives at the premises in the case of an eligible horse under subsection (a), and not later than two (2) hours in the case of an eligible horse under subsection (b). If the collection does not occur within the time provided for in this subsection, any horse that would have been subject to testing and eligible to race in Indiana will be deemed to be ineligible for racing in Indiana pursuant to the provisions of subsections (a) and (b). In addition, the owner or trainer, or both, of the horses may be subject to any other sanctions allowed by Indiana law and regulations, including, but not limited to, a fine, suspension, or summary suspension. It is a defense to any action brought against an owner or trainer, or both, for sanctions or as a result of any declaration a horse is ineligible because the sample collection did not occur within the time provided for by this subsection that good cause existed that prohibited the owner or trainer or their representative or designee from complying with the time limits set forth in this subsection. The owner or trainer or their representative or designee has the burden of proving the good cause defense by a preponderance of the evidence.

(f) Prohibited substances, practices, methods, and procedures are defined as the following:

(1) Blood doping agents, including, but not limited to, erythropoietin (EPO), darbepoetin, Oxyglobin, Hemopure, Aranesp, or any substance that abnormally enhances the oxygenation of body tissues.

(2) Gene doping agents or the nontherapeutic use of genes, genetic elements, or cells, or all, that have the capacity to enhance athletic performance or produce analgesia.

(3) Naturally produced venoms, synthetic analogues of venoms, derivatives of venoms, or synthetic analogues of derivatives of venoms.

(4) Substances capable of producing a repartitioning effect that are not FDA-approved for use in horses, including, but not limited to, ractopamine, zilpaterol, or any similar agent.

(5) Androgenic-anabolic steroids (AAS) other than endogenous concentrations of the naturally occurring substances as defined in 71 IAC 8-1-8 or AAS in a horse placed on the veterinarian's list in accordance with 71 IAC 8-1-8(f).

(6) Cobalt in excess of the threshold provided in 71 IAC 8-1-9. In the event a sample from a horse results in cobalt in excess of the threshold, the horse shall be placed on the veterinarian's list until the concentration of cobalt in serum has fallen below the designated threshold, or until the conclusion of the race meet. However, horses testing at a concentration of one hundred (100) parts per billion shall be placed on the veterinarian's list for a minimum of thirty (30) days.

(7) Any substance or method not otherwise referenced in this rule, which is present on Version 8.5 of the Association of Racing Commissioners International Model Rules of Racing Annex I (Prohibited Substances).

(8) The presence ~~in a horse~~ of any substance at any time listed in subdivision (1), (2), (3), (4), (5), or (7) in an eligible **horse**, as defined in subsections (a) and (b), is prohibited and is a violation of this rule.

(9) The use of a prohibited method, as defined in Version 8.5 of the Association of Racing Commissioners International Model Rules of Racing Annex I (Prohibited Substances), on an eligible horse, as defined in subsections (a) and (b), is prohibited and is a violation of this rule.

(g) The trainer or owner or his or her designees shall cooperate with the official veterinarian

or any licensed veterinarian or licensed veterinary technician authorized by the commission or any commission employee by:

- (1) assisting in the immediate location and identification of the eligible horse selected for out of competition testing; and
- (2) providing a stall or safe location to collect the samples.

The executive director or judges may summarily suspend, exclude, or otherwise penalize any trainer or other authorized representative or designee who does not fully cooperate with a commission employee or representative in assisting and identifying an eligible horse or providing a safe stall to collect samples in a timely fashion. If any such person is summarily suspended, excluded, or otherwise penalized, she or he shall be entitled to a hearing in accordance with Indiana law and regulations. A summary suspension, exclusion, or sanctions for failure to cooperate shall not issue, however, if a horseman meets his or her burden to establish the good cause defense set forth under subsection (e). This provision does not apply to an owner or trainer who timely provides written notice under subsection (a) or (b) that a horse sought to be tested is not intended to be raced in Indiana and thereby renders the horse ineligible pursuant to subsection (b).

(h) The collection of blood or urine samples under this rule shall be collected as provided by 71 IAC 8-4-1 and shall be analyzed as follows:

- (1) Approved primary laboratory for screening.
- (2) Approved primary laboratory for confirmation.
- (3) Approved laboratory for split sample testing as chosen by the owner or trainer.

The commission shall approve the laboratories for screening, confirmation, and split sample testing.

(i) The collection of hair samples under this rule shall be collected as provided by 71 IAC 8-4-1 and shall be analyzed as follows:

- (1) Approved primary laboratory for screening.
- (2) Approved primary laboratory for confirmation.

The commission shall approve the primary laboratories for screening and confirmation. A hair sample shall be ineligible for split sample testing.

(j) The licensed trainer of the horse is responsible for the condition of the horse sampled for an out of competition test while on the grounds of a licensed training facility or racetrack as follows:

- (1) If the horse is sampled while not on the grounds of a licensed facility or racetrack, then the licensed owner shall be presumed to be the responsible person unless the owner can establish by substantial evidence that another licensed person had accepted the responsibility for the care, custody, and control of the horse, making such person the responsible person.
- (2) If a horse sampled for an out of competition test was claimed, sold, or otherwise transferred during the time the substance giving rise to the positive test may have been administered, then the commission shall investigate to determine, by a preponderance of the evidence, the identity of the responsible person at the time such substance may have been administered.
- (3) If the commission cannot determine a responsible person, then the commission may deem the owner responsible and place the horse on the veterinarian's list for such time as is necessary to protect the integrity of racing.
- (4) A claimed horse is ineligible to be subjected to out of competition testing in the forty-eight (48) hours post claim unless the horse was subjected to post race testing.

(k) In the absence of extraordinary mitigating circumstances, a minimum penalty of a ten (10) year suspension will be assessed for any violation of subsection (f)(1) and (f)(2). The Association of Racing Commissioners International, Inc. Uniform Classification Guidelines for

Foreign Substances and Recommended Penalties and Model Rule will be considered for violations of subsection (f)(3), (f)(4), and (f)(5) with additional penalties for any drug not FDA approved for use in horses.

(Indiana Horse Racing Commission; 71 IAC 8-3-5; emergency rule filed Jul 23, 2007, 9:16 a.m.: 20070808-IR-071070461ERA, eff Jul 18, 2007 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #07-461(E) was filed with the Publisher July 23, 2007.]; errata filed Aug 14, 2007, 1:28 p.m.: 20070829-IR-071070461ACA; emergency rule filed Mar 12, 2008, 1:53 p.m.: 20080326-IR-071080191ERA, eff Mar 11, 2008 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #08-191(E) was filed with the Publisher March 12, 2008.]; emergency rule filed Mar 19, 2009, 11:07 a.m.: 20090401-IR-071090195ERA, eff Mar 12, 2009 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #09-195(E) was filed with the Publisher March 19, 2009.]; emergency rule filed Mar 3, 2011, 11:50 a.m.: 20110309-IR-071110100ERA; emergency rule filed Sep 10, 2012, 2:01 p.m.: 20120912-IR-071120525ERA; emergency rule filed May 7, 2014, 2:27 p.m.: 20140514-IR-071140143ERA, eff May 15, 2014; emergency rule filed Sep 15, 2014, 12:44 p.m.: 20140924-IR-071140352ERA, eff Jan 1, 2015; emergency rule filed Mar 16, 2015, 3:29 p.m.: 20150325-IR-071150071ERA; emergency rule filed Aug 29, 2018, 11:12 a.m.: 20180905-IR-071180370ERA; emergency rule filed Mar 15, 2019, 2:42 p.m.: 20190320-IR-071190167ERA; errata filed Mar 29, 2019, 10:12 a.m.: 20190403-IR-071190167ACA; emergency rule filed Dec 5, 2019, 1:56 p.m.: 20191211-IR-071190646ERA)

SECTION 7. 71 IAC 8-10-6 IS AMENDED TO READ AS FOLLOWS:

71 IAC 8-10-6 Penalties

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 6. (a) Upon a finding of a positive test, the judges or commission shall, to the extent of its regulatory authority, impose the following sanctions:

(1) For a licensee's first violation, he or she shall be suspended for thirty (30) days and, **in order for the suspension to be lifted**, shall be subject to a mandatory drug retest after thirty (30) days from the first violation of this article. Such additional drug test, **known as the standard drug test**, shall be done by the commission testing laboratory at the licensee's expense. Until such retest **using the standard drug test** achieves negative results, the licensee shall remain suspended **with the following exceptions**:

(A) For a licensee's first violation, he or she may take a drug test after thirty (30) days from the first violation of this article known as the immediate drug test. Provided the immediate drug test is negative, the licensee's suspension will be lifted, by amending the initial ruling, while the results of the standard drug test are pending. If the licensee's standard drug test returns a negative result, the licensee's suspension remains lifted.

(B) If the standard drug test returns a positive result, the judges will enter an amended ruling suspending the licensee until such time as a standard drug test, which shall be done by the commission testing laboratory at the licensee's expense, returns a negative result.

The licensee is only allowed one (1) immediate drug test, which is to be taken at the end of the initial thirty (30) day suspension.

(2) For a second violation, the licensee shall be suspended for a minimum of sixty (60)

days and shall be required to enroll in a substance abuse treatment program approved by the commission. It shall be the licensee's responsibility to provide the commission with written notice of his or her enrollment, weekly status reports, and written notice that he or she has successfully completed the program and has been discharged. The licensee shall remain suspended until the requirements have been fulfilled. The requirements shall include an additional drug test with negative results. Such test shall be under the supervision or approval of the commission.

(3) For a third violation, the licensee will receive a mandatory suspension of his or her license for a period of one (1) year and shall not be eligible to reapply for his or her license until the applicant pays for and submits to two (2) urine or saliva samples, or both, thirty (30) days apart with both samples failing to show any trace of a controlled substance or prescription drug. All such samples shall be obtained and tested by the commission or approved by the commission at a location and in a manner prescribed by the commission and at the expense of the licensee. After the licensee has received two (2) negative tests, he or she may reapply for a license unless his or her continuing participation at a race meeting shall be deemed by the commission director of security or his or her designee to be detrimental to the best interest of horse racing.

