

SECOND REGULAR SESSION

SENATE BILL NO. 1010

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR SIMS.

Read 1st time January 24, 2002, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

3965S.021

AN ACT

To repeal sections 313.500, 313.510, 313.520, 313.530, 313.540, 313.550, 313.560, 313.580, 313.590, 313.600, 313.605, 313.610, 313.620, 313.630, 313.631, 313.632, 313.640, 313.652, 313.655, 313.660, 313.670, 313.710 and 313.720, RSMo, relating to horse racing and pari-mutuel wagering, and to enact in lieu thereof twenty-seven new sections relating to the same subject, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 313.500, 313.510, 313.520, 313.530, 313.540, 313.550, 313.560, 313.580, 313.590, 313.600, 313.605, 313.610, 313.620, 313.630, 313.631, 313.632, 313.640, 313.652, 313.655, 313.660, 313.670, 313.710 and 313.720, RSMo, are repealed and twenty-seven new sections enacted in lieu thereof, to be known as sections 313.500, 313.510, 313.520, 313.530, 313.540, 313.550, 313.560, 313.561, 313.562, 313.580, 313.583, 313.585, 313.587, 313.590, 313.600, 313.605, 313.610, 313.620, 313.630, 313.631, 313.640, 313.652, 313.655, 313.660, 313.662, 313.670 and 313.720, to read as follows:

313.500. As used in sections 313.500 to [313.710] **313.720**, unless the context clearly indicates that a different meaning is intended, the following terms mean:

(1) "Applicant", any person applying for a license to be granted by the commission. If the applicant is a corporation, partnership or other person as that term is defined in section 351.015, RSMo, the term includes the officers and directors of the corporation or the general partners of a partnership or person performing similar functions for any business applying for such a license;

[(1)] **(2) "Breakage"**, the odd cents by which the amount payable on each dollar wagered

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

exceeds a multiple of ten cents, **or such other amount as set by the commission;**

[(2)] **(3)** "Commission", the Missouri [gaming] **horse racing** commission, [created in section 313.004,] or its designate;

(4) "Commission on wagers", an amount retained and not returned to patrons by a licensee from the total amount of pari-mutuel wagers;

(5) "Common pari-mutuel pool", a pool consisting of the pari-mutuel wagers on a race placed and accepted at a racetrack or other facility outside the state where pari-mutuel wagers are permitted;

[(3)] **(6)** "County", any county in the state of Missouri or the city of St. Louis;

[(4)] **(7)** "Horse", any equine, ass, mule, pony, or hybrid thereof;

[(5)] "Organization", any individual, political subdivision, state agency, partnership, unincorporated association, firm, or corporation licensed by the commission to conduct a horse racing meeting;]

(8) "Licensee", any individual, partnership, corporation, unincorporated association, firm, or other business organization licensed by the commission to conduct a race meeting and pari-mutuel wagering. If the licensee is a corporation, partnership or other person as that term is defined in section 351.015, RSMo, the term includes the officers and directors of the corporation or the general partners of the partnership or person performing similar functions for any business that holds a license;

(9) "Missouri bred horse", any equine which was foaled within this state;

(10) "Occupational licensee", any person licensed by the commission to perform an occupation associated with racing, simulcasting or pari-mutuel wagering, which the commission has identified as requiring a license;

[(6)] **(11)** "Pari-mutuel wagering", a form of wagering on the outcome of [horse] races in which those who [wager purchase tickets] **participate place wagers** of various denominations on a horse or horses in one or more races, all wagers are pooled, and when the outcome of the race has been declared official, the total wagers comprising each pool, less such amounts provided herein or which are provided by law or rule, will be distributed to holders of winning tickets on the [winning] horse or horses;

(12) "Pari-mutuel system", a computerized system or component of a system that is used to transmit wagering data to and from a racetrack which participates in common pari-mutuel pools;

(13) "Public company", any company whose stock is traded on the New York Stock Exchange, the Nasdaq National Market or any similar security exchange;

[(7)] **(14)** "Public official", any elected member of the executive branch of state government and any director of a state department, any judge other than a judge of the

municipal division of a circuit court, and any elected member of the legislative branch of state government;

(15) "Race" or "racing", any type of horse race or horse racing;

[(8) "Race meet" or] (16) "Race meeting", [the whole period of time, whether consecutive dates or those instances where nonconsecutive dates are granted, for which a race track license to race has been granted to any one organization by the commission;

(9) "Racing", any type of horse racing.] the activities conducted at a race meeting grounds including live, previously run or simulcast races, all as licensed by the commission, on any given date or series of dates;

(17) "Race meeting grounds", a track licensed by the commission and the surrounding structures and property under control of a licensee;

(18) "Simulcast", the audio and visual transmission of a race or series of races, including previously run races, provided in any manner approved by the commission;

(19) "Steward", a person designated by the commission to monitor race meetings to ensure compliance with sections 313.500 to 313.720 and regulations promulgated thereunder;

(20) "Stockholder", record owners of any class of stock, and beneficial owners of any class of stock or units of ownership as provided in subsection 4 of section 313.600, which constitutes five percent or more of the licensee's stock or units of ownership. Notwithstanding the preceding sentence, in the event the licensee is a subsidiary of a public company, the term "stockholder" shall mean record owners of five percent or more of the licensee's stock or units of ownership, and beneficial owners who have the practical ability to control the management of a licensee.

313.510. **1.** There is hereby created the "Missouri Horse Racing Commission", which shall consist of five members appointed by the governor with the advice and consent of the senate. **Each member of the commission shall be a resident of this state and shall be appointed for a term of three years. No member shall have pled guilty to or shall have been convicted of a felony or a gambling-related offense. No two commissioners shall be from the same county.** The commission shall oversee the development and administration of the pari-mutuel horse racing industry in Missouri. The commission shall be assigned to the [Missouri gaming commission] **department of public safety.**

2. The governor shall designate one of the members as the chair.

3. The governor may remove any member of the commission from office for malfeasance or neglect of duty in office.

4. In the event of a vacancy on the commission due to the removal, resignation or death of a commission member, the governor shall appoint an interim commissioner to serve the remainder of the unexpired term.

5. The commission shall perform all duties and have all the powers and responsibilities conferred and imposed on it pursuant to sections 313.500 to 313.720, related to horse racing and pari-mutuel wagering.

