

# 2025 SESSION

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**SENATE BILL NO. 889**

Offered January 8, 2025

Prefiled January 3, 2025

*A BILL to amend and reenact § 59.1-392 of the Code of Virginia, relating to pari-mutuel wagering; historical horse racing; percentage retained for distribution.*

Patrons—French and Perry

Referred to Committee on General Laws and Technology

**Be it enacted by the General Assembly of Virginia:**

**1. That § 59.1-392 of the Code of Virginia is amended and reenacted as follows:**

**§ 59.1-392. Percentage retained; tax.**

A. Any person holding an operator's license to operate a horse racetrack or satellite facility in the Commonwealth pursuant to this chapter shall be authorized to conduct pari-mutuel wagering on horse racing subject to the provisions of this chapter and the conditions and regulations of the Commission.

B. On pari-mutuel pools generated by wagering at the racetrack on live horse racing conducted within the Commonwealth, involving win, place, and show wagering, the licensee shall retain a percentage amount approved by the Commission as jointly requested by a recognized majority horsemen's group and a licensee and the legitimate breakage, out of which shall be paid 1.25 percent to be distributed as follows: 1.0 percent to the Commonwealth as a license tax and 0.25 percent to the locality in which the racetrack is located. The remainder of the retainage shall be paid as provided in subsection D, provided, however, that if the percentage amount approved by the Commission is other than 18 percent, the amounts provided in subdivisions D 1, 2, and 3 shall be adjusted by the proportion that the approved percentage amount bears to 18 percent.

C. On pari-mutuel pools generated by wagering at each Virginia satellite facility on live horse racing conducted within the Commonwealth, involving win, place, and show wagering, the licensee shall retain a percentage amount approved by the Commission as jointly requested by a recognized majority horsemen's group and a licensee and the legitimate breakage, out of which shall be paid 1.25 percent to be distributed as follows: 0.75 percent to the Commonwealth as a license tax, 0.25 percent to the locality in which the satellite facility is located, and 0.25 percent to the locality in which the racetrack is located. The remainder of the retainage shall be paid as provided in subsection D, provided, however, that if the percentage amount approved by the Commission is other than 18 percent, the amounts provided in subdivisions D 1, 2, and 3 shall be adjusted by the proportion that the approved percentage amount bears to 18 percent.

D. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on live horse racing conducted within the Commonwealth, involving win, place, and show wagering, the licensee shall retain a percentage amount approved by the Commission as jointly requested by a recognized majority horsemen's group and a licensee and the legitimate breakage, out of which shall be paid:

1. Eight percent as purses or prizes to the participants in such race meeting;

2. Seven and one-half percent and all of the breakage and the proceeds of pari-mutuel tickets unredeemed 180 days from the date on which the race was conducted, to the operator;

3. One percent to the Virginia Breeders Fund;

4. Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;

5. Five one-hundredths percent to the Virginia Horse Center Foundation;

6. Five one-hundredths percent to the Virginia Horse Industry Board; and

7. The remainder of the retainage shall be paid as appropriate under subsection B or C.

E. On pari-mutuel pools generated by wagering at the racetrack on live horse racing conducted within the Commonwealth involving wagering other than win, place, and show wagering, the licensee shall retain a percentage amount approved by the Commission as jointly requested by a recognized majority horsemen's group and a licensee and the legitimate breakage, out of which shall be paid 2.75 percent to be distributed as follows: 2.25 percent to the Commonwealth as a license tax, and 0.5 percent to the locality in which the racetrack is located. The remainder of the retainage shall be paid as provided in subsection G, provided, however, that if the percentage amount approved by the Commission is other than 22 percent, the amounts provided in subdivisions G 1, 2, and 3 shall be adjusted by the proportion that the approved percentage amount bears to 22 percent.

F. On pari-mutuel pools generated by wagering at each Virginia satellite facility on live horse racing conducted within the Commonwealth involving wagering other than win, place, and show wagering, the licensee shall retain a percentage amount approved by the Commission as jointly requested by a recognized majority horsemen's group and a licensee and the legitimate breakage, out of which shall be paid 2.75 percent

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59 to be distributed as follows: 1.75 percent to the Commonwealth as a license tax, 0.5 percent to the locality in  
60 which the satellite facility is located, and 0.5 percent to the locality in which the racetrack is located. The  
61 remainder of the retainage shall be paid as provided in subsection G, provided, however, that if the  
62 percentage amount approved by the Commission is other than 22 percent, the amounts provided in  
63 subdivisions G 1, 2, and 3 shall be adjusted by the proportion that the approved percentage amount bears to  
64 22 percent.