(b) Prior human controlled substance or prescription drug violations reflected on a person's racing record from any jurisdiction recognized by the commission, including Indiana, shall be counted as violations when determining appropriate penalties as set forth in subsection (a).

(c) In determining the penalty to impose for an offense covered by this rule, the judges or the commission may consider any mitigating ~~and/or~~ **or** exacerbating, **or both**, circumstances and make an appropriate adjustment to the penalties ~~which~~ **that** are set forth in subsection (a).

(Indiana Horse Racing Commission; 71 IAC 8-10-6; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1177; emergency rule filed Mar 25, 1997, 10:00 a.m.: 20 IR 2163; emergency rule filed Feb 24, 2000, 2:32 p.m.: 23 IR 1670, eff Feb 24, 2000; errata filed Mar 13, 2000, 7:36 a.m.: 23 IR 1656; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA; emergency rule filed Oct 3, 2013, 2:08 p.m.: 20131009-IR-071130452ERA; emergency rule filed Apr 17, 2015, 3:15 p.m.: 20150422-IR-071150105ERA)

SECTION 8. 71 IAC 8.5-2-5 IS AMENDED TO READ AS FOLLOWS:

71 IAC 8.5-2-5 Out of competition testing

Authority: IC 4-31-3-9

Affected: IC 4-31-12

Sec. 5. (a) Any horse eligible to race in Indiana under this subsection is subject to testing without advance notice for prohibited substances, practices, and procedures as specified in subsection (f), while the horse is located on the grounds of a racetrack under the jurisdiction of the commission, or stabled off association grounds while under the care or control of a trainer or owner licensed by the commission under the restrictions listed in subsection (e). A horse is eligible to race in Indiana if it is listed:

- (1) on an owner's or trainer's license application;
- (2) on a stall application or nomination list; or
- (3) on the horse sign-in sheet at any time during the meet;

or has raced at any Indiana race meet during the preceding three hundred sixty-five (365) days. A horse shall be presumed eligible if it is a racing breed, at least two (2) years old, and an Indiana bred or sired horse. The owner of such an Indiana bred or sired horse may render the horse ineligible for the testing as described in this rule by indicating in writing the Indiana bred or sired

horse is not intended to race in Indiana under subsection (b) provided that the owner of such an Indiana bred or sired horse provides ~~such~~ written notice to the office of the commission thirty (30) days before the horse turns two (2) years old or within thirty (30) days after the owner acquires the horse. In this event, the horse shall be deemed ineligible for racing in Indiana as provided for in subsection (b).

(b) If a horse selected to be tested is not covered under subsection (a), the executive director or stewards may nevertheless test any such horse as eligible to race in Indiana for prohibited substances, practices, and procedures specified in subsection (f), unless the owner or trainer or other authorized representative or designee of such horse immediately represents in writing that the horse is not intended to be, and will not be, raced in Indiana for a minimum of three hundred sixty-five (365) days. If the owner, trainer, or other authorized representative or designee so represents, the horse shall be deemed ineligible for racing in Indiana for no less than three hundred sixty-five (365) days from that date. This three hundred sixty-five (365) day ineligibility to race in Indiana shall follow the horse even if sold or transferred to another owner or trainer. An owner or trainer may, however, consent to the collection of a sample from a horse selected for testing under this rule, even if the horse is not presently intended to be raced in Indiana, and if such horse tests negative, it will remain eligible to race in Indiana.

(c) The executive director or stewards may order any horse of a licensed trainer or owner to report to a track under the jurisdiction of the commission for out of competition testing. The trainer or owner is responsible to have the horse or horses available at the designated time and location. In the event that a horse is ordered to report to a track pursuant to the authority granted by this subsection, a licensed trainer or owner is entitled to reimbursement by the commission for mileage (at the current rate paid by the state of Indiana as specified in the current Indiana financial management circular) to and from the location where the horse was stabled when the horse was ordered to report to the track. Under no circumstances will a trainer or owner be entitled to reimbursement for mileage in excess of the actual mileage to the track from the place where the horse was stabled when ordered to report and from the track to the place where the horse is first stabled following the testing. The trainer or owner is not entitled to receive reimbursement from the commission for any other expense relating to any order under this subsection to report to a track for out of competition testing.

(d) The official veterinarian, a licensed veterinarian authorized by the commission or a veterinary technician under the direct supervision of the official veterinarian or a licensed veterinarian authorized by the commission may take a urine, blood, or hair sample from a horse for testing as provided for in this section.

(e) Unless sample collection occurs on the grounds of a racetrack or other location within Indiana under the commission's jurisdiction, the commission's representatives ~~must~~ **may** arrive **at a reasonable time** for the taking of blood, urine, or hair samples from an eligible horse, as defined in subsection (a) or (b), ~~only between the hours of 7:00 a.m. and noon,~~ after announcing their presence at the premises where the horse or horses to be tested are located and showing their credentials to collect samples from the horse or horses selected for testing for prohibited substances, practices, and procedures as specified in subsection (f). The commission's representatives or designees will request to meet with the trainer or owner of the selected horse or horses. If neither is available, the collection will be deferred until the trainer or owner, or both, or their representative or designee, becomes reasonably available, but the collection must occur not later than one (1) hour after the commission's designee arrives at the premises in the case of an eligible horse under subsection (a), and not later than two (2) hours in the case of an eligible horse under subsection (b). If the collection does not occur within the time provided for in this subsection, any horse that would have been subject to testing and eligible to race in Indiana will be deemed to be ineligible for racing in Indiana pursuant to the provisions of subsections (a) and

(b). In addition, the owner or trainer, or both, of the horses may be subject to any other sanctions allowed by Indiana law and regulations, including, but not limited to, a fine, suspension, or summary suspension. It is a defense to any action brought against an owner or trainer, or both, for sanctions or as a result of any declaration a horse is ineligible because the sample collection did not occur within the time provided for by this subsection that good cause existed that prohibited the owner or trainer or their representative or designee from complying with the time limits set forth in this subsection. The owner or trainer or their representative or designee has the burden of proving the good cause defense by a preponderance of the evidence.

(f) Prohibited substances, practices, methods, and procedures are defined as the following:

(1) Blood doping agents, including, but not limited to, erythropoietin (EPO), darbepoetin, Oxyglobin, Hemopure, Aranesp, or any substance that abnormally enhances the oxygenation of body tissues.

(2) Gene doping agents or the nontherapeutic use of genes, genetic elements, or cells, or all, that have the capacity to enhance athletic performance or produce analgesia.

(3) Naturally produced venoms, synthetic analogues of venoms, derivatives of venoms, or synthetic analogues of derivatives of venoms.

(4) Substances capable of producing a repartitioning effect that are not FDA-approved for use in horses, including, but not limited to, ractopamine, zilpaterol, or any similar agent.

(5) Androgenic-anabolic steroids (AAS) other than endogenous concentrations of the naturally occurring substances as defined in 71 IAC 8.5-1-8 or AAS in a horse placed on the veterinarian's list in accordance with 71 IAC 8.5-1-8(f).

(6) Cobalt in excess of the threshold provided in 71 IAC 8.5-1-9. In the event a sample from a horse results in cobalt in excess of the threshold, the horse shall be placed on the veterinarian's list until the concentration of cobalt in serum has fallen below the designated threshold, or until the conclusion of the race meet. However, horses testing at a concentration of one hundred (100) parts per billion shall be placed on the veterinarian's list for a minimum of thirty (30) days.

(7) Clenbuterol in excess of the threshold provided in 71 IAC 8.5-1-4.2(5) for a quarter horse. In the event a sample from a quarter horse results in clenbuterol in excess of the threshold, the quarter horse shall be placed on the veterinarian's list as provided in 71 IAC 8.5-8-1.5.

(8) Albuterol in excess of the threshold provided in 71 IAC 8.5-1-4.2(2) for a quarter horse. In the event a sample from a quarter horse results in albuterol in excess of the threshold, the quarter horse shall be placed on the veterinarian's list as provided in 71 IAC 8.5-8-1.5.

(9) Any substance or method not otherwise referenced in this rule, which is present on Version 8.5 of the Association of Racing Commissioners International Model Rules of Racing Annex I (Prohibited Substances).

(10) The presence ~~in a horse~~ of any substance at any time listed in subdivision (1), (2), (3), (4), (5), or (9) in an eligible horse, as defined in subsections (a) and (b), is prohibited and is a violation of this rule.

(11) The use of a prohibited method, as defined in Version 8.5 of the Association of Racing Commissioners International Model Rules of Racing Annex I (Prohibited Substances), on an eligible horse, as defined in subsections (a) and (b), is prohibited and is a violation of this rule.

(g) The trainer or owner or his or her designees shall cooperate with the official veterinarian, or any licensed veterinarian or licensed veterinary technician authorized by the commission, or any commission employee by:

(1) assisting in the immediate location and identification of the eligible horse selected for out of competition testing; and

(2) providing a stall or safe location to collect the samples.

The executive director or stewards may summarily suspend, exclude, or otherwise penalize any trainer or other authorized representative or designee who does not fully cooperate with a commission employee or representative in assisting and identifying an eligible horse or providing a safe stall to collect samples in a timely fashion. If any such person is summarily suspended, excluded, or otherwise penalized, she or he shall be entitled to a hearing in accordance with Indiana law and regulations. A summary suspension, exclusion, or sanctions for failure to cooperate shall not issue, however, if a horseman meets his or her burden to establish the good cause defense set forth under subsection (e). This provision does not apply to an owner or trainer who timely provides written notice under subsection (a) or (b) that a horse sought to be tested is not intended to be raced in Indiana and thereby renders the horse ineligible pursuant to subsection (b).

(h) The collection of blood or urine samples under this rule shall be collected as provided by 71 IAC 8.5-3-1 and shall be analyzed as follows:

(1) Approved primary laboratory for screening.

(2) Approved primary laboratory for confirmation.

(3) Approved laboratory for split sample testing as chosen by the owner or trainer.