313.520. 1. [The horse racing commission shall not hire any person to be an employee of the commission.] **Subject to appropriations, the commission may hire an executive director and such employees as it may deem necessary to carry out the commission's duties. The commission shall have authority to require investigations of any employee or applicant for employment as deemed necessary and use such information or any other information in determination of employment. The commission shall promulgate rules and regulations establishing a code of ethics for its employees that shall include, but not be limited to, restrictions on which employees shall be prohibited from participating in or wagering on any race subject to the jurisdiction of the commission or from placing wagers subject to the jurisdiction of the commission. The commission shall determine if any employees of the commission or any licensee shall be subject to any restrictions on their ability to participate in any race meeting or wager at any racetrack under the jurisdiction of the commission.**

2. The duties of the executive director of the [gaming] commission[, in addition to all other duties prescribed by law,] shall include the following:

- (1) Taking and preserving records of all proceedings before the commission, maintaining its books, documents, and records, and making them available for public inspection;
- (2) If so designated by the commission, acting as a hearing officer in hearings;
- (3) Acting as the commission's chief personnel officer and supervising the employment, conduct, duties, and discipline of commission employees; and
- (4) Performing other duties as directed by the commission.

3. Except as provided in subdivision [(7)] **(5)** of section 313.560, the officials at any race meeting, [as this term is customarily understood in racing,] including by way of enumeration only and not in limitation, placing judges, patrol judges, clerks of the scales, starters and assistants, handicapper, timer, paddock judge, veterinarians, racing secretary and clerk of the course shall be paid by the race track licensee.

313.530. [Except as provided in section 313.620, all revenues derived or generated from the licensing of race tracks and] **1. Other than revenues designated for the Missouri breeders fund pursuant to sections 313.652, 313.655 and 313.720, all revenues derived or generated from the licensing fees, racetracks, civil or administrative penalties, laboratory testing services fees, the authorization of race meetings, races [under] and wagering pursuant to sections 313.500 to [313.710] 313.720 and all moneys received by the state[,] and the commission [or the director of revenue] from pari-mutuel wagering pools shall be [deposited by] transmitted to the director of revenue for deposit in the state treasury to be**

held in a special account to be known as the "Missouri Horse Racing Fund". Interest earned on the Missouri horse racing fund shall be credited to that fund. The money in the Missouri horse racing fund shall be deposited in the state treasury and invested by the state treasurer[, subject to appropriation as provided by the constitution and laws enacted pursuant thereto]. **The Missouri horse racing fund shall be used to pay the expenses of the commission to the extent that it is sufficient to satisfy the commission's obligations.**

2. Any surplus remaining in the Missouri horse racing fund at the end of a fiscal year shall be deposited in the state treasury to the credit of the "School Building Revolving Fund" pursuant to 166.300, RSMo. Moneys deposited in this fund shall be considered the proceeds of racing and state funds pursuant to article IV, section 15 of the Missouri Constitution. All interest received on the horse racing proceeds shall be credited to the school building revolving fund. Appropriation of the moneys deposited in the school building revolving fund shall be pursuant to state law.

313.540. 1. The commission shall have powers to [prescribe] **promulgate** and enforce rules and regulations governing [horse] races [and], race meetings **and pari-mutuel wagering**. Such rules and regulations shall contain criteria to be used by the commission for decisions on approving and revoking [race track] licenses and **for** setting racing dates. The commission may delegate to **its employees or to** the stewards such of the commission's powers and duties as may be necessary to carry out and effectuate the purposes of sections 313.500 to [313.710] **313.720**. Any decision or action of such **employees or** stewards may be appealed to the commission or may be reviewed by the commission on its own initiative.

2. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2002, shall be invalid and void.

313.550. 1. The commission may issue subpoenas for the attendance of witnesses or the production of any records, books, memoranda, documents, or other papers or things, to enable [any of them] **it** to effectually discharge its [or his] duties, and may administer oaths or affirmations as necessary in connection therewith. In addition, the commission shall have the authority to issue subpoenas [under] **pursuant to** section 536.077, RSMo, in contested cases.

2. Any person subpoenaed who fails to appear at the time and place specified in answer to the subpoena and to bring any papers or things specified in the subpoena, or who upon such appearance, refuses to testify or produce such records or things, upon conviction, is guilty of a

class A misdemeanor.

3. Any person who testifies falsely under oath in any proceeding before, or any investigation by, the commission, its [secretary] **employees**, or the stewards, upon conviction, shall be guilty of a class D felony **and a class C felony for second and subsequent violations**.

313.560. The commission shall have all powers necessary and proper to fully and effectively execute the provisions of sections 313.500 to [313.710] **313.720** including, but not limited to, the following:

(1) The provisions of chapter 34, RSMo, to the contrary notwithstanding, the executive director, pursuant to rules and regulations issued by the commission, may directly purchase or lease such goods or services as are necessary for effectuating the purposes of sections 313.500 to [313.710] **313.720**, provided however, that the board of public buildings shall provide the principal office space for the commission's staff. Contracts shall be awarded on the basis of lowest and best bid. The executive director shall use state purchasing procedures except for professional services or emergency purchases [necessary for the race meet] authorized pursuant to section 34.100, RSMo. No contract awarded or entered into by the executive director may be assigned by the holder thereof except with specific approval of the commission;

(2) [The commission is vested with the power to enter without a search warrant the office, horse race track, facilities, other places of business, residences, tack rooms, vehicles and any other premises under the control of any licensee on the grounds of a licensed association at all reasonable hours to determine whether there has been compliance with the provisions of sections 313.500 to 313.710 and rules and regulations promulgated thereunder, and to discover any contraband as described in chapter 195, RSMo, or in rules promulgated pursuant to sections 313.500 to 313.710;

(3)] The commission is vested with the authority to investigate alleged violations of the provisions of sections 313.500 to [313.710] **313.720**, its reasonable rules and regulations, orders and final decisions; [the commission shall take appropriate disciplinary action, including suspension or revocation of the license, against any race track licensee or occupation licensee for violation thereof or institute appropriate legal action for the enforcement thereof pursuant to subdivision (10) of this section;

(4)] **(3)** The commission may eject or exclude from any race meeting [or licensee] grounds [or any part thereof, any occupation licensee or], any [other] individual whose conduct or reputation is such that his **or her** presence [on licensee grounds] may, in the opinion of the commission, call into question the honesty and integrity of [horse] racing or interfere with the orderly conduct of [horse] racing **or pari-mutuel wagering**; provided, however, that no person shall be excluded or ejected [from licensee grounds] on the grounds of race, color, creed, national origin, ancestry, or sex. The commission shall by rule provide for an expedited hearing for any

occupation licensee excluded pursuant to this subsection;