65 G. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on live  
66 horse racing conducted within the Commonwealth involving wagering other than win, place, and show  
67 wagering, the licensee shall retain a percentage amount approved by the Commission as jointly requested by  
68 a recognized majority horsemen's group and a licensee and the legitimate breakage, out of which shall be  
69 paid:

70 1. Nine percent as purses or prizes to the participants in such race meeting;

71 2. Nine percent and the proceeds of the pari-mutuel tickets unredeemed 180 days from the date on which  
72 the race was conducted, to the operator;

73 3. One percent to the Virginia Breeders Fund;

74 4. Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;

75 5. Five one-hundredths percent to the Virginia Horse Center Foundation;

76 6. Five one-hundredths percent to the Virginia Horse Industry Board; and

77 7. The remainder of the retainage shall be paid as appropriate under subsection E or F.

78 H. On pari-mutuel wagering generated by simulcast horse racing transmitted from jurisdictions outside the  
79 Commonwealth, the licensee may, with the approval of the Commission, commingle pools with the racetrack  
80 where the transmission emanates or establish separate pools for wagering within the Commonwealth. All  
81 simulcast horse racing in this subsection must comply with the Interstate Horse Racing Act of 1978 (15  
82 U.S.C. § 3001 et seq.).

83 I. On pari-mutuel pools generated by wagering at the racetrack on simulcast horse racing transmitted from  
84 jurisdictions outside the Commonwealth, involving win, place, and show wagering, the licensee shall retain  
85 1.25 percent of such pool to be distributed as follows: 0.75 percent to the Commonwealth as a license tax,  
86 and 0.5 percent to the Virginia locality in which the racetrack is located.

87 J. On pari-mutuel pools generated by wagering at each Virginia satellite facility on simulcast horse racing  
88 transmitted from jurisdictions outside the Commonwealth, involving win, place, and show wagering, the  
89 licensee shall retain 1.25 percent of such pool to be distributed as follows: 0.75 percent to the Commonwealth  
90 as a license tax, 0.25 percent to the locality in which the satellite facility is located, and 0.25 percent to the  
91 Virginia locality in which the racetrack is located.

92 K. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on  
93 simulcast horse racing transmitted from jurisdictions outside the Commonwealth, involving win, place, and  
94 show wagering, the licensee shall retain 1.3 percent of such pool to be distributed as follows:

95 1. One percent of the pool to the Virginia Breeders Fund;

96 2. Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;

97 3. Five one-hundredths percent to the Virginia Horse Center Foundation;

98 4. Five one-hundredths percent to the Virginia Horse Industry Board; and

99 5. Five one-hundredths percent to the Virginia Thoroughbred Association for the promotion of breeding in  
100 the Commonwealth.

101 L. On pari-mutuel pools generated by wagering at the racetrack on simulcast horse racing transmitted  
102 from jurisdictions outside the Commonwealth, involving wagering other than win, place, and show wagering,  
103 the licensee shall retain 2.75 percent of such pool to be distributed as follows: 1.75 percent to the  
104 Commonwealth as a license tax, and 1.0 percent to the Virginia locality in which the racetrack is located.

105 M. On pari-mutuel pools generated by wagering at each Virginia satellite facility on simulcast horse  
106 racing transmitted from jurisdictions outside the Commonwealth, involving wagering other than win, place,  
107 and show wagering, the licensee shall retain 2.75 percent of such pool to be distributed as follows: 1.75  
108 percent to the Commonwealth as a license tax, 0.5 percent to the locality in which the satellite facility is  
109 located, and 0.5 percent to the Virginia locality in which the racetrack is located.

110 N. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on  
111 simulcast horse racing transmitted from jurisdictions outside the Commonwealth, involving wagering other  
112 than win, place, and show wagering, the licensee shall retain 1.3 percent of such pool to be distributed as  
113 follows:

114 1. One percent of the pool to the Virginia Breeders Fund;

115 2. Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;

116 3. Five one-hundredths percent to the Virginia Horse Center Foundation;

117 4. Five one-hundredths percent to the Virginia Horse Industry Board; and

118 5. Five one-hundredths percent to the Virginia Thoroughbred Association for the promotion of breeding in  
119 the Commonwealth.