The commission shall approve the laboratories for screening, confirmation, and split sample testing.

(i) The collection of hair samples under this rule shall be collected as provided by 71 IAC 8.5-3-1 and shall be analyzed as follows:

(1) Approved primary laboratory for screening.

(2) Approved primary laboratory for confirmation.

The commission shall approve the primary laboratories for screening and confirmation. A hair sample shall be ineligible for split sample testing.

(j) The licensed trainer of the horse is responsible for the condition of the horse sampled for an out of competition test while on the grounds of a licensed training facility or racetrack as follows:

(1) If the horse is sampled while not on the grounds of a licensed training facility or racetrack, then the licensed owner shall be presumed to be the responsible person unless the owner can establish by substantial evidence that another licensed person had accepted the responsibility for the care, custody, and control of the horse, making such person the responsible person.

(2) If a horse sampled for an out of competition test was claimed, sold, or otherwise transferred during the time the substance giving rise to the positive test may have been administered, then the commission shall investigate to determine, by a preponderance of the evidence, the identity of the responsible person at the time such substance may have been administered.

(3) If the commission cannot determine a responsible person, then the commission may deem the owner responsible and place the horse on the veterinarian's list for such time as is necessary to protect the integrity of racing.

(4) A claimed horse is ineligible to be subjected to out of competition testing in the forty-eight (48) hours post claim unless the horse was subjected to post race testing.

(k) In the absence of extraordinary mitigating circumstances, a minimum penalty of a ten (10) year suspension will be assessed for any violation of subsection (f)(1) and (f)(2). The Association of Racing Commissioners International, Inc. Uniform Classification Guidelines for Foreign Substances and Recommended Penalties and Model Rule will be considered for violations of subsection (f)(3), (f)(4), and (f)(5) with additional penalties for any drug not FDA approved for use in horses.

(Indiana Horse Racing Commission; 71 IAC 8.5-2-5; emergency rule filed Jul 23, 2007, 9:16 a.m.:

20070808-IR-071070461ERA, eff Jul 18, 2007 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #07-461(E) was filed with the Publisher July 23, 2007.]; errata filed Aug 14, 2007, 1:28 p.m.: 20070829-IR-071070461ACA; emergency rule filed Mar 12, 2008, 1:53 p.m.: 20080326-IR-071080191ERA, eff Mar 11, 2008 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #08-191(E) was filed with the Publisher March 12, 2008.]; emergency rule filed Mar 19, 2009, 11:07 a.m.: 20090401-IR-071090195ERA, eff Mar 12, 2009 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #09-195(E) was filed with the Publisher March 19, 2009.]; emergency rule filed Mar 3, 2011, 11:50 a.m.: 20110309-IR-071110100ERA; emergency rule filed Sep 10, 2012, 2:01 p.m.: 20120912-IR-071120525ERA; emergency rule filed May 7, 2014, 2:27 p.m.: 20140514-IR-071140143ERA, eff May 15, 2014; emergency rule filed Sep 15, 2014, 12:44 p.m.: 20140924-IR-071140352ERA, eff Jan 1, 2015; emergency rule filed Mar 16, 2015, 3:29 p.m.: 20150325-IR-071150071ERA; emergency rule filed Aug 29, 2018, 11:12 a.m.: 20180905-IR-071180370ERA; emergency rule filed Mar 15, 2019, 2:42 p.m.: 20190320-IR-071190167ERA; errata filed Mar 29, 2019, 10:12 a.m.: 20190403-IR-071190167ACA; emergency rule filed Dec 5, 2019, 1:56 p.m.: 20191211-IR-071190646ERA)

SECTION 9. 71 IAC 8.5-10-6 IS AMENDED TO READ AS FOLLOWS:

71 IAC 8.5-10-6 Penalties

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 6. (a) Upon a finding of a positive test, the stewards or commission shall, to the extent of its regulatory authority, impose the following sanctions:

(1) For a licensee's first violation, he or she shall be suspended for thirty (30) days and, **in order for the suspension to be lifted**, shall be subject to a mandatory drug retest after thirty (30) days from the first violation of this article. Such additional drug test, **known as the standard drug test**, shall be done by the commission testing laboratory at the licensee's expense. Until such retest **using the standard drug test** achieves negative results, the licensee shall remain suspended **with the following exceptions**:

(A) For a licensee's first violation, he or she may take a drug test after thirty (30) days from the first violation of this article known as the immediate drug test. Provided the immediate drug test is negative, the licensee's suspension will be lifted, by amending the initial ruling, while the results of the standard drug test are pending. If the licensee's standard drug test returns a negative result, the licensee's suspension remains lifted.

(B) If the standard drug test returns a positive result, the stewards will enter an amended ruling suspending the licensee until such time as a standard drug test, which shall be done by the commission testing laboratory at the licensee's expense, returns a negative result.

The licensee is only allowed one (1) immediate drug test, which is to be taken at the end of the initial thirty (30) day suspension.

(2) For a second violation, the licensee shall be suspended for a minimum of sixty (60) days and shall be required to enroll in a substance abuse treatment program approved by the commission. It shall be the licensee's responsibility to provide the commission with written notice of his or her enrollment, weekly status reports, and written notice that he or she has successfully completed the program and has been discharged. The licensee shall

remain suspended until the requirements have been fulfilled. The requirements shall include an additional drug test with negative results. Such test shall be under the supervision or approval of the commission.

(3) For a third violation, the licensee shall be suspended for a minimum of sixty (60) days and shall be required to enroll in a substance abuse treatment program approved by the commission. It shall be the licensee's responsibility to provide the commission with written notice of his or her enrollment, weekly status reports, and written notice that he or she has successfully completed the program and has been discharged. The licensee shall remain suspended until the requirements have been fulfilled. The person shall not be eligible to reapply for his or her license until the applicant pays for and submits to two (2) urine or saliva samples, or both, thirty (30) days apart with both samples failing to show any trace of a controlled substance or prescription drug. All such samples shall be obtained and tested by the commission or approved by the commission at a location and in a manner prescribed by the commission and at the expense of the licensee. After the licensee has received two (2) negative tests, he or she may reapply for a license unless his or her continuing participation at a race meeting shall be deemed by the commission director of security or his or her designee to be detrimental to the best interest of horse racing.

(b) Prior human controlled substance or prescription drug violations reflected on a person's racing record from any jurisdiction recognized by the commission, including Indiana, shall be counted as violations when determining appropriate penalties as set forth in ~~subsections~~ **subsection (a)**.

(c) In determining the penalty to impose for an offense covered by this rule, the stewards or the commission may consider any mitigating or exacerbating circumstances and make an appropriate adjustment to the penalties ~~which that~~ are set forth in subsection (a).

(Indiana Horse Racing Commission; 71 IAC 8.5-10-6; emergency rule filed Jun 15, 1995, 5:00 p.m.: 18 IR 2888, eff Jul 1, 1995; emergency rule filed Mar 25, 1997, 10:00 a.m.: 20 IR 2158; emergency rule filed Jun 22, 2000, 3:05 p.m.: 23 IR 2784; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Aug 20, 2002, 3:00 p.m.: 26 IR 58; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA; emergency rule filed Oct 3, 2013, 2:08 p.m.: 20131009-IR-071130452ERA; emergency rule filed Apr 17, 2015, 3:15 p.m.: 20150422-IR-071150105ERA)

SECTION 10. 71 IAC 9-2.2-4 IS AMENDED TO READ AS FOLLOWS:

71 IAC 9-2.2-4 SPMO license criteria and commission action

Authority: IC 4-31-7.5-11

Affected: IC 4-31-7.5

Sec. 4. (a) The commission may issue a license under IC 4-31-7.5 if the commission determines that the applicant meets all of the requirements under IC 4-31-7.5 and this article and, that on the basis of all the facts before it, the following is shown:

(1) The applicant is qualified and financially able to operate advance deposit wagering in the state of Indiana.

(2) Advance deposit wagering in Indiana will be operated in accordance with all applicable laws and rules. ~~and~~

(3) The issuance of a license will ensure that advance deposit wagering will be conducted with the highest of standards and the greatest level of integrity, and ensure the protection of the public interest.

(b) In reviewing an application, the commission may consider any information, data,

reports, findings, factors, or indices available ~~which~~ **that** it considers important or relevant to its determination of whether an applicant is qualified to hold an SPMO license under IC 4-31-7.5, including, without limitation, the following:

(1) The integrity of the applicant, its partners, directors, officers, and policymakers, including, but not limited to, the following:

(A) Criminal record.

(B) Whether a party to litigation over business practices, disciplinary actions over a business license or permit, or refusal to renew a license or permit.

(C) Proceedings in which unfair labor practices, discrimination, or government regulation of advance deposit wagering was an issue or bankruptcy proceedings.

(D) Failure to satisfy judgments, orders, or decrees.

(E) Delinquency in filing of tax reports or remitting taxes.

(F) Any other indices related to the integrity of the applicant ~~which~~ **that** the commission considers important or relevant to its determination.

(2) The financial strength of the applicant.

(3) The management ability of the applicant.

(4) The experience of the applicant.

(5) Compliance with applicable statutes and regulations.

(6) Whether licensing the SPMO would be in the best interest of the public health, safety, and welfare in the state. ~~and~~

(7) The potential effect on revenue to the state and Indiana horse racing constituents.

(c) The commission may grant or deny an SPMO license subject to conditions specified by the commission and agreed to by the applicant.

(d) The commission may require changes in the proposed plan of operations ~~and/or~~ **or** advance deposit wagering terms and agreement, **or both**, as a condition of granting a license. A licensed SPMO shall not make subsequent material changes in the plan of operations ~~and/or~~ **or** advance deposit wagering terms and agreement, **or both**, unless ordered by the commission or until approved by the commission after receiving a written request.

(e) A licensed SPMO shall file a license renewal request for the upcoming calendar year by ~~Nov.~~ **November** 1 of the preceding year. The license renewal request must be accompanied by a cashier's check or certified check payable to the commission in the amount of one thousand dollars (\$1,000) as a nonrefundable annual license fee. In addition, the licensed SPMO must submit a letter detailing any requested changes in the commission approved plan of operations ~~and/or~~ **or** advance deposit wagering terms and agreement, **or both**.

