

VIRGINIA RACING COMMISSION

CHAPTER 130.
VIRGINIA BREEDERS FUND.

11 VAC 10-130-10. Definitions.

The following words and terms when used in this chapter shall have the following meanings, unless the context clearly indicates otherwise:

"Breeding season" means a period of time beginning on February 1 and ending on August 1 of each year. For Standardbreds, the breeding season means a period of time beginning February 15 and ending on July 15 of each year.

"Registered" means the completion of the process of filing an application with the commission or its designee to satisfy the requirements for participation in the Virginia Breeders Fund.

"Stallion owner" means an owner or lessee of record of a stallion that covered mares in the Commonwealth of Virginia during the breeding season in which it sired a Virginia-bred horse.

"Virginia-bred Arabian Horse" means a registered Arabian horse foaled in the Commonwealth of Virginia.

"Virginia Arabian Horse Breeder" means the owner or lessee of record of the mare at the time of foaling of a Virginia-bred Arabian horse.

"Virginia Arabian Sire" means a registered Arabian stallion that covered mares only in the Commonwealth of Virginia during the breeding season in which it sired a Virginia-bred Arabian horse.

"Virginia-bred Quarter Horse" means a registered Quarter Horse foaled or conceived in the Commonwealth of Virginia.

"Virginia Quarter Horse Breeder" means the owner or lessee of record of the mare at the time of conception of a Virginia-bred Quarter Horse.

"Virginia Quarter Horse Sire" means a registered Quarter Horse stallion or registered Virginia Thoroughbred stallion that covered mares only in the Commonwealth of Virginia during the breeding season in which it sired a Virginia-bred Quarter Horse.

"Virginia-bred Standardbred Horse" means a registered Standardbred horse foaled or conceived in the Commonwealth of Virginia, sired by a Virginia Standardbred sire, or purchased or owned by a Virginia resident and meeting the following requirements:

1. During the first nine calendar years of live pari-mutuel harness racing in the Commonwealth, a foal not meeting the requirements of the previous paragraph may still be registered as a Virginia bred providing it is registered by a Virginia resident and owner with the commission or its designee by submitting documentation proving that the horse was purchased prior to April 1 of its two-year-old year and prior to making its first start in a non-qualifying race. For purposes of registration under this subdivision, neither the stallion owner of a sire standing outside the Commonwealth nor the breeder of a Standardbred foaled outside the Commonwealth shall be eligible for any award from the Virginia Breeders Fund;

2. For purposes of determining the eligibility for an owner to register a Virginia Standardbred, a Virginia resident and owner shall be defined as a person legally required to file a resident income tax return with the Commonwealth that year, or a partnership, corporation, stable name or other entity which is solely owned by Virginia residents and owners legally required to file resident income tax returns with the Commonwealth that year; and

3. After December 31 of the seventh calendar year of live harness racing in the Commonwealth, foals of that year and each succeeding year must be sired by a Virginia Standardbred sire to qualify as Virginia-bred Standardbreds.

"Virginia Standardbred Horse Breeder" means the owner or lessee of record of the mare at the time of conception of a Virginia-bred Standardbred horse.

"Virginia Standardbred Sire" means a registered Standardbred stallion that stood only in the Commonwealth of Virginia during the breeding season in which it sired a Virginia-bred Standardbred horse. Shipment of semen for the breeding of mares outside the Commonwealth shall be permitted so long as any resulting foals meet the requirements of these regulations in all other respects.

"Virginia-bred Thoroughbred Horse," means a registered Thoroughbred horse foaled in Virginia and, if foaled in the Commonwealth after December 31, 1999 shall also satisfy one of the following additional requirements:

1. The foal was sired by a Virginia Thoroughbred sire; or
2. If not so sired, the dam, if bred back that same breeding season, is bred to a Virginia Thoroughbred sire; or
3. If not so sired, or the dam is not bred back that same breeding season or is bred to a sire other than a Virginia Thoroughbred Sire, the dam remains continuously in the Commonwealth from September 1 to date of foaling, or if barren to February 1 of the following year.

"Virginia-Sired Thoroughbred Horse" means a registered Thoroughbred horse sired by a Virginia Thoroughbred sire, but not foaled in Virginia or not otherwise satisfying the requirements for a Virginia-bred Thoroughbred horse.

"Virginia Thoroughbred Horse Breeder" means the owner or lessee of record of the mare at the time of foaling a Virginia-bred Thoroughbred horse.

"Virginia Thoroughbred Sire" means a registered Thoroughbred stallion that covers mares, other than test mares, only in the Commonwealth during the breeding season in which it sires a Virginia-bred Thoroughbred horse, or only during that part of the breeding season after entering the Commonwealth.