[(5)] (4) The commission is vested with the power to acquire, establish, maintain and operate, or provide by contract testing laboratories and related facilities, for the purpose of conducting saliva, blood, urine and other tests on the horses run or to be run in any race meeting and to lease or purchase all equipment and supplies deemed necessary or desirable in connection with any such testing laboratories and related facilities and all such tests. The commission shall explore the feasibility of establishing such a testing facility at and in conjunction with the University of Missouri, College of Veterinary Medicine. The race track licensee shall on a per sample basis pay a fee as determined by the commission for such laboratory testing services;

[(6)] (6) The commission may require that the records, including financial or other statements of any race track licensee under sections 313.500 to 313.710, shall be kept in such manner as prescribed by the commission and that any race track licensee submit to the commission on or before March fifteenth of each year, for the preceding fiscal year of the licensee an annual audited balance sheet and profit and loss statement and any other information the commission deems necessary in order to effectively administer sections 313.500 to 313.710 and all rules, regulations, orders and final decisions promulgated under sections 313.500 to 313.710. The fiscal year for any licensee shall be the calendar year;

[(7)] (5) The commission shall require that there [shall] be three stewards at each [horse] race meeting, who shall be appointed by the commission **and, unless otherwise directed by the commission, at least one of such stewards shall be certified by the Association of Racing Commissioners International or equivalent organization.** They shall be paid for by the state and shall be considered state employees for all purposes. Stewards appointed by the commission, while performing duties required by sections 313.500 to [313.710] **313.720** or by the commission, shall be entitled to the same rights and immunities as granted to commission members and employees [under] **pursuant to** section 313.570;

[(8)] (6) The commission is vested with the power to impose civil penalties of up to five thousand dollars against [individuals] **occupational licensees** and up to ten thousand dollars against [organizations] **licensees** for each violation of any provision of sections 313.500 to [313.710] **313.720**, any rules adopted by the commission, any lawful order of the commission or any other action which, in the commission's discretion, is found to be a detriment or impediment to [horse] racing **or pari-mutuel wagering**. Such penalties, when recovered, shall be paid into the Missouri horse racing fund. Any civil penalties so imposed shall be sued for by the attorney general in the name of the state;

[(9)] (7) The commission may request that the attorney general make investigations, on behalf of and in the name of the commission, and bring suits or institute proceedings for any of the purposes necessary and proper for carrying out the functions of the commission;

[(10)] **(8)** The commission may request that the Missouri state highway patrol investigate or participate in such matters as it deems necessary. The Missouri state highway patrol shall have authority to investigate the commission relative to the operation and administration of sections 262.260 to 262.270, RSMo, and 313.500 to [313.710] **313.720**, and to report suspected violations of state law or federal law by the commission to the proper prosecuting authorities. In the event that a violation of state law is reported to the proper prosecuting authority and no prosecution is commenced within thirty days for alleged violations, the attorney general shall have authority to commence prosecution for alleged violations of sections 262.260 to 262.270, RSMo, and 313.500 to [313.710] **313.720** or other criminal statutes alleged to have been violated. The cost of personnel and related expenses in the Missouri state highway patrol, including the division of drug and crime control, to accomplish the purposes of this section shall be paid within the limits of appropriations from general revenue, or from such other funding as may be authorized by the general assembly.

313.561. In addition to the powers granted to the commission in section 313.560, the commission shall have the following powers and duties relating to applicants and licensees:

(1) To investigate the qualifications of each applicant pursuant to sections 313.500 to 313.720 before any license is issued and to continue to observe the conduct of all licensees and other persons having a material involvement directly or indirectly with the licensee;

(2) To deny any application or limit, condition, restrict, revoke or suspend a license of any entity for any cause deemed reasonable by the commission. Any applicant or licensee aggrieved by any action of the commission authorized in this subdivision may appeal such action to the appropriate circuit court;

(3) To adopt standards for the conduct of pari-mutuel wagering on the race meeting grounds, except that the commission shall not permit a licensee to accept pari-mutuel wagers unless its facility on the race meeting grounds:

(a) Is designed to seat patrons comfortably, with multiple screens to enable each patron to view simulcast races;

(b) Is suitable for licensing by the division of liquor control; and

(c) Has food and beverage services available at all hours the facility is open to the public for race meetings;

(4) To require a licensee to remove any person from the race meeting grounds facility if such person violates any provision of sections 313.500 to 313.720 or any rule or regulation promulgated thereunder or if such person engages in fraudulent practices;

(5) To enter without a search warrant the office, race meeting grounds, other

places of business, tack rooms, vehicles and any other premises under the control of any licensee at all reasonable hours to determine whether there has been compliance with the provisions of sections 313.500 to 313.720 and the rules and regulations promulgated thereunder, and to discover any substance or item regulated in chapter 195, RSMo, or by rules and regulations promulgated pursuant to sections 313.500 to 313.720;

(6) To require that the records, including financial or other statements of any licensee pursuant to sections 313.500 to 313.720, shall be kept in such manner as prescribed by the commission and that any licensee submit to the commission on or before a date certain each year established by the commission, for the preceding fiscal year of the licensee an annual audited balance sheet and profit-and-loss statement and any other information the commission deems necessary in order to effectively administer sections 313.500 to 313.720 and all rules, regulations, orders and final decisions promulgated pursuant to sections 313.500 to 313.720. The fiscal year for any licensee shall be the calendar year; and

(7) The commission may levy administrative penalties of up to two thousand dollars per day against a licensee who violates the provisions of sections 313.500 to 313.720 or any rule or regulation promulgated thereunder.