(f) A license issued under this article is neither transferable nor assignable, including by operation of law, without the prior written consent of the commission.

(g) Any action that suspends or otherwise prohibits a licensed SPMO from operating in another state may be used as grounds for a suspension of its Indiana SPMO license.

(h) All employees working on behalf of a licensed SPMO that are officers, directors, **and** managers ~~and/or~~ **who are** involved in Indiana advance deposit wagering must hold an Indiana commission license. **All other employees working on behalf of a licensed SPMO who are involved in Indiana advance deposit wagering must hold an Indiana commission license. However, the commission or commission's designee may, at their discretion, allow a licensed SPMO to forgo licensing of some individuals involved in advance deposit wagering in Indiana provided that:**

(1) those individuals are licensed and in good standing with appropriate regulatory authorities in the jurisdiction from which they are operating; and

(2) an individual that is the direct supervisor of the unlicensed individuals holds an Indiana commission license.

(Indiana Horse Racing Commission; 71 IAC 9-2.2-4; emergency rule filed Aug 29, 2018, 11:12 a.m.: 20180905-IR-071180370ERA) NOTE: Agency cited as 71 IAC 9-2.1-4, which was renumbered by the Publisher as 71 IAC 9-2.2-4.

SECTION 11. 71 IAC 9-2.2-5 IS AMENDED TO READ AS FOLLOWS:

71 IAC 9-2.2-5 Bond or irrevocable letter of credit

Authority: IC 4-31-7.5-11

Affected: IC 4-31-7.5

Sec. 5. (a) A licensed SPMO shall provide a bond or irrevocable letter of credit in an amount set by the commission for the purpose of ensuring that payments to the commission and to Indiana account holders are made. In the alternative, a licensed SPMO may provide other means of assurance of such payment including, but not limited to, evidence of ~~bond(s)~~, **bond or bonds**, irrevocable ~~letter(s)~~ **letter or letters** of credit, or other forms of financial guarantees posted and in good standing with regulatory authorities in other jurisdictions, which shall be subject to the approval of the commission. Any bond, letter of credit, or other assurance of payment acceptable to the commission provided by the licensed SPMO shall run to the Indiana horse racing commission as obligee, and shall be for the benefit of the commission and any account holder who suffers a loss by reason of the licensed SPMO's violation of IC 4-31-7.5 or this rule.

(b) In determining the amount of the bond, the commission shall consider the monthly payments due to the commission pursuant to section 6 of this rule and the projected total value of all balances in Indiana advance deposit wagering accounts held by the licensed SPMO. The bond shall be the greater of fifty thousand dollars (\$50,000) or the full projected value of all balances in Indiana advance deposit wagering accounts plus the amount due to the permit holder and the commission in a monthly period pursuant to section 6 of this rule.

(c) The bond, letter of credit, or other assurance of payment shall be conditioned on the obligor as licensee faithfully complying with IC 4-31-7.5 and this article. The bond shall be continuous and may be canceled by the surety only upon the surety giving written notice to the executive director of its intent to cancel the bond. The notice of cancellation shall be effective no sooner than thirty (30) days after the notice is received by the executive director. In the event of cancellation of the bond, letter of credit, or other assurance of payment the licensed SPMO shall file a new bond, letter of credit, or other assurance of payment prior to the effective date of the cancellation notice.

(d) The commission may approve of any other form of financial responsibility, other than a bond, if the commission determines that Indiana account holders are adequately protected in the event of insolvency or other financial hardship of the licensed SPMO.

(Indiana Horse Racing Commission; 71 IAC 9-2.2-5; emergency rule filed Aug 29, 2018, 11:12 a.m.: 20180905-IR-071180370ERA) NOTE: Agency cited as 71 IAC 9-2.1-5, which was renumbered by the Publisher as 71 IAC 9-2.2-5.

SECTION 12. 71 IAC 13-1-3 IS AMENDED TO READ AS FOLLOWS:

71 IAC 13-1-3 Information to be submitted with a registration

Authority: IC 4-31-3-9; IC 4-35-7-12

Affected: IC 2-7-1-9; IC 4-31; IC 4-35

Sec. 3. In addition to the information described in section 2(b) of this rule, the registration of a horsemen's association to receive monies allocated pursuant to IC 4-35-7-12 shall include, but

not be limited to, the following information:

(1) A proposed budget for the calendar year (or, in the case of a registration under section 1(c) of this rule, the calendar years) to which the registration applies that separately identifies general categories for the expenditure of funds anticipated to be paid by the permit holders to the horsemen's association for:

(A) equine promotion or welfare ~~pursuant to~~ **under** IC 4-35-7-12(d)(1);

(B) backside benevolence ~~pursuant to~~ **under** IC 4-35-7-12(d)(2); and

(C) the purposes provided for in IC 4-35-7-12(f) in the amount provided for by IC 4-35-7-12(f)(1)(A)(ii) and IC 4-35-7-12(f)(1)(A)(iii), IC 4-35-7-12(f)(2)(C)(ii), or IC 4-35-7-12(f)(3)(A)(ii).

(2) A specific description of the accounting, auditing, internal control, and reporting procedures that will be maintained by the horsemen's association with respect to the three (3) separate accounts required by section 8(a)(7) of this rule during the calendar year for which payments will be made, as well as the name and contact information of the individuals responsible for each function.

(3) A certification by the board of directors of the horsemen's association that the expenditures from funds paid by the permit holders for **subdivision** (1)(A) and (1)(B) ~~above~~, are in the best interests of horse racing in Indiana for the breed represented by the horsemen's association.

(4) A conflict of interest policy approved by the commission that has been executed by all of the officers, directors, and employees of the horsemen's association.

(5) Certification by an officer of the horsemen's association that no monies distributed ~~pursuant to~~ **under** IC 4-35-7-12 have been used in either the current year or will be used from the budget year for either:

(A) a contribution to a candidate or committee; or

(B) lobbying, as defined in IC 2-7-1-9.

(6) Any other information requested by the commission or its executive director.

(Indiana Horse Racing Commission; 71 IAC 13-1-3; emergency rule filed Jul 11, 2008, 2:13 p.m.: 20080723-IR-071080595ERA; emergency rule filed Sep 10, 2012, 2:01 p.m.: 20120912-IR-071120525ERA; emergency rule filed Apr 4, 2013, 1:05 p.m.: 20130410-IR-071130134ERA; emergency rule filed Oct 22, 2014, 3:01 p.m.: 20141029-IR-071140446ERA; readopted filed Aug 28, 2019, 1:23 p.m.: 20190925-IR-071190319RFA)

SECTION 13. 71 IAC 14-4-4 IS AMENDED TO READ AS FOLLOWS:

71 IAC 14-4-4 Breeder award

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 4. (a) For foals of 2009 and prior, an award will be paid to the breeder of an Indiana sired horse ~~which~~ **that** wins the following, and for foals of 2010 and later, an award will be paid to the breeder of an Indiana sired and bred horse ~~which~~ **that** wins the following:

(1) Final of any breed development Indiana sired late closer event.

(2) Leg or final of the Indiana sires stakes.

(3) Indiana sired fair circuit championship races.

(4) Any horse winning the track's open or invitational race.

(5) Any two (2) or three (3) year old winning any other race not listed ~~above~~ **in subsections (1) through (4)** in which the horse is not entered for a claiming price tag.

(b) For foals of 2010 and later, an ~~the~~ award will be paid to the breeder of an eligible

Indiana sired and bred horse whose combined win earnings are greater than twenty thousand dollars (\$20,000). The award will be allocated based on a percentage of the total pool equal to an eligible horse's combined win earnings of all eligible horses.

(Indiana Horse Racing Commission; 71 IAC 14-4-4; emergency rule filed Jun 10, 2009, 12:45 p.m.: 20090617-IR-071090464ERA, eff May 29, 2009 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #09-464(E) was filed with the Publisher June 10, 2009.]; emergency rule filed Nov 24, 2015, 1:32 p.m.: 20151202-IR-071150422ERA)

SECTION 14. 71 IAC 14.5-3-1 IS AMENDED TO READ AS FOLLOWS:

71 IAC 14.5-3-1 Owner award

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 1. (a) An owner award is the award paid to the owner of a registered Indiana bred quarter horse ~~which~~ **that** places first, second, or third in any race except trials and claiming races when entered for a claiming price of less than five thousand dollars (\$5,000) or any speed index race, at a licensed pari-mutuel racetrack in Indiana.

(b) In the event of multiple owners, the award will be paid to the individual listed first on the Equibase result chart. It is the responsibility of the individual who receives the owner award to distribute these monies to the remaining owners.

(c) For Indiana bred races the amount of the award is twelve and one-half percent (12.5%) of the gross purse, **and** distribution is:

(1) fifty percent (50%) ~~is~~ awarded to the winner, not to exceed five thousand dollars (\$5,000);

(2) thirty percent (30%) ~~is~~ awarded to second place, not to exceed three thousand dollars (\$3,000); and

(3) twenty percent (20%) ~~is~~ awarded to third place, not to exceed two thousand dollars (\$2,000).

(d) For open **overnight** races the amount of the award is ~~six and one-quarter percent (6.25%)~~ **twelve and one-half percent (12.5%)** of the gross purse, **and** distribution is:

(1) fifty percent (50%) ~~is~~ awarded to the winner, not to exceed ~~two five thousand five hundred dollars (\$2,500)~~ **(\$5,000)**;

(2) thirty percent (30%) ~~is~~ awarded to second place, not to exceed ~~one three thousand five hundred dollars (\$1,500)~~ **(\$3,000)**; and

(3) twenty percent (20%) ~~is~~ awarded to third place, not to exceed ~~one two thousand dollars (\$1,000)~~ **(\$2,000)**.