11 VAC 10-130-20. Generally.

The purpose of this chapter is to establish procedures for the administration of the Virginia Breeders Fund by the Virginia Racing Commission as provided for in §59.1-372 of the Code of Virginia.

A. Certification. The commission or its designee shall certify that a racehorse is Virginia bred for eligibility for entry into races restricted to Virginia-bred horses, to qualify its owner, the stallion owner, if applicable, and breeder for awards.

B. Determination of eligibility. The final determination of all questions, disputes or protests relating to the registration, eligibility for certification or breeding of a Virginia-bred horse and the final determination of eligibility of any horse to enter a race restricted to Virginia-bred horses shall rest solely with the commission.

C. Documentation. In making its determination, the commission or its designee, in its discretion, may require the submission of any certificate of foal registration, eligibility paper or any other registration document, affidavits or other substantive proof to support or deny any claim concerning registration of a horse as a Virginia bred.

D. False statements. Any person, who submits false or misleading information to a breed registry, to the commission, its designee, or any racing official, may be fined, have his permit suspended or revoked, be denied participation in the Virginia Breeders Fund for a period of time deemed appropriate by the commission, or any or all of the foregoing.

E. Forfeiture of awards and purse moneys. Any person who is denied participation in the Virginia Breeders Fund under the provisions of this chapter shall forfeit and restore to the fund any awards and purse moneys received based upon the submission of false or misleading information. Until the awards and purse moneys are restored, the commission may suspend the person's permit to participate in horse racing at licensed facilities.

F. Recognized registries. The commission shall recognize certificates of registration from the following breed registries:

1. Thoroughbred: The Jockey Club;
 2. Standardbred: The United States Trotting Association;
 3. Quarter Horse: The American Quarter Horse Association;
- and
4. Arabian Horse: The Arabian Horse Registry of America.

G. Payment of awards. All awards for owners, stallion owners and breeders shall be distributed from the Virginia Breeders Fund in a manner prescribed by the commission. The following provisions shall apply to payment of owner, stallion owner and breeder awards:

1. Determination of individual distributions to a stallion owner shall be in the same ratio as the amount of first-place purse money won by the Virginia-bred horse at the race meeting, which qualifies the stallion owner for an award, to the total amount of first-place purse money won by all Virginia-bred horses which qualify stallion owners for awards at the race meeting;

2. Determination of individual distributions to a breeder shall be in the same ratio as the amount of first-place purse money won by the Virginia-bred horse at the race meeting, which qualifies the breeder for an award, to the total amount of first-place purse money won by all Virginia-bred horses at the race meeting;

3. Determination of individual distributions to an owner shall be in the same ratio as the amount of nonsupplemented first-place purse money won by the Virginia-bred horse at the race meeting which qualifies the owner for an award, to the total amount of nonsupplemented first-place purse money won by all Virginia-bred horses at the race meeting;

4. To become eligible for an owner, stallion owner or breeder award from the Virginia Breeders Fund, the owner, stallion owner or breeder must be certified by the commission or its designee prior to receiving any award, unless his racehorse, stallion or foal has been previously registered with the commission or its designee;

5. A stallion owner or breeder will have 25 days after the closing of the race meeting, at which he becomes eligible for an award, to be certified by the commission or its designee unless his stallion or foal has been previously registered with the commission or its designee;

6. A stallion owner or breeder need only be certified once per racehorse; and

7. Any unclaimed awards from the Virginia Breeders Fund shall be remitted to the fund.

H. Distribution by breeds. The funds generated by the breed of horse through pari-mutuel wagering at a race meeting shall be distributed to that breed of horse through owner awards, stallion owner awards, breeder awards, purses and purse supplements.

I. Reimbursement of funds. The source of funding is 1% of all pari-mutuel pools which must be paid to the commission within five days of the date that the funds were generated. Purse moneys shall be paid from the horsemen's account when approval is granted by the stewards. The commission shall reimburse the horsemen's account to the extent that funds are available from the Virginia Breeders Fund.

J. Restrictions. In disbursing the Virginia Breeders Fund, the following restrictions shall apply:

1. Supplements to purses from the Virginia Breeders Fund shall not be considered in determining owner awards;

2. The amount of the purses for races restricted to Virginia-bred horses or any adjustments must be fair, equitable and appropriate to the quality of the horses competing for those purses;

3. Purses from the Virginia Breeders Fund shall be considered for stallion owner and breeder awards.

4. Funds allocated for purses shall be credited to the owner's account by the horsemen's bookkeeper in accordance with procedures established elsewhere in these regulations; and

5. Underpayment of moneys generated by each breed shall be remitted to the Virginia Breeders Fund.

K. Reservation of funds. The commission may set aside funds for distribution in future years if the commission, in its discretion, determines that there is an insufficient supply of Virginia-bred horses of a certain breed to warrant a distribution. In this event, the funds shall be deposited in an interest bearing account for future distribution of awards and purse supplements to the breed that generated the funds so set aside.