313.562. A holder of any license shall be subject to impositions of penalties, suspension or revocation of such license, or other action for any act or failure to act by such person or such person's agents or employees, that is injurious to the public health, safety, morals, good order and general welfare of the people of the state of Missouri, or that would discredit or tend to discredit the Missouri horse racing industry or the state of Missouri unless the licensee proves by clear and convincing evidence that it is not guilty of such action. The commission shall take appropriate action against any licensee who violates the law or the rules and regulations of the commission. Without limiting other provisions of this section, the following acts or omissions may be grounds for such discipline:

(1) Failing to comply with or make provisions for compliance with sections 313.500 to 313.720, the rules and regulations of the commission or any federal, state or local law or regulation;

(2) Failing to comply with any rule, order or ruling of the commission or its agents pertaining to horse racing or pari-mutuel wagering;

(3) Being suspended or ruled ineligible or having a license associated with horse racing revoked or suspended in any state or jurisdiction;

(4) Associating in business with, or employing persons of notorious or unsavory reputation or who have extensive police records, or who have failed to

cooperate with any officially constituted investigatory or administrative body and who would adversely affect public confidence and trust in horse racing or pari-mutuel wagering;

(5) Employing in any horse racing operation or associated facility any person known to have been found guilty of cheating or using any improper device in connection with any horse race, pari-mutuel wagering operation or other type of gaming;

(6) Use of fraud, deception, misrepresentation, extortion, threats or bribery in securing any permit or license issued pursuant to sections 313.500 to 313.720;

(7) Obtaining or attempting to obtain any fee, charge or other compensation by fraud, deception, misrepresentation, extortion or threats;

(8) Incompetence, misconduct, gross negligence, fraud, misrepresentation or dishonesty in the performance of the functions or duties regulated by sections 313.500 to 313.720.

313.580. 1. Pari-mutuel wagering shall only be conducted within the grounds or enclosure of a race track licensed by the commission and shall only be conducted with respect to [horse] races [and], race meetings [which have been authorized by the commission at such licensed race track] **or simulcasts.**

2. No [organization] **entity** shall conduct pari-mutuel wagering on [horse] racing without a valid [race track] license issued by the commission [with respect to the conduct of horse racing and race meets authorized by the commission]. Any [organization] **entity** desiring to conduct pari-mutuel wagering on [horse] racing shall apply to the commission for a [race track] license and shall provide the information required by the commission before a license may be issued.

[2.] **3.** The commission shall not issue any [race track] license to any [individual or organization] **applicant:**

(1) Who has or which has an officer, director, **member, manager,** or stockholder who has been convicted of a felony;

(2) Who has or which has an officer, director, **member, manager,** or stockholder who has been convicted of or pleaded nolo contendere to any illegal gambling activity; or

(3) Who is or which has an officer, director, **member, manager,** or stockholder who is not of good moral character.

[As used in this subsection, the term "stockholder" shall mean record owners of any class of stock, and beneficial owners of any class of stock as provided in subsection 4 of section 313.600, which constitutes two percent or more of the licensee's stock.]

[3.] **4.** The commission shall not issue any license for a race track unless the commission has first determined:

(1) That the applicant would be a suitable licensee;

- (2) That a licensed race track at the proposed location would be in the public interest;
- (3) That the proposed race track operation is economically feasible;
- (4) That the proposed race track's establishment would not be detrimental to the development of a sound [horse] racing program for Missouri;
- (5) That any financing of applicant's proposed operations is adequate and comes from a source that is not detrimental to the public interest; [and]
- (6) That the applicant has complied with all requisite provisions of law and of rules and regulations promulgated by the commission; **and**

(7) That the proposed race track would be located within a county in which a majority of the voters have approved excursion gambling boats.

[4.] **5.** If any organization is ineligible to be granted a [race track] license because of any of the matters set forth in this section, any other affiliated organization or person that is either controlled, directly or indirectly, by such ineligible organization or person shall also be ineligible.

[5.] **6.** The commission shall only license the number of race tracks and authorize the number of races which it determines to be in the public interest and economically feasible.

7. Licenses granted by the commission shall be valid until revoked by the commission for cause following proper notice and an opportunity for hearing.

8. No public funds or powers of eminent domain shall be used for the purchase, construction, operation or maintenance of any privately-owned race meeting grounds, nor shall any redevelopment plan be adopted pursuant to sections 99.800 to 99.865, RSMo, after January 1, 2002, which provides for tax increment financing for privately-owned race meeting grounds.

9. No licensee shall permit any game of chance prohibited by article III, section 39 of the Missouri Constitution to be operated on the premises of the race meeting grounds.

313.583. 1. An application to receive a license constitutes a request for a determination of the applicant's general character, integrity and suitability for licensure. Such determination shall be made by the commission after due investigation of the applicant. The applicant for such license shall file with its application an application fee of fifty thousand dollars. If the cost of the commission's investigation exceeds the total amount of the fee paid by the applicant pursuant to this section, the commission may assess additional fees as it deems appropriate; however, if the applicant is denied a license, the applicant shall be entitled to a refund of the difference between the application fee and the actual costs of the investigation.

2. Applications for a license shall be made, processed, and determined using such forms as the commission may require. The application shall fully identify the applicant, include evidence of the financial responsibility of the applicant, describe

the names and identification of those who will supervise the wagering, describe the controls and supervision by the licensee and describe the general physical layout of the track and its location.

3. In acting on applications for licenses, the commission shall require all applicants to implement a good faith affirmative action effort and to furnish the commission with a description of plans for compliance with all laws pertaining to discrimination, equal employment, and affirmative action; policies regarding recruitment, use and advancement of minorities; policies with respect to minority contracting; a copy of the equal employment opportunity statement and policy of the applicant dated and signed by the chief executive officer; and a copy of the affirmative action policy and procedures of the applicant dated and signed by the chief executive officer; and identification of the affirmative action officer, including name, title, address and telephone number.

313.585. 1. The commission shall not issue a license to operate to an applicant unless the applicant affirms that it will conduct at least:

(1) Twenty days of live racing in this state within eighteen months following licensure;

(2) Thirty days of live racing in this state during the next twelve-month period; and

(3) Fifty days of live racing in this state during each twelve-month period thereafter.

The commission shall only have authority to waive, suspend or modify the provisions of this section in the event that circumstances beyond the control of the applicant or licensee prevent the applicant or licensee from complying with such requirements.

2. In the event that a licensee does not own and operate a live racetrack that conducts the minimum number of days of live racing in Missouri as set forth in subsection 1 of this section, the commission shall restrict, revoke, suspend or place on probation the licensee's right to operate until the licensee adequately demonstrates an ability to satisfy the requirements of subsection 1 of this section.

3. The commission shall not issue a license to any applicant unless and until the applicant establishes by clear and convincing evidence that it will timely arrange for such substantial investments in its race meeting grounds so as to demonstrate a significant financial commitment to the host community.