120 O. Moneys payable to the Commonwealth shall be deposited in the general fund. Gross receipts for

121 license tax purposes under Chapter 37 (§ 58.1-3700 et seq.) of Title 58.1 shall not include pari-mutuel  
 122 wagering pools and license taxes authorized by this section.

123 P. All payments by the licensee to the Commonwealth or any locality shall be made within five days from  
 124 the date on which such wagers are received by the licensee. All payments by the licensee to the Virginia  
 125 Breeders Fund shall be made to the Commission within five days from the date on which such wagers are  
 126 received by the licensee. All payments by the licensee to the Virginia-Maryland Regional College of  
 127 Veterinary Medicine, the Virginia Horse Center Foundation, the Virginia Horse Industry Board, and the  
 128 Virginia Thoroughbred Association shall be made by the first day of each quarter of the calendar year. All  
 129 payments made under this section shall be used in support of the policy of the Commonwealth to sustain and  
 130 promote the growth of a native industry.

131 Q. If a satellite facility is located in more than one locality, any amount a licensee is required to pay under  
 132 this section to the locality in which the satellite facility is located shall be prorated in equal shares among  
 133 those localities.

134 R. Any contractual agreement between a licensee and other entities concerning the distribution of the  
 135 remaining portion of the retainage under subsections I through N and subsections U and V shall be subject to  
 136 the approval of the Commission.

137 S. The recognized majority horsemen's group racing at a licensed race meeting may, subject to the  
 138 approval of the Commission, withdraw for administrative costs associated with serving the interests of the  
 139 horsemen an amount not to exceed two percent of the amount in the horsemen's account.

140 T. The legitimate breakage from each pari-mutuel pool for live, historical, and simulcast horse racing shall  
 141 be distributed as follows:

142 1. Seventy percent to be retained by the licensee to be used for capital improvements that are subject to  
 143 approval of the Commission; and

144 2. Thirty percent to be deposited in the Racing Benevolence Fund, administered jointly by the licensee  
 145 and the recognized majority horsemen's group racing at a licensed race meeting, to be disbursed with the  
 146 approval of the Commission for gambling addiction and substance abuse counseling, recreational,  
 147 educational, or other related programs.

148 U. On pari-mutuel pools generated by wagering on historical horse racing on the first 3,000 terminals  
 149 authorized, the licensee shall retain 1.25 percent of such pool to be distributed as follows:

150 1. a. If generated at a racetrack, 0.5 percent to the locality in which the racetrack is located; or

151 b. If generated at a satellite facility, 0.25 percent to the locality in which the satellite facility is located and  
 152 0.25 percent to the Virginia locality in which the racetrack is located;

153 2. To the Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.2, 0.01  
 154 percent;

155 3. To the (i) Virginia Breeders Fund, (ii) Virginia-Maryland Regional College of Veterinary Medicine for  
 156 its equine programs, (iii) Virginia Horse Center Foundation, and (iv) Virginia Horse Industry Board, and (v)  
 157 *Shenandoah County Fair Association*, 0.025 percent each; and

158 4. The remainder to the Commonwealth as a license tax.

159 V. On pari-mutuel pools generated by wagering on historical horse racing on the 2,000 terminals  
 160 authorized by the seventh enactment of Chapters 1197 and 1248 of the Acts of Assembly of 2020, the  
 161 licensee shall retain 1.6 percent of such pool to be distributed as follows:

162 1. a. If generated at a racetrack, 0.64 percent to the locality in which the racetrack is located; or

163 b. If generated at a satellite facility, 0.32 percent to the locality in which the satellite facility is located and  
 164 0.32 percent to the Virginia locality in which the racetrack is located;

165 2. To the Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.2, 0.01  
 166 percent;

167 3. To the (i) Virginia Breeders Fund, (ii) Virginia-Maryland Regional College of Veterinary Medicine for  
 168 its equine programs, (iii) Virginia Horse Center Foundation, and (iv) Virginia Horse Industry Board, and (v)  
 169 *Shenandoah County Fair Association*, 0.025 percent each; and

170 4. The remainder to the Commonwealth as a license tax.