(e) For open **stakes** races the amount of the award is ~~six and one-quarter percent (6.25%)~~ of the gross purse, **and** distribution is:

(1) fifty percent (50%) awarded to the winner, not to exceed two thousand five hundred dollars (\$2,500);

(2) thirty percent (30%) awarded to second place, not to exceed one thousand five hundred dollars (\$1,500); and

(3) twenty percent (20%) awarded to third place, not to exceed one thousand dollars (\$1,000).

~~(e)~~**(f)** Awards will be paid by the commission.

(Indiana Horse Racing Commission 71 IAC 14.5-3-1; emergency rule filed Nov 15, 2000, 11:40 a.m.: 24 IR 1037; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Apr

24, 2006, 11:11 a.m.: 29 IR 3034; emergency rule filed Jan 24, 2008, 10:58 a.m.: 20080206-IR-071080056ERA, eff Jan 23, 2008 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #08-56(E) was filed with the Publisher January 24, 2008.]; emergency rule filed Apr 4, 2013, 1:05 p.m.: 20130410-IR-071130134ERA; emergency rule filed Feb 3, 2017, 2:24 p.m.: 20170208-IR-071170051ERA)

SECTION 15. 71 IAC 14.5-3-2 IS AMENDED TO READ AS FOLLOWS:

71 IAC 14.5-3-2 Breeder award

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 2. (a) A breeder award is the award paid to the breeder of a registered Indiana bred quarter horse ~~which~~ **that** places first, second, or third in any race except trials and claiming races when entered for a claiming price of less than five thousand dollars (\$5,000) or any speed index race, at a licensed pari-mutuel racetrack located in Indiana.

(b) In the event of multiple breeders, the award will be paid to the individual designated as the recipient on the foal application. It is the responsibility of the designated recipient to distribute these monies to the remaining breeders.

(c) For Indiana bred races the amount of the award is twelve and one-half percent (12.5%) of the gross purse, **and** distribution is:

(1) fifty percent (50%) ~~is~~ awarded to the winner, not to exceed five thousand dollars (\$5,000);

(2) thirty percent (30%) ~~is~~ awarded to second place, not to exceed three thousand dollars (\$3,000); and

(3) twenty percent (20%) ~~is~~ awarded to third place, not to exceed two thousand dollars (\$2,000).

(d) For open **overnight** races the amount of the award is ~~six and one-quarter percent (6.25%)~~ **twelve and one-half percent (12.5%)** of the gross purse, **and** distribution is:

(1) fifty percent (50%) ~~is~~ awarded to the winner, not to exceed ~~two five thousand five hundred dollars (\$2,500)~~ **(\$5,000)**;

(2) thirty percent (30%) ~~is~~ awarded to second place, not to exceed ~~one three thousand five hundred dollars (\$1,500)~~ **(\$3,000)**; and

(3) twenty percent (20%) ~~is~~ awarded to third place, not to exceed ~~one two thousand dollars (\$1,000)~~ **(\$2,000)**.

(e) For open stakes races the amount of the award is six and one-quarter percent (6.25%) of the gross purse, **and** distribution is:

(1) fifty percent (50%) awarded to the winner, not to exceed two thousand five hundred dollars (\$2,500);

(2) thirty percent (30%) awarded to second place, not to exceed one thousand five hundred dollars (\$1,500); and

(3) twenty percent (20%) awarded to third place, not to exceed one thousand dollars (\$1,000).

~~(e)~~(f) Awards will be paid by the commission.

~~(f)~~(g) For breeder awards earned January 1, 2013, and thereafter, the recipient is the owner of the dam at the time of the dam's registration with the breed development program.

(Indiana Horse Racing Commission; 71 IAC 14.5-3-2; emergency rule filed Nov 15, 2000, 11:40 a.m.: 24 IR 1037; errata filed Feb 9, 2001, 3:38 p.m.: 24 IR 2091; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Mar 27, 2002, 10:27 a.m.: 25 IR 2539; emergency

rule filed Jan 24, 2008, 10:58 a.m.: 20080206-IR-071080056ERA, eff Jan 23, 2008 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #08-56(E) was filed with the Publisher January 24, 2008.]; errata filed Feb 18, 2008, 2:03 p.m.: 20080305-IR-071080056ACA; emergency rule filed Apr 4, 2013, 1:05 p.m.: 20130410-IR-071130134ERA; emergency rule filed Feb 3, 2017, 2:24 p.m.: 20170208-IR-071170051ERA)

SECTION 16. 71 IAC 14.5-3-3 IS AMENDED TO READ AS FOLLOWS:

71 IAC 14.5-3-3 Stallion owner award

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 3. (a) A stallion owner award is the award paid to the owner or lessee of a registered Indiana stallion whose registered progeny places first, second, or third in any race except trials and claiming races when entered for a claiming price of less than five thousand dollars (\$5,000) or any speed index race, at a licensed pari-mutuel racetrack located in Indiana.

(b) In the event of multiple stallion owners, the award will be paid to the individual designated as the recipient on the stallion application. It is the responsibility of the designated recipient to distribute these monies to the remaining stallion owners.

(c) For Indiana bred races the amount of the award is twelve and one-half percent (12.5%) of the gross purse, **and** distribution is:

(1) fifty percent (50%) ~~is~~ awarded to the winner, not to exceed five thousand dollars (\$5,000);

(2) thirty percent (30%) ~~is~~ awarded to second place, not to exceed three thousand dollars (\$3,000); and

(3) twenty percent (20%) ~~is~~ awarded to third place, not to exceed two thousand dollars (\$2,000).

(d) For open **overnight** races the amount of the award is ~~six and one-quarter percent (6.25%)~~ **twelve and one-half percent (12.5%)** of the gross purse, **and** distribution is:

(1) fifty percent (50%) ~~is~~ awarded to the winner, not to exceed ~~two five thousand five hundred dollars (\$2,500)~~ **(\$5,000)**;

(2) thirty percent (30%) ~~is~~ awarded to second place, not to exceed ~~one three thousand five hundred dollars (\$1,500)~~ **(\$3,000)**; and

(3) twenty percent (20%) ~~is~~ awarded to third place, not to exceed ~~one two thousand dollars (\$1,000)~~ **(\$2,000)**.

(e) For open stakes races the amount of the award is six and one-quarter percent (6.25%) of the gross purse, **and** distribution is:

(1) fifty percent (50%) awarded to the winner, not to exceed two thousand five hundred dollars (\$2,500);

(2) thirty percent (30%) awarded to second place, not to exceed one thousand five hundred dollars (\$1,500); and

(3) twenty percent (20%) awarded to third place, not to exceed one thousand dollars (\$1,000).

~~(e)~~(f) Awards will be paid by the commission.

~~(f)~~(g) The award will be paid to the owner or lessee of the registered stallion at time of conception.

~~(g)~~(h) No stallion standing outside Indiana and shipping semen into the state will be eligible to participate in any stallion breed development awards.

(Indiana Horse Racing Commission; 71 IAC 14.5-3-3; emergency rule filed Nov 15, 2000, 11:40

a.m.: 24 IR 1037; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Mar 27, 2002, 10:27 a.m.: 25 IR 2539; emergency rule filed Jan 24, 2008, 10:58 a.m.: 20080206-IR-071080056ERA, eff Jan 23, 2008 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #08-56(E) was filed with the Publisher January 24, 2008.]; emergency rule filed Apr 4, 2013, 1:05 p.m.: 20130410-IR-071130134ERA; emergency rule filed Feb 3, 2017, 2:24 p.m.: 20170208-IR-071170051ERA)

DRAFT

Barnes, Jessica

Subject: FW: Proposed Rules May 28, 2020 Commission Meeting
Attachments: Emergency Rule_LSA #20-__(E)_Ver_03.docx

From: Jackson, Noah <NJackson1@hrc.IN.gov>
Sent: Thursday, May 21, 2020 5:12 PM
Subject: Proposed Rules May 28, 2020 Commission Meeting

Good afternoon all,

I hope this email finds everyone in good health.

Attached is the document including all of the proposed rule changes for the upcoming May 28, 2020 Commission meeting. You will see an agenda and notice for that meeting posted in the next day. Please note that the upcoming meeting will be virtual only via Microsoft Teams. Further direction on how to connect to the meeting will be shared on the official Commission website under the Meeting Information section.

The rule document attached is nearly identical to the document shared with stakeholders prior to our canceled March 19, 2020 meeting. The only differences are the addition of 71 IAC 7.5-4-1, a change to the workout requirements for a horse that has not raced in one or more years, and the addition of Owner/Breeder award changes at 71 IAC 14.5-3-1, 14.5-3-2, and 14.5-3-3.

If you have any questions or concerns, please do not hesitate to reach out to me directly. Otherwise, we look forward to seeing everyone (virtually) at the upcoming meeting.

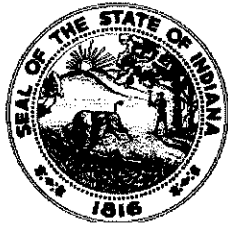
Thank you,

Noah Jackson
General Counsel
Indiana Horse Racing Commission
Njackson1@hrc.in.gov
317-501-7906

Agenda Item #3

Confidential attachment

Agenda Item #4



State of Indiana Indiana Horse Racing Commission

Eric Holcomb, Governor

www.in.gov/hrc

January 13, 2020

Mr. Trent McIntosh
Senior Vice President and General Manager
Harrah's Hoosier Park Racing & Casino
4500 Dan Patch Circle
Anderson, IN 46013

Mr. Mike Rich
Senior Vice President and General Manager
Indiana Grand Racing and Casino
4300 N Michigan Rd
Shelbyville, IN 46176

Dear Trent & Mike:

As a result of the Commission's 2018 Final Order granting Caesars the privilege of operating the two racetracks in Indiana, certain conditions were included as part of that order. One of those conditions was the annual submission and approval of an Operational Plan. Both racetrack properties submitted a 2020 Plan; however, upon review of those plan's the Commission asked that each track file supplemental information for review by December 31st.