4. The commission shall not issue a license to any applicant except upon the express condition and representation that the licensee shall not, by any lease, contract, understanding or arrangement of whatever kind or nature, grant, assign, transfer or turn over to any person, corporation, partnership or business, the

ownership, operation or management of the track without the prior approval of the commission. Nothing contained in this section prohibits:

(1) The licensee from paying a percentage of the amounts wagered at its race meeting grounds to a track for the right to be part of a common pari-mutuel pool and for the right to receive a simulcast from such racetrack; or

(2) The licensee from paying a percentage of the amounts wagered at its race meeting grounds to an individual, corporation, partnership, or other entity as compensation for the services of a pari-mutuel system.

313.587. 1. A licensee shall not use a pari-mutuel system unless the system has been approved for use by the commission. The physical location of the system may be in a state other than Missouri. A pari-mutuel wagering system shall:

(1) Include a fully redundant computer;

(2) Receive, aggregate by pool, and report to a track at regular intervals, all pari-mutuel wagering information received from the licensee;

(3) Receive and report to the licensee at regular intervals all wagering data received from the racetrack to the system;

(4) After each race on which pari-mutuel wagering is conducted and which is declared official, receive and report to the licensee the results and payoff prices reported by the track; and

(5) Provide all accounting and reconciliation reports required by the commission.

2. Operators of the pari-mutuel system shall:

(1) Be subject to such regulatory supervision as the commission deems appropriate;

(2) Put in place and use communication equipment to supplement that used to transmit simulcasts and to facilitate the pari-mutuel wagering system to ensure that the operator is:

(a) Able to contact each licensee immediately; and

(b) Able at all times to respond immediately to licensee requests for confirmation of information included in the simulcasts or otherwise generated by the pari-mutuel system.

313.590. A [race track licensed under section 313.580] licensee shall post a bond payable to the state of Missouri, before the license is issued, in an amount set by the commission, with sureties to be approved by the commission. The bond shall be used to guarantee that the licensee satisfies its obligation to maintain all facilities for which it is licensed, faithfully makes the payments, keeps its books and records and makes reports, and conducts its racing and wagering activity in conformity with sections 313.500 to [313.710] 313.720 and the rules and

regulations adopted by the commission. The bond shall not be canceled or assigned by a surety on less than thirty days' notice in writing to the commission. If a bond is canceled and the licensee fails to file a new bond with the commission in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

313.600. 1. [Whenever any organization has been granted a race track license to conduct a horse race meeting,] No officer or director of [such organization] **a licensee**, or person [who will thereby] **proposed to** become [the owner or holder, directly or indirectly, of five percent or more of the shares of stock or certificates or other evidence of ownership] **a stockholder** in such [organization] **licensee**, may become [the owner or holder, directly or indirectly, of any such shares of stock or certificates or other evidence of ownership] **a stockholder** without first having obtained the approval of the commission. The commission may, after hearing, revoke or suspend a [race track] license granted to any [organization] **licensee** which shall register on its books in the name of any such officer, director or person its share of stock or certificate or other evidence of ownership of any interest in the organization without the prior approval of the commission or which shall knowingly permit any such officer, director or person to be directly or indirectly interested in its share of stock or certificates or other evidences of ownership of any interest in the organization without reporting the same to the commission or which violates any rules or regulations of the commission.

2. Whenever the commission shall give to any officer or director of any [organization] **licensee**, or person [who will thereby] **proposed to** become [the owner or holder, directly or indirectly, of five percent or more of the shares of stock or certificates or other evidences of ownership of any interest] **a stockholder** in [an organization] **a licensee**, its approval to [own or hold the shares of stock or certificates or other evidences of ownership of any interest] **become a stockholder** in any such [organization] **licensee**, it shall, by registered mail, notify the organization of such approval. [Under no circumstances shall the commission give such approval to any such officer, director or person who has been convicted of or is under an indictment for a crime involving moral turpitude or has violated any provisions of the racing law of any state or any rules or regulations of the commission of any state.]

3. The commission shall require all licensees, including any officers and stockholders thereof, to disclose fully to the commission all financial interests that they may have in horse racing **that are deemed relevant by the commission**.

4. The commission shall require each licensee [under] **pursuant to** this section to maintain records of [owners of stock of the licensee so that the names of all persons, including corporations, trusts, estates, and partnerships, who are the beneficial owners of the stock are disclosed] **its stockholders**, regardless of the manner in which, or whether, the ownership interest is stated or registered on the stock of the licensee. **For purposes of determining**

stockholders, beneficial ownership includes, but is not limited to record ownership and:

(1) Stock or other ownership in one or more entities in a chain of parent and subsidiary or affiliated entities, any one of which participates in the capital or profits of a licensee, regardless of the percentage of ownership involved; or

(2) Any interest which entitles a person to benefits substantially equivalent to ownership by reason of any contract, understanding, relationship, agreement or other arrangement even though the person is not the record owner. Unless there are special circumstances, securities held by an individual's spouse or relatives, including children, living in the home, are beneficially owned by the individual.

5. In addition to any other action which is necessary to obtain disclosure of [beneficial ownership of stock] **stockholders**, the commission shall require each licensee, at least once every calendar year, to obtain, pursuant to written notice to the [record owners of all stock] **stockholders** of the licensee, an affidavit from each [record owner owning two percent or more] **stockholder**, sworn to under the penalty of perjury, stating to the best of the affiant's knowledge, information and belief:

(1) Whether any person other than the affiant has any right of beneficial ownership of any kind in the stock held in the name of the affiant;

(2) The name and address of the other person; and

(3) The amount and nature of the ownership.

6. If the licensee receives information indicating that a person other than the record owner has a beneficial ownership interest in stock of the licensee, the licensee shall request promptly by written notice to the other person, that this person submit to the licensee within sixty days from the date of the notice an affidavit, sworn to under the penalty of perjury, stating to the best of the affiant's knowledge, information and belief:

(1) Whether the affiant has any right of ownership in stock of the licensee attributed to the affiant in the notice and the amount and nature of the ownership;

(2) Whether any person other than the affiant and the record owner has any right of ownership of any kind in stock of the licensee attributed to the affiant by the notice to the affiant; and

(3) The amount and nature of the ownership of any other person.

7. Notwithstanding the affidavit requirements of this subsection, the commission may limit the ownership that must be reported in an affidavit to [two] **five** percent or more of the beneficial ownership of the licensee.