L. Assignment of awards. Awards distributable to breeders and stallion owners are only assignable pursuant to a court order.

M. Advisory committee. To assist it in establishing this awards and incentive program to foster the industry of breeding racehorses in Virginia, the commission shall appoint an advisory committee composed of two members from each of the registered breed associations representing each breed of horse participating in the fund program, one member representing the owners and operators of racetracks and one member representing all the meets sanctioned by the National Steeplechase Association.

The commission, in its discretion, may establish and appoint the members of subcommittees of the advisory committee for each breed of horse participating in the fund program. Each subcommittee shall be composed of one commissioner, the executive secretary of the commission, two advisory committee members, a member representing an owner or operator of a horse racing facility, and an at-large member from the breed of horse participating in the fund program. All appointments shall be approved by the commission.

THOROUGHBRED.

11 VAC 10-130-30. Commencement of registration.

The commission shall establish a date when owners of Thoroughbred stallions shall commence registering their stallions and breeders of Virginia-bred Thoroughbred horses shall commence registering their foals. No fee shall be assessed for registering stallions or foals prior to the date for the commencement of registration.

11 VAC 10-130-40. Stallion registration.

A. Initial registration. For a stallion owner to be certified to receive stallion owner awards from the Virginia Breeders Fund, the stallion owner must register his stallion with the commission or its designee by satisfying the following requirements:

1. Each year prior to the commencement of the breeding season, but no later than January 31, or within 30 days following the entry into stud in Virginia if entry is after the breeding season commences, the owner or authorized agent shall submit an application on a form approved by the commission that shall set forth the name of the stallion, year of foaling, registration number, pedigree, including, sire, dam and sire of the dam, where the stallion is standing at stud, the date of entry to stud if after the commencement of the breeding season, and the names and addresses of owners and lessees;

2. The application must be signed and dated by the owner or lessee, or the authorized agent;

3. A notarized copy of the stallion's Certificate of Foal Registration, clearly showing the front and transfer side of the document, shall accompany the application;

4. If the stallion is held under a lease or a syndicate agreement, a copy of the lease or agreement shall accompany the application, and the lease or agreement must include a statement that the lessee or syndicate manager is authorized to sign the service certificate and receive stallion awards; and

5. The owner or authorized agent shall submit to the commission or its designee a notarized copy of The Jockey Club's Report of Mares Bred at the conclusion of the breeding season but no later than August 1.

B. Registration fees. A stallion may be registered with the commission or its designee for the breeding season after January 31 or 30 days following its entry into stud in Virginia. A registration fee of \$100 shall accompany the application. A late registration fee of \$250 shall be assessed. A late registration of a stallion shall be accepted by the commission or its designee until August 1 for that breeding year.

C. Change of ownership. If there is a change in ownership, or the stallion is subsequently leased or syndicated, or the location of where the stallion standing is changed, the new owner, lessee or syndicate manager must submit to the commission or its designee a new application for stallion registration.

11 VAC 10-130-51. Foal registration.

A. Requirements. For an owner or lessee of a dam to be certified to receive breeder awards from the Virginia Breeders Fund, the owner or lessee must register his foal with the commission or its designee by satisfying the following requirements:

1. The owner, lessee or his authorized agent must submit an application on a form approved by the commission, including the name of the stallion; the name of the dam; the sire of the dam; the sex; color; year of birth; the location of foaling; and name, address and telephone number of the owner, lessee or his authorized agent;

2. The application must be signed and dated by the owner, lessee, or his authorized agent;

3. If the dam is held under a lease, a statement to that effect and a copy of the lease, which must include a statement that the lessee is authorized to register the foal must accompany the application;

4. If the dam of the foal was not bred to a Virginia Thoroughbred Sire or is not bred back to a Virginia Thoroughbred Sire, then the owner, lessee or his authorized agent must sign the affidavit stating that the dam has been domiciled in the

Commonwealth of Virginia from September 1 of the preceding year to February 1; and

5. As of September 1, 1999, all Virginia-bred Thoroughbred horses must be registered with the commission or its designee prior to being entered in any race at race meeting designated by the commission for purse supplements or awards from the Virginia Breeders Fund.

B. Registration fees. A foal may be registered by December 31st of its year of foaling by submitting a \$25 fee that must accompany the application for foal registration. A yearling may be registered by December 31st of its yearling year by submitting a \$50 fee that must accompany the application for foal registration. A two-year-old or older may be registered by submitting a \$200 fee which must accompany the application for foal registration.