The Indiana Horse Racing Commission is appreciative of your various replies to our inquiries regarding the supplemental filings submitted in response to the December 3rd motion requesting more detailed information. Overall, Caesars appears to have addressed most of the deficiencies discussed at the December 3rd meeting by expanding on the following information:

1. Met with horsemen regarding the plan.
2. Provided signed and executed horsemen's contracts for 2020.
3. Revised plans showing additional capital investments.
4. Revised plans also included year end and projected results.
5. Additional information regarding community impact and contributions.

I do wish to point out however that the Commission is suspect of your contribution amounts – specifically the \$278,000 reported from each racetrack listed under the moniker of partnership contributions and further identified as sponsorships. Such expenses are normally deemed as marketing and advertising dollars – not as contributions.



State of Indiana Indiana Horse Racing Commission

Eric Holcomb, Governor

www.in.gov/hrc

The 2018 Final Order included the following covenant:

12. Caesars commits to continue to support the state of Indiana, and the communities of Anderson and Shelbyville in a manner **comparable** to the Centaur efforts summarized and reported in the 2017 State and Community Impact Report referenced in the Staff Report[.] [Emphasis added].

When subtracting \$556,000 dollars from the \$1.1 million in contributions noted in your 2020 plans it reflects a much lower overall community contribution. Given this and the \$45,000 in Caesars Foundation donations, your total contributions appear to be sub-par based on the size of your corporation and that is truly a disappointment to this Commission. That aside, the Indiana Horse Racing Commission is inclined to approve the 2020 Operational Plans submitted by both Harrah's Hoosier Park and Indiana Grand Racing and Casino. Please note that prior to the submission of the 2021 Operational Plan(s), Indiana Horse Racing Commission Staff will be working with each racetrack manager regarding the amount of detail and the reporting format that will be expected prior to the filing of future reports. It should be further noted it's the Commission's hope that the 2021 plan(s) be fully compliant upon submission and not require the issuance of conditional approval. Please be aware that submission of future plans with similar deficiencies may trigger potential action against your racing permits.

Sincerely,

Deena Pitman
Executive Director

cc: IHRC Commission
Tom Linkmeyer, Deputy Director
Noah Jackson, General Counsel



January 17, 2020

Ms. Deena Pitman
Executive Director
Indiana Horse Racing Commission
1302 N. Meridian Street, Suite 175
Indianapolis, IN 46202

Dear Deena,

Thank you for sending the Indiana Horse Racing Commission's approval of the 2020 operational plan for both Harrah's Hoosier Park and Indiana Grand. We are confident that our ongoing commitments to Indiana's horse racing industry will prove successful and continue to build on the rooted foundation that it stands on today.

In addition to our racing programs, we understand and value the responsibility of our properties' continued support and impact on the state of Indiana and our host communities. Our 2020 strategic giving task force is well underway in the planning and execution of what we believe to be an even more robust program. Moving forward, we have a clear understanding of the expectations set forth by the Indiana Horse Racing Commission as it relates to community impact and contributions. The 2020 recap will most certainly reflect those expectations.

We do believe it's important to recognize that the 2019 contribution figure of \$1.1 million, referenced as suspect in the approval letter, was developed with the same formula as the 2017 contribution figure of \$1.2 million. Both figures include non-profit donations, sponsorships, marketing partnerships – and dollars deemed marketing and advertising initiatives and corporate contributions as referenced in the approval letter. With that being noted, the narrative of community impact remains comparable.

The addition of the HERO program at both Harrah's Hoosier Park and Indiana Grand holds added value within the eyes of our organization as well as a meaningful vehicle of contribution for our team members. We are confident that the program, as a complement to our financial giving, is providing greater impact in our communities.

In addition to our community giving contributions, we believe it is also important to share Caesars Entertainment's financial commitment to the Centaur Equine Specialty Hospital. In 2019, Caesars Entertainment made a payment of \$337,500 and will make additional payments totaling \$1,075,000 over the next two years. Although this will not be formally recognized in current or future contribution reports for Harrah's Hoosier Park or Indiana Grand, it speaks to the ongoing commitment by Caesars Entertainment to the equine industry in Indiana.

Again, we would like to extend our appreciation for the approval of the 2020 operational plans. We share the importance of responsibility for ensuring the success of Indiana's horse racing industry and support of our host communities and the state of Indiana. We value our partnership with the Indiana Horse Racing Commission in these efforts, and look forward to the years ahead.

Sincerely,

Trent McIntosh
SVP & General Manager
Harrah's Hoosier Park Racing & Casino

Mike Rich
SVP & General Manager
Indiana Grand Racing & Casino

Agenda Item #5



2020 AMENDED PROPOSAL

Approved by the Thoroughbred Breed Development Advisory Committee on May 15, 2020

Earlier this year, the Thoroughbred Breed Development Advisory Committee worked hard to put a proposal together encompassing plans for increased revenues from the addition of table games. However, due to the Covid-19 pandemic loss revenue from casino closures and adjusted revenue once reopened has caused us to revisit and amend original program we had proposed for 2020. Due to reduced funding, many of the new elements we planned on implementing will be delayed until next year. The IHRC staff and Committee worked closely with racetrack management and horsemen groups to create a workable program during these unprecedented times. This document outlines this amended program.

Overview of 2020 Program:

2019 Program Expenditures:

	BUDGETED	SPENT TO DATE	AMOUNT UNDER/OVER
STAKES – PURSES	\$1,650,000	\$1,650,000	\$0
OVERNIGHT PROGRAM - PURSES	\$4,912,000	\$6,258,500	-\$101,500
DISCRETIONARY RACE FUND – PURSES	\$1,245,000		
BREEDER'S AWARDS - IB RACES	\$2,387,000	\$2,386,974	\$26
STALLION OWNER AWARDS - IB RACES	\$686,100	\$578,002	\$108,098
OUT-OF-STATE BREEDER'S AWARDS	\$75,000	\$37,947	\$37,053
OPEN RACE AWARDS*	\$350,000	\$385,213	-\$35,213
TOTAL	\$11,305,100	\$11,296,636	-\$8,464

The proposed program for 2020 is as follows:

Amended Budget

Projected Revenue:

Revenue from Breakages & Outs	\$300,000
Projected Revenue from AGR	\$6,443,927.47
Available from Reserves	\$1,500,000
TOTAL	\$8,243,927

2020 Budget:

Overall Budget

Promotional/ Administrative Expenses	\$275,000
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REMAINING AVAILABLE FOR TRACK **\$7,968,927.47**

Indiana Bred Race Program Budget – Proposed

Awards - Open Races	\$270,000
Out of State Breeder's Awards	\$45,000
BDF Purse Contribution Stakes	\$980,000
Breeder Awards – Stake Races	\$446,000
Stallion Owner Awards – Stake Races	\$133,800
BDF Purse Contribution Overnight Races	\$4,142,200
Breeder Awards – Overnight Races	\$1,211,600
Stallion Owner Awards – Overnight Races	\$726,960
TOTAL - FROM BDF	\$7,955,560

Statutory Mandate of Funds Allocated to Sired Program

There was a legislative change to the statute made during the 2019 session which mandates a minimum of 41% be allocated to the Sired portion of the program. House Enrolled Act No. 1196 states that of the funds allocated to the Thoroughbred Breed Development Fund that...

“...at least forty-one (41%) to the Indiana sired horses program.”

This mandate was difficult to achieve with the decreased funding available. The proposed program allocates approximately 40 % of the Breed Development Funds to the sired program, the IHRC staff will work with the racing office throughout the year to ensure that the 41% mandate is achieved.

Modifications for the 2020 Program

- ✓ Due to reduced funding, and in order to not eliminate any stakes races, the purses for all Breed Development Stake Races were

- ✓ **Addition of 2nd & 3rd Place breeder and sire awards** – Breeder and stallion owner awards to be added at 4% for second place and 2% for 3rd place. These awards would be capped in the same manner as 1st place awards, at \$4,000 and \$2,000 respectively.
- ✓ **Creation of an “Indiana Breeders Day” & “Indiana Stallion Day”** – we will work with racetrack management to create these days to help showcase our Thoroughbred Breed Development Program.
- ✓ **A 8% purse increase in Indiana bred races** – in order to match the purse increase that the open purses will see at the racetrack. Purses for Indiana bred races are also being increased. These races will continue to be contested at \$2,000 above their open counterpart.
- ✓ **A 12% purse separation between Bred and Sired races** – One of the areas the program would like to encourage increased growth is the sired portion of the program. By IHRC policy, a minimum of 33% of the program has been allocated to sired horses. With the new statutory mandate, this change will help us reach the 41% requirement, as well as encourage growth in our program.
- ✓ **Write additional overnight races for sired horses** - this element of proposal provides additional racing opportunities for sired horses by adding races for sired horses. The attached proposal includes 110 races for sired horses, an increase of 13 races from the 2019 program.
- ✓ **An addition of two signature stakes for Indiana sired horses** – in order to further encourage growth in the sired portion of the program. These signature stakes will be contested at \$150,000 each.
- ✓ **Increase two ITOBA Stake Purses to \$100,000 each** – The purses for these races have been split equally between the Breed Development Fund, purse account, and ITOBA in the past and have been contested at \$75,000. The increase to \$100,000 will be split in this same manner.

Proposed Program and Guidelines

Scheduled Overnight Races:

There are 206 proposed scheduled races, with 79 races for Indiana sired horses and 127 races for Indiana bred horses. Funds allocated for regularly scheduled races that do not fill may be added to the Discretionary Race Fund throughout the meet for the racing secretary to utilize to split races and bring back at another time.

Discretionary Race Fund:

In the past we have only scheduled out a portion of the races and included the remaining funds in a “Discretionary Race Fund”. In order to more accurately budget the program and give a clearer picture and ensure we were meeting the statutory mandate of 41%, a different approach was needed for the 2020 program. The racing secretary will still have discretion when races do not fill or splitting races as long as the over budgets are adhered to and program goals (% to sired) are met. IHRC staff will work closely with the racing secretary throughout the meet, to ensure these goals are met.

Please see Attachment A for detailed information outlining the proposed race program.