8. Each licensee shall submit the ownership records and affidavits required by this section to the commission annually and at the other times required by the commission. Any change in the [record ownership or beneficial ownership of stock] **stockholders** of any licensee shall be reported promptly to the commission. Upon the failure of any licensee to maintain and report

records of ownership of stock, as required by this subsection, or the failure of any licensee to make a reasonable effort to obtain the affidavits required by this subsection, the commission shall suspend or revoke the license of the track for a period determined by the commission.

9. All statements required to be filed with the commission shall be filed under oath and shall be signed by the officers of the corporation, or, if unincorporated, by the owner or all the partners, general and limited, of the licensee.

313.605. 1. [In addition to the provisions of subsection 1 of this section,] No [organization] **entity** shall be granted a [race track] license [to hold a race meeting in this state] and the commission may revoke or suspend a [race track] license if any public official of the state or his or her spouse, children or parents hold any financial interest, directly or indirectly, in the shares of stock or certificates or other evidences of ownership in [the organization] **such entity or licensee. No entity shall be granted a license and the commission may revoke or suspend a license if any stockholder of a licensee also has any financial interest, directly or indirectly, in the ownership of any other gaming activity or gaming business in the state unrelated to horse racing.**

2. No [organization which has been granted a race track license to hold a race meeting] **licensee** shall give to any public official or his or her spouse, children or parents, directly or indirectly, for or without consideration any interest in shares of stock or certificates or other evidences of ownership [in the organization]. The commission shall, after hearing, revoke the [race track] license granted to [an organization] **any entity** which has violated this subsection.

313.610. Any [organization] **entity** conducting a horse race [or race meeting] at which pari-mutuel wagering is conducted without a valid license issued pursuant to sections 262.260 to 262.270, RSMo, and 313.500 to [313.710] **313.720** shall upon conviction be guilty of a class B felony.

313.620. 1. The commission shall prescribe by rule the amount and frequency of [application fees and] per day licensing fees for race tracks where pari-mutuel wagering is permitted.

2. The commission may prescribe by rule license fees for race [meets] **meetings** with respect to which pari-mutuel wagering is conducted.

3. All funds received from application fees, per day licensing fees and other licensing fees shall be **collected by the commission and transmitted to the department of revenue to be** deposited in the [state treasury to the credit of the general revenue fund, and shall not be transferred except by appropriation as provided by the constitution and laws enacted pursuant thereto] **Missouri horse racing fund**

313.630. In lieu of any state or local sales tax on the gross receipts from admissions paid by persons attending the races and in lieu of any state or local amusement or entertainment tax, there is hereby imposed on each [organization licensed to conduct horse races under the

provisions of sections 313.510 to 313.710] **licensee** a tax equal to ten percent of all moneys received each day from admissions paid by persons attending the [races] **race meeting** for deposit in the [state treasury to the credit of the general revenue fund. The general assembly shall appropriate money from general revenue, up to one-half of the amount credited annually pursuant to this section, to municipalities and counties in the area in which races are conducted to assist the funding of services and facilities required by the conduct of racing in such municipality or county. Any county or municipal racing authority shall be subject to the rules and regulations of the commission] **Missouri horse racing fund**

313.631. Every [organization licensed to conduct horse races under the provisions of sections 262.260 to 262.270, RSMo, and 313.500 to 313.710] **licensee** shall so keep its books and records as to clearly show the true number of admissions **to its race meeting**, the total amount of money contributed to each pari-mutuel pool on each race [separately] **run at its track, the total amount of money contributed to each pari-mutuel pool on which it accepts wagers**, and the amount of money received daily from admission fees and within thirty days after the conclusion of every [race meeting] **month**, shall submit to the commission a complete accounting of all such receipts and admissions. **Each licensee shall pay to the state treasurer an admission fee of two dollars for each person entering the race meeting ground with a ticket of admission. All revenue received by the state treasurer from the race meeting grounds admission fee shall be deposited in the state treasury to the credit of the school building revolving fund pursuant to section 166.300, RSMo. Moneys deposited into the school building revolving fund shall be considered state funds pursuant to Article IV, Section 15 of the Missouri Constitution.**

[313.632. All contracts and agreements for the payment of money and all salaries, fees and compensation paid by any organization licensed as hereinbefore provided, and all proposed extensions, additions, or improvements to the buildings, stables, improvements or tracks upon property owned or leased by such licensee shall be subject to the approval of the commission.]

313.640. 1. Every individual participating in horse racing, whether as a [race track] licensee, holder of any interest in a [race track license] **licensee**, association employee, concessionaire contract holder, and owner or general manager of same, concessionaire employee, or racing official, and all other individuals whose duties require them to be present on [association premises] **race meeting grounds** during racing hours, or to regularly visit such premises during racing hours, are required to have an occupation license from the commission authorizing them to be employed on the licensed premises and to practice their business, profession or skill. The following individuals are not required to obtain an occupation license:

(1) Public officers and public employees engaged in the performance of their official duties; and

(2) Individuals exempted by the commission.

License applicants shall be required to furnish to the commission a set of fingerprints and a recent photograph and shall be required to be refingerprinted or rephotographed periodically.

2. Each application for an occupation license shall be on forms prescribed by the commission. Such occupation license, when issued, shall be for a period up to one year, except that the commission in its discretion may grant up to three-year licenses. **An occupational license shall not be granted unless the applicant has, through clear and convincing evidence, demonstrated his or her suitability to be licensed. The commission may reopen occupational licensing hearings at any time.** The application shall be accompanied by a license fee which shall be set by the commission. Each applicant **for an occupational license** shall set forth in the application his **or her** full name and address, and if he **or she** has been issued prior occupation licenses or has been licensed in any other state under any other name, such name, his **or her** age, whether a permit or license issued to him **or her** in any other state has been suspended or revoked and if so whether such suspension or revocation is in effect at the time of the application, and such other information as the commission may require. [The commission shall also determine fees for registration of stable names. Fees collected for registration of stable names shall be deposited in the state treasury to the credit of general revenue and subject to appropriation as provided by law.]

3. The commission may in its discretion refuse an occupation license to any individual:

(1) Who has been convicted of a crime;

(2) Who is unqualified to perform the duties required of such applicant;

(3) Who fails to disclose or states falsely any information called for in the application;

(4) Who has been found guilty of a violation of sections 313.500 to [313.710] **313.720** or of the rules and regulations of the commission;

(5) Whose occupation license or permit has been suspended, revoked or denied for just cause in any state;

(6) Who is a past or present member or participant in organized crime as such membership or participant may be found or determined by the commission;

(7) Who is an illegal alien;

(8) Who is an employee of the commission or any spouse, child, brother, sister, or parent of an employee or member of the commission; or

(9) For any other just cause.

4. The commission may suspend or revoke any occupation license:

(1) For violation of any of the provisions of sections 313.500 to [313.710] **313.720**; or

(2) For violation of any of the rules or regulations of the commission; or

(3) For any cause which, if known to the commission, would have justified the commission in refusing to issue such occupation license; or

(4) For any other just cause.

5. [At least eighty percent of all individuals employed directly at each and every race meeting by an organization licensed to conduct horse racing under sections 313.500 to 313.710 shall be residents of the state of Missouri for a period of ninety days next preceding the date of employment and during the course of employment.

6.] In acting on applications for organization licenses, the commission shall require all applicants to implement a good faith affirmative action effort to recruit, train and upgrade minorities in all classifications of employment by the applicant. The applicant shall furnish the commission with a description of plans for compliance with all laws pertaining to discrimination, equal employment, and affirmative action; policies regarding recruitment, use, and advancement of minorities; policies with respect to minority contracting; a copy of Equal Employment Opportunity Statement and Policy of the applicant dated and signed by the chief executive officer; and a copy of Affirmative Action Policy and Procedures dated and signed; and identification of the affirmative action officer, including name, title, address, and telephone number.

313.652. 1. Any [organization licensed by the commission to conduct a horse race meeting] **licensee** may provide places in the race meeting grounds or enclosure and may conduct and supervise therein the pari-mutuel system of wagering by patrons [of] **on** the [horse] races conducted by such organization licensee at such **race meeting or on simulcasts**.

2. No other [place or] method of betting, pool making, wagering or gambling shall be used or permitted by the [race track] licensee. Each [race track] licensee shall deduct the following amounts on all **live** races conducted by it: eighteen percent of the regular mutuel pool, twenty percent of the multiple mutuel pool involving two horses, and twenty-five percent of the multiple mutuel pool involving three or more horses. "Regular mutuel pool" means a separate wagering pool in which an interest is represented by a single ticket evidencing a single wager on one horse. "Multiple mutuel pool" means a separate wagering pool in which an interest is represented by a single wager on two or more horses. For the first one hundred million dollars of the total pari-mutuel pool for [the licensed race meeting] **live races in a twelve-month period**, each race track licensee shall apply the amounts deducted as follows:

(1) One percent of the regular mutuel pools, one and one-quarter percent of the multiple mutuel pools involving two horses, and one and one-half percent of the multiple mutuel pools involving three or more horses shall be paid to the commission;

(2) Eight percent of the regular mutuel pools, eight and three-quarters percent of the multiple mutuel pools involving two horses, and eleven percent of the multiple mutuel pools involving three or more horses shall be allocated for purse money. The formula for distribution of the purse money shall be determined by an agreement between an organization representing **a majority of** the horsemen and the tracks, the agreement to be subject to the approval of the

commission;

(3) One-half of one percent of the regular mutuel pools, three-quarters of one percent of the multiple mutuel pools involving two horses, and one percent of the multiple mutuel pools involving three or more horses shall be [used for breeder incentives. The method of payment and distribution of breeder incentives shall be set forth by the commission in rules] **paid to the Missouri breeders fund**

(4) Eight and one-half percent of the regular mutuel pools, nine and one-quarter percent of the multiple mutuel pools involving two horses, and eleven and one-half percent of the multiple mutuel pools involving three or more horses shall be retained by the licensee.

3. For the next fifty million dollars of the total pari-mutuel pool for the [licensed race meeting] **live races in such twelve-month period**, each race track licensee shall apply the amount deducted as follows:

(1) Two percent of the regular mutuel pools, two percent of the multiple mutuel pools involving two horses, and two percent of the multiple mutuel pools involving three or more horses shall be paid to the commission;

(2) Seven and one-half percent of the regular mutuel pools, eight and one-half percent of the multiple mutuel pools involving two horses, and ten and one-half percent of the multiple mutuel pools involving three or more horses shall be allocated for purse money. The formula for distribution of the purse money shall be determined by an agreement between an organization representing the horsemen and the tracks, the agreement to be subject to the approval of the commission;

(3) One-half of one percent of the regular mutuel pools, three-quarters of one percent of the multiple mutuel pools involving two horses, and one percent of the multiple mutuel pools involving three or more horses shall be [used for breeder incentives. The method of payment and distribution of breeder incentives shall be set forth by the commission in rules] **paid to the Missouri breeders fund**

(4) Eight percent of the regular mutuel pools, eight and three-quarters percent of the multiple mutuel pools involving two horses, and eleven and one-half percent of the multiple mutuel pools involving three or more horses shall be retained by the licensee.

4. For all amounts of the total pari-mutuel pool for the [licensed race meeting] **live races in such twelve-month period** in excess of one hundred fifty million dollars, each race track licensee shall apply the amount deducted as follows:

(1) Four percent of the regular mutuel pools, four percent of the multiple mutuel pools involving two horses, and four percent of the multiple mutuel pools involving three or more horses shall be paid to the commission;

(2) Six and one-half percent of the regular mutuel pools, seven and one-quarter percent of the multiple mutuel pools involving two horses, and nine and one-half percent of the multiple

mutuel pools involving three or more horses shall be allocated for purse money. The formula for distribution of the purse money shall be determined by an agreement between an organization representing the horsemen and the tracks, the agreement to be subject to the approval of the commission;

(3) One-half of one percent of the regular mutuel pools, three-quarters of one percent of the multiple mutuel pools involving two horses, and one percent of the multiple mutuel pools involving three or more horses shall be [used for breeder incentives. The method of payment and distribution of breeder incentives shall be set forth by the commission in rules] **paid to the Missouri breeders fund**

(4) Seven percent of the regular mutuel pools, eight percent of the multiple mutuel pools involving two horses, and ten and one-half percent of the multiple mutuel pools involving three or more horses shall be retained by the licensee.

5. Each [race track] licensee shall pay to the commission, within three days after each day of racing, a tax at the rate specified in this section on the total amount of money wagered on all races that day. The payment of the tax shall be accompanied by a statement of the [race track] licensee, or his **or her** duly authorized agent under oath, showing the amount of money wagered that day.