Signature Stake Races:

The year 2012 was the inaugural year for the Signature Stake Races in Indiana. Four Signature Stake races will continue as they did in 2019, with an additional two Signature Stakes for Sired horses. Due to reduced revenue, the purses for these stake races has been decreased. The proposed stakes (new in bold) are as follows:

The Governor’s Stake	3YR Olds	1MI 70 Yards – Dirt	\$100,000 Guaranteed
The First Lady Stake	3 YR Old Fillies	1 MI 70 Yards – Dirt	\$100,000 Guaranteed
The Too Much Coffee	3 YR Old & UP	1 1/16 MI – Dirt	\$100,000 Guaranteed
The Francis Slocum	3 YR Old & Up Filly/Mare	1 1/16 MI – Dirt	\$100,000 Guaranteed
Name – TBA	3 YR Old & Up – Sired	6 Furlongs	\$100,000 Guaranteed
Name – TBA	3 YR Old & Up Filly/Mare – Sired	6 Furlongs	\$100,000 Guaranteed

Remaining Stakes Program:

The purses for these races will be reduced at \$75,000, this allowed for the stake program to remain in intact.

Preference for all stake races for two and three year olds will be high weights preferred, second preference lifetime earnings. Races for three year olds & older will be high weights preferred, second preference highest lifetime earnings.

In addition, Breed Development will continue to contribute funding to the ITOBA Stallion Stakes. Breed Development will contribute \$15,000 to each race (for a total expenditure of \$30,000).

The stakes program is as follows:

Breed Development Stakes Program:

2 Year Olds

	DISTANCE	PURSE	SEX
The Hillsdale Stakes	6 Furlongs	\$75,000 added	
The City of Anderson	6 Furlongs	\$75,000 added	Filly
The Indiana Futurity	1 Mile 70 Yds	\$75,000 added	
The Miss Indiana Stakes	1 Mile 70 Yds	\$75,000 added	Filly
The Indiana Stallion Stakes (Sired Filly)	6 Furlongs	\$75,000 added	Filly
The Crown Ambassador (Sired)	6 Furlongs	\$75,000 added	

3 Year Olds

	DISTANCE	PURSE	SEX
The Ellen's Lucky Star Stakes	1 Mile Turf	\$75,000 added	Filly

The Snack Stakes	1 Mile Turf	\$75,000 added	
Hoosier Breeders Sophomore Stakes	1 1/16 Mile	\$75,000 added	
Hoosier Breeders Sophomore Stakes (Filly)	1 1/16 Mile	\$75,000 added	Filly
Sagamore	6 Furlongs	\$75,000 added	
The Sired Swiftly	6 Furlongs	\$75,000 added	Filly
The Indiana First Lady Stakes	1 Mile 70 Yds	\$100,000 guaranteed	Filly
The Governor's Stakes	1 Mile 70 Yds	\$100,000 guaranteed	

3 Year Old & Up

	DISTANCE	PURSE	SEX
The Shelby County Stakes (Sired)	6 Furlongs	\$75,000 added	Filly/Mare
The William Henry Harrison Stakes (Sired)	6 Furlongs	\$75,000 added	
The Florence Henderson Stakes	1 1/16 Mile Turf	\$75,000 added	Filly/Mare
The A.J. Foyt Stakes	1 1/16 Mile Turf	\$75,000 added	
The Merrillville Stakes	6 Furlongs	\$75,000 added	Filly/Mare
The Brickyard Stakes	6 Furlongs	\$75,000 added	
The Gus Grissom Stakes (Sired)	1 1/16 Mile	\$75,000 added	

The Richmond Stakes (Sired)	1 1/16 Mile	\$75,000 added	Filly/Mare
The Frances Slocum Stakes	1 1/16 Mile	\$100,000 guaranteed	Filly/Mare
The To Much Coffee Stakes	1 1/16 Mile	\$100,000 guaranteed	
Name – TBA (Sired)	6 Furlongs	\$100,000 guaranteed	
Name – TBA (Sired)	6 Furlongs	\$100,000 guaranteed	Filly/Mare

General Program Guidelines:

- Each regularly scheduled overnight race that fills with eight (8) or more betting interests will be carded. It is the discretion of the racing secretary as whether to utilize races with fewer than eight (8) betting interests.
- Stake races are not required to have eight (8) starters to be used.
- If a regularly scheduled race fails to be carded due to a lack of eight (8) betting interest, but contains at least six (6) preferred betting interests, the racing secretary shall bring that race back the following day. Should the race not fill with eight (8) betting interests again, the purse money from that race will be allocated to the Discretionary Race Fund.
- In order for a race to be split, it must contain at least eight (8) betting interests in each.
- The racing secretary has the discretion to write Indiana-bred claiming races at a level below \$10,000 as needed. These races will not be used to replace any race in the Thoroughbred Breed Development Program.
- All stakes, with the exception of the Signature Stakes, shall be “added money” with the nomination, entry and starting fees contributing to the purse as indicated in 71 IAC 1.5-1-97.
- One-third of all allowance races, including maiden special weights, are to be written for Indiana – sired horses. The racing secretary shall make every attempt to write Indiana-sired races in advance of Indiana-bred races for the same condition. In addition, the Committee would encourage the racing secretary to increase the number of Sired races in excess of this guideline as needed.
- The racing secretary shall make every attempt to provide 50% racing opportunities for colts and geldings and 50% for fillies and mares in the overnight program.
- The racing secretary shall make every attempt to write 30% of all maiden and allowance races going long.
- Recognizing the importance of turf racing for Indiana Bred/Sired horses, the racing secretary shall make every attempt to write an appropriate number of turf races.

Indiana –Bred Preference:

Allowance and Maiden Special Weight

Preference will be given to horses that have not started for less than \$10,000 in their last five starts. A horse can regain preference by running 1st, 2nd or 3rd for \$10,000 or more since last starting for less than \$10,000.

Indiana – Bred Maiden Eligibility:

Horses that have not finished 5th or better in one of their last **six** starts are not eligible for Maiden Special Weight Races.

Limited Preferred Starter Status for Indiana-Breds in Open Company Races (Stakes Excluded):

Once a registered Indiana-bred receives an R Date or E Date, it will receive Starter Preferences over Non Indiana-bred horses that have equal R Dates or E Dates. Indiana-breds will NOT receive starter preference over Non Indiana-breds with better R Dates, E Dates or when both horses have 0 dates. Preference dates will not supersede conditions of a race.

Exclusion of Indiana – Bred Wins in Open Other Than Conditioned Allowance Races

The Racing Secretary has agreed to include the words “Indiana-bred Race” in all other than open Allowances.

Examples:

- (1) Non winners of a race other than Maiden, Claiming or Indiana-bred race.
- (2) Non winners of two races other than Maiden, Claiming or Indiana-bred race.
- (3) Non winners of three races other than Maiden, Claiming or Indiana-bred race.

Indiana- Bred Weight Allowance:

Registered Indiana-breds shall automatically receive a 3 lb. weight allowance when competing in races not restricted to Indiana-breds. Stakes races will be exempt from this requirement.

Indiana – Sired Weight Allowance in Indiana Bred Races:

In Indiana restricted races, registered Indiana – sired horses shall receive a weight allowance of 3 lbs. when running less than seven and one-half furlongs (7 ½) and 5 lbs. when running seven and one-half furlongs or greater.

**Indiana Grand 2020 Covid -19 Proposal
Reduced Stakes, Purse Differential_ Revised**

	Race Type	Proposed	Bred Purse 2020	ITOBA Total Contribution	ITDF Contribution Per Race	ITDF Total Contribution	Track Contribution Per Race	Track Contribution Total	Total Purses
	Sired & Bred Stake	12	\$75,000		\$40,000	\$480,000	\$35,000	\$420,000	\$900,000
	Sired Only Stake	8	\$75,000		\$40,000	\$320,000	\$35,000	\$280,000	\$600,000
	Sired Signature Stakes	2	\$100,000		\$25,000	\$50,000	\$75,000	\$150,000	\$200,000
	Signature Stakes	4	\$100,000		\$25,000	\$100,000	\$75,000	\$300,000	\$400,000
	ITOBA Stall Season Stake	2	\$65,000	\$50,000	\$15,000	\$30,000	\$25,000	\$50,000	\$130,000
							TOTAL STAKE PURSES		\$2,230,000
	Sired & Bred Open Alw	3	\$45,000		\$35,700	\$107,100	\$9,300	\$27,900	\$135,000
	Sired & Bred NW 4	3	\$38,500		\$29,200	\$87,600	\$9,300	\$27,900	\$115,500
	Sired & Bred NW 3	14	\$36,500		\$27,200	\$380,800	\$9,300	\$130,200	\$511,000
	Sired Only NW3	10	\$39,000		\$29,700	\$297,000	\$9,300	\$93,000	\$390,000
	Sired & Bred NW 2	19	\$34,500		\$25,200	\$478,800	\$9,300	\$176,700	\$655,500
	Sired Only NW2	14	\$37,000		\$27,700	\$387,800	\$9,300	\$130,200	\$518,000
	Sired & Bred MSW	40	\$33,000		\$23,700	\$948,000	\$9,300	\$372,000	\$1,320,000
	Sired Only MSW	37	\$35,000		\$25,700	\$950,900	\$9,300	\$344,100	\$1,295,000
	Sired & Bred Condition Alw	7	\$24,000		\$14,700	\$102,900	\$9,300	\$65,100	\$168,000
	Sired & Bred Xmc/Clm 12,5	8	\$18,000		\$8,700	\$69,600	\$9,300	\$74,400	\$144,000
	Sired & Bred Cond 20,0	4	\$20,000		\$10,700	\$42,800	\$9,300	\$37,200	\$80,000
	Sired Only Cond 10,000	7	\$16,000		\$6,700	\$46,900	\$9,300	\$65,100	\$112,000
	Sired & Bred Cond 10,000	11	\$15,000		\$5,700	\$62,700	\$9,300	\$102,300	\$165,000
	Sired & Bred Mdn Opt 25,0	4	\$22,000		\$12,700	\$50,800	\$9,300	\$37,200	\$88,000
	Sired & Bred Mdn 10,000	14	\$14,000		\$4,700	\$65,800	\$9,300	\$130,200	\$196,000
	Sired Only Mdn 10,000	11	\$15,000		\$5,700	\$62,700	\$9,300	\$102,300	\$165,000
	TOTAL OVERNIGHTS	206							\$6,058,000
	GRAND TOTAL								\$8,288,000
	SIRE ONLY COUNT	79			ITDF Total Overnights	\$4,142,200	Track Total Overnights	\$1,813,500	
	SIRE & BRED COUNT	127			ITDF Total Stakes	\$980,000	Track Total Stakes	\$770,000	
					ITDF Purses Total	\$5,122,200	Track Purses Total	\$2,583,500	
	AMOUNT AVAILABLE FROM BDF	\$7,968,927							
					Total Value of Breed Development Program (BDF Funds + Track)			\$10,539,060	
	Awds Open Races	\$270,000			Total Awards for 2020			\$2,833,360	
	Out of State Breeder's Awards	\$45,000			SIRE STAKES FROM BDF			\$370,000	
	BDF Purse Contribution Stakes	\$980,000			SIRE OVERNIGHTS FROM BDF			\$1,745,300	
	Breeder Awds Stakes	\$446,000			BREEDER AWARDS SIRE STAKES			\$172,000	
	Stallion Owner Awds Stakes	\$133,800			STALLION OWNER AWARDS SIRE STAKES			\$86,500	
	BDF Purse Contribution Overnights	\$4,142,200			BREEDER AWARDS SIRE OVERNIGHT RACES			\$535,200	
	Breeder Awards - Overnights	\$1,211,600			STALLION OWNER AWARDS OVERNIGHT RACES			\$267,600	
	Stallion Owner Awds - Overnights	\$726,960			TOTAL TO SIRE RACES FROM BDF			\$3,176,600	
	TOTAL - FROM BDF	\$7,955,560			TOTAL PERCENTAGE OF BDF \$ TO SIRE PROGRAM			39.93%	
	AMT OVER/UNDER BUDGET	\$13,367							
	Differential between Sired and Bred Races								
	Reduced Stakes								
	No Reserves for 2021 Program								
	PROJECTED ENDING BALANCE 12/31/2020	\$	1,837,386.00	(this is below what the IHRC currently requires)					