6. Breakage paid in the Missouri horse racing fund shall not be specially allocated for purse money for special races, for breeder and owner awards and for horse racing development; however, breakage may be used for these purposes.

7. Unclaimed winnings paid into the Missouri horse racing fund shall not be specially allocated for purse money for special races, for breeder and owner awards and for horse racing development; however, unclaimed winnings may be used for these purposes.

[8. All moneys provided for breeder incentives shall not lapse and interest earned on such moneys shall be credited the account. The provisions of section 33.080, RSMo, to the contrary notwithstanding, these funds shall not be transferred and placed to the credit of the general revenue fund at the end of each biennium.]

313.655. 1. [An organization licensed to conduct racing in this state, with the approval of the commission,] **Any licensee** may contract to conduct pari-mutuel wagering on a simulcast of horse races held at race tracks in this state or other states or countries where the conduct of racing and wagering is permitted by law.

2. Any wagering made [under] **pursuant to** this section shall take place within the confines of the licensee's [race track] **race meeting grounds** pursuant to rules promulgated by the commission. [The licensed race track may simulcast up to, but not more than the number of days in which it conducts live racing.] **A licensee may conduct pari-mutuel wagering on simulcasts with no limit on the number or frequency of such simulcasts at locations within its race meeting grounds.**

3. Computation of the total takeout and breakage for wagering made under this section shall be the same as that normally applicable to racing conducted by the [licensee] **race track at which the races in question are held, as determined by the commission.**

4. After deducting from the takeout the applicable tax of this state on the [entire] **portion of the pari-mutuel pool originating within the confines of the licensee's race meeting grounds**, the amount to be paid under the terms of the contract to the race track from which the race or races will be simulcast, and the cost of transmission, the remainder shall be allocated in the same proportions as normally applicable to racing conducted by the licensee.

5. The terms and conditions of any contract [with a race track made under] **for simulcasting from race meeting grounds made pursuant to** this section are subject to the approval of the respective groups which represent a majority of the horsemen racing at the track licensed by the commission [and a majority of the applicable breeders in this state].

[6.] The provisions of the Federal Interstate [Horseracing] **Horse Racing** Act of 1978, Title 15, Sections 3001 [through] to 3007, [U.S. Code] **U.S.C., as amended**, shall be instructive regarding the intent of this [section] **subsection.**

6. A licensee may contract with a race track or off-track betting system in another jurisdiction outside Missouri so that the licensee's live races are the subject of simulcasting outside this state. Pari-mutuel wagering on the licensee's live races is permitted when approved by the licensee and conducted in accordance with the Interstate Horse Racing Act of 1978, Title 15, Section 3001 to 3007, U.S.C., as amended. The revenue that a licensee receives from such simulcast wagering shall be retained by the licensee, subject to a deduction of that amount allocated to purse money as determined by an agreement between the licensee and the organization that represents a majority of the horsemen racing at the track.

313.660. 1. No individual shall for a fee, directly or indirectly, accept anything of value to be wagered or to be transmitted or delivered for wager in any pari-mutuel system of wagering on [horse] racing or for a fee deliver anything of value which has been received outside of the [enclosure of a race track holding a horse race licensed under sections 313.500 to 313.710 to be placed as wagers in the pari-mutuel pool within such enclosure.

2.] **race meeting grounds licensed pursuant to section 313.500 to 313.720.** Any individual violating the provisions of this section shall upon conviction be guilty of a class C felony.

2. A person is guilty of a class A misdemeanor for any of the following:

(1) Operating pari-mutuel wagering without a license issued by the commission; or

(2) Operating pari-mutuel wagering where wagering is permitted other than in the manner specified by sections 313.500 to 313.720.

313.662. A licensee shall allow patrons to cash an outstanding pari-mutuel ticket for a given race up to one hundred eighty days from the date on which said race is made official. Tickets which are not redeemed within such time become valueless and the sum of money represented by such tickets, including breakage, shall accrue to the licensee.

313.670. 1. No [race track] licensee shall knowingly permit any individual under the age of eighteen years unless accompanied by a parent or guardian over the age of eighteen to be admitted to any pari-mutuel wagering area during a race meeting, nor shall any [race track] licensee knowingly permit any person under the age of eighteen years to wager on any [horse] race conducted by the [organization] licensee.

2. No individual under the age of eighteen years shall knowingly make or attempt to make any wager on any [horse] race subject to the provisions of sections 262.260 to 262.270, RSMo, and 313.500 to [313.710] **313.720.**

3. Any individual who violates this section shall upon conviction be guilty of a class A misdemeanor.

[313.710. A program to encourage and award the owners and breeders of Missouri-bred horses that win horse races in this state may be established by rules and regulations promulgated by the commission.]

313.720. 1. There is hereby created a "Missouri Breeders Fund", which shall not represent revenue collected and moneys received by the state. **The fund shall be used to establish a program to encourage and reward the owners and breeders of Missouri-bred horses that win races in this state. Such a program may be established by rules and regulations promulgated by the commission. The program shall include a "Missouri-Bred" event within two years of the first race held and such event will be held at least five times each calendar year or such greater number as prescribed by the commission.**

2. The fund shall consist of those funds set aside for breeder incentives as provided in [section 313.710] **sections 313.500 to 313.720,** such registration fees for the owners and breeders of Missouri bred horses as the commission may provide by rule, such gifts, or bequests as the fund may from time to time receive and such funds as the general assembly may provide. [Any gift or bequest shall be credited to such account as the donor or devisee may provide. If no specific account is provided by the donor or designee, such gift or bequest shall be divided equally among the three accounts.]

3. The Missouri breeders fund shall be administered by the commission, with the advice and assistance of advisory committees designated for that purpose by the rules of the commission. The commission shall, at least biennially, carry out such audits as provided by rule. The costs of administration shall be borne by the fund. The commission shall have

authority to promulgate such rules as may be necessary or desirable for the efficient operation of the Missouri breeders fund and to provide incentives for breeders and owners of Missouri bred horses.

4. The Missouri breeders fund shall not lapse and the interest earned on such fund shall be credited to the fund. The provisions of section 33.080, RSMo, to the contrary notwithstanding, funds in the Missouri breeders fund shall not be transferred and placed to the credit of the general revenue fund at the end of each biennium.

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