Agenda Item #6



2020 AMENDED PROPOSAL

Approved by the Quarter Horse Breed Development Advisory Committee on 5/14/2020

Earlier this year, the Quarter Horse Breed Development Advisory Committee worked hard to put a proposal together encompassing plans for increased revenues from the addition of table games. However, due to the Covid-19 pandemic loss revenue from casino closures and adjusted revenue once reopened has caused us to revisit and amend original program we had proposed for 2020. Due to reduced funding, some of the new elements we planned on implementing will be delayed until next year, however with the track's assistance, we were able to keep many of those improvements. The IHRC staff and Committee worked closely with racetrack management and QHRAI to create a workable program during these unprecedented times. This document outlines this amended program.

Recap of the 2019 Program Expenditures:

	PROPOSED	ACTUAL	AMOUNT UNDER/OVER
# of Overnight Races Supplemented	74	80	6
Number of Stake Races/Trials	31	24	0
Total Number of Races	105	104	1
BDF \$ to Purses	\$542,100	\$508,550	\$29,484
Owner Awards (IB Races)	\$246,000	\$257,625	\$-11,625
Breeder Awards (IB Races)	\$246,000	\$257,625	\$-11,625
Stallion Owner Awards (IB Races)	\$147,600	\$138,794	\$8,806
Owner, Breeder and Sire Awards (Open Races)	\$85,000	\$74,574	\$8,806

TOTAL	\$1,266,700	\$1,237,167	\$29,533
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The proposed program for 2020 is as follows:

I. Projected Revenue:

Projected Revenue for 2020 – AGR	\$747,125
Breakage & Outs	\$50,000
Utilize from Reserves	\$500,000
Total	\$1,297,125
Promo/Admin. Expenses	\$40,000
Amt. Available for 2020 Racing Program	\$1,257,125

II. Projected Spend (Budget):

# of Overnight Races Supplemented	64
Number of Stake Races/Trials	31
Total Number of Races Proposed	95
BDF \$ to Purses	\$534,800
Owner Awards (IB Races)	\$254,563
Discretionary Race Fund	\$0
Breeder Awards (IB Races)	\$254,563
Sire Awards (IB Races)	\$152,738
<u>Owner, Breeder and Sire Awards (Open Races)</u>	<u>\$110,000</u>
TOTAL – FROM BDF	\$1,306,138

Projected Balance at the end of 2020 \$414,309

Please see *Attachment A* for additional information on the program for Indiana Grand.

The 2020 Program

- ✓ Breed Development Fund to pay 25% of the purse for stakes races and trials (prior to any added monies).
- ✓ Increase trial purses to \$15,000 per trial.
- ✓ Breed Development Fund to pay 20% of the purse for overnight races, increase purse levels of overnight races from 2019 levels.
- ✓ Increase Owner, Breeder and Stallion Owner Awards in open overnight races from 6.25% to 12.5%, this will make them the same as restricted overnight races.
- ✓ Owner, Breeder and Stallion Owner Awards in open stake races will remain at 2019 level of 6.25%
- ✓ Scheduling of 64 Overnight races.
- ✓ There will not be trials for the Hoosier Classic and Born Runner stakes for older horses (4 YR Olds & UP). The Bob Woodard will continue to have trials if there are 14 or more entries. Entry will be determined by 2019/2020 earnings.
- ✓ Each regularly scheduled overnight race that fills with eight (8) or more betting interests will be carded. It is the discretion of the racing secretary as to whether to utilize races with fewer than eight (8) betting interests.
- ✓ Nomination fee for Hoosier Classic and Born Runner Stakes will be \$100.

Stake Races

• Gordon Mobley	Sired 2 YR Olds	Spring	300 YDS	\$150,000
• Jaguar Rocket	Bred 2 YR Olds	Spring	300 YDS	\$100,000
• Miss Roxie Little	Bred 2 YR Olds	Fall	350 YDS	\$150,000
• Harley Greene Derby	Sired 3 YR Olds	Spring	350 YDS	\$ 75,000
• Blue River Derby	Bred 3 YR Olds	Spring	400 YDS	\$100,000
• Sterlie Bertram Mem.	Bred 3 YR Olds	Fall	400 YDS	\$100,000
• Born Runner Classic	Sired 4 YR & UP	Spring	400 YDS	\$ 75,000
• Hoosier Classic	Bred 4 YR & UP	Fall	400 YDS	\$ 75,000
• Bob Woodard Classic	Bred 4 YR & Up	Spring	400 YDS	\$ 75,000

Indiana Grand 2020 Worksheet Quarter Horse Breed Development Program

Race Type	Proposed 2020	Purse	QHDF Contribution Per Race	QHDF Total Contribution	Track Contribution Per Race	Track Contribution Total	Total Purses
Gordon Mobley (Spring)	1	\$150,000	\$37,500	\$37,500	\$112,500	\$112,500	\$150,000
Jaguar Rocket (Spring)	1	\$100,000	\$25,000	\$25,000	\$75,000	\$75,000	\$100,000
Miss Roxie Little (Fall)	1	\$150,000	\$37,500	\$37,500	\$112,500	\$112,500	\$150,000
Blue River Derby (Spring)	1	\$100,000	\$25,000	\$25,000	\$75,000	\$75,000	\$100,000
Sterlie Bertram (Fall)	1	\$100,000	\$25,000	\$25,000	\$75,000	\$75,000	\$100,000
Born Runner (Spring)	1	\$75,000	\$18,750	\$18,750	\$56,250	\$56,250	\$75,000
Hoosier Classic (Fall)	1	\$75,000	\$18,750	\$18,750	\$56,250	\$56,250	\$75,000
Bob Woodard (Spring)	1	\$75,000	\$18,750	\$18,750	\$56,250	\$56,250	\$75,000
Harley Green Derby (Spring)	1	\$75,000	\$18,750	\$18,750	\$56,250	\$56,250	\$75,000
TOTAL STAKES	9	\$900,000					\$900,000
Trials	22	\$15,000	\$3,750	\$82,500	\$11,250	\$247,500	\$330,000
TOTAL STAKES/TRIALS	40			\$307,500			\$1,230,000
Allowance	3	\$21,000	\$4,200	\$12,600	\$16,800	\$50,400	\$63,000
Allowance NW3	3	\$19,500	\$3,900	\$11,700	\$15,600	\$46,800	\$58,500
Allowance NW2 (3+)	15	\$18,500	\$3,700	\$55,500	\$14,800	\$222,000	\$277,500
Allowance NW2 (3yo only early & 2 2yo)	1	\$18,500	\$3,700	\$3,700	\$14,800	\$14,800	\$18,500
Allowance NW OT	4	\$18,000	\$3,600	\$14,400	\$14,400	\$57,600	\$72,000
Maiden	38	\$17,000	\$3,400	\$129,200	\$13,600	\$516,800	\$646,000
TOTAL OVERNIGHTS	64		\$227,100				\$1,135,500
			QHDF Total Overnights	\$227,100	Track Total Overnights	\$908,400	
			QHDF Total Stakes	\$307,500	Track Total Stakes	\$922,500	
			QHDF Purses Total	\$534,600	Track Purses Total	\$1,830,900	
					TOTAL PURSES		\$2,365,500
SUMMARY							
Owner/Breeder/Stallion Awards - Open Races		\$110,000					
QHBDF Purse Contribution		\$534,600					
Discretionary Race Fund		\$0					
Owner Awards - IB Races		\$254,438					
Breeder Awards - IB Races		\$254,438					
Stallion Owner Awards - IB Races		\$152,663		DIFFERENCE	(\$9,012.50)		
TOTAL - FROM BDF		\$1,306,138					
				Amount Available from QH BDF	\$1,297,125.00		