11 VAC 10-130-52. Virginia-Sired Thoroughbreds.

A Virginia-sired Thoroughbred may be registered with the commission or its designee by submitting a \$25 fee that must accompany an application for registration in the Virginia Breeders Fund. The payment of the registration fee and filing of the application shall occur prior to entry in any race at a race meeting designated by the commission. Such registration shall entitle the horse to entry into races restricted to Virginia-bred Thoroughbreds and purse supplements, but shall not entitle a Virginia-sired Thoroughbred to other awards from the Virginia Breeders Fund.

11 VAC 10-130-60. Fund distribution.

The funds generated by pari-mutuel wagering on Thoroughbred horse races for the Virginia Breeders Fund shall be allocated on the following schedule:

1. 35% shall be set aside for payment to the breeders of Virginia-bred Thoroughbred horses that win races at a race meeting designated by the commission;

2. 15% shall be set aside for payment to owners or lessees of registered Virginia stallions that sire Virginia-bred Thoroughbred horses that win races at race meetings designated by the commission; and

3. 50% shall be paid to supplement purses as determined by the commission under the following provisions:

a. An award may be paid to the owner or owners of a Virginia-bred thoroughbred horse each time the horse earns purse money in a nonrestricted race at race meetings licensed by the commission or wins races at race meetings designated by the commission;

b. The maximum amount payable for breeder or stallion owner awards to a Virginia-bred thoroughbred horse for any single race shall be \$25,000;

c. The maximum amount payable for an owner award to a Virginia-bred Thoroughbred horse for any single race run in Virginia shall be \$10,000, and the maximum amount payable for an owner award for any single race in any other jurisdiction shall be \$5,000; and

d. Purses shall be paid for races restricted to Virginia-bred thoroughbred horses.

11 VAC 10-130-70. Restricted races.

The racing secretary at each unlimited race meeting licensed by the commission may include in the condition book restricted races which equal not less than 5.0% of the total non-substitute races included in that book, and that those races shall be run if six separate wagering interests are entered. If there is not a sufficient number of registered Virginia-bred horses entered to fill the race, then the racing secretary may substitute another race.

STANDARD BRED.

11 VAC 10-130-75. Commencement of registration.

The commission shall establish a date when owners of Standardbred stallions shall commence registering their stallions and breeders of Virginia-bred Standardbred horses shall commence registering their foals.

11 VAC 10-130-76. Stallion registration.

A. Initial registration. For a stallion owner to be certified to receive stallion owner awards from the Virginia Breeders Fund, the stallion owner must register his stallion with the commission or its designee by satisfying the following requirements:

1. Each year prior to the commencement of the breeding season, but no later than January 31, or within 30 days following the entry into stud in Virginia if entry is after the breeding season commences, the owner or authorized agent shall submit an application on a form approved by the commission that shall set forth the name of the stallion; year of foaling; registration number; pedigree including sire, dam and sire of the dam; where the stallion is standing at stud; the date of entry to stud if after the commencement of the breeding season; and the name(s) and addresses of owners and lessees;

2. The application must be signed and dated by the owner or lessee, or the authorized agent;

3. A notarized copy of the stallion's Certificate of Registration, clearly showing the front and transfer side of the document, must accompany the application;

4. If the stallion is held under a lease or a syndicate agreement, a copy of the lease or agreement must accompany the application, and the lease or agreement must include a statement that the lessee or syndicate manager is authorized to sign the Service Certificate and receive stallion awards; and

5. The owner or authorized agent must submit to the commission a notarized copy of The United States Trotting Association's Report of Mares Bred at the conclusion of the breeding season and no later than December 31 of the breeding year.

B. Registration fees. A stallion may be registered with the commission or its designee for the breeding season after January 31 or 30 days following its entry into stud in Virginia. A registration fee of \$100 shall accompany the initial application.

C. Change of ownership. If there is a change in ownership, or the stallion is subsequently leased or syndicated, or the location of where the stallion is standing is changed, the new owner, lessee or syndicate manager must submit to the commission or its designee a new application for stallion registration.

11 VAC 10-130-77. Foal registration.

A. Requirements. For an owner or lessee of a dam to be certified to receive breeder awards from the Virginia Breeders Fund, the owner or lessee must register its foal with the commission or its designee by satisfying the following requirements:

1. The owner, lessee or his authorized agent must submit an application, on a form approved by the commission, including the name of the stallion; the name of the dam; the sire of the dam; sex; color; year of foaling; and name, address and telephone number of the owner, lessee or his authorized agent;

2. The application must be signed and dated by the owner, lessee or his authorized agent;

3. If the dam is held under a lease, a statement to that effect and a copy of the lease, which must include a statement that the lessee is authorized to register the foal must accompany the application; and

4. All Virginia-bred Standardbred horses must be registered with the commission or its designee prior to being entered in races.

B. Registration fees. A foal may be registered with the commission or its designee.

11 VAC 10-130-80. Allocation and restriction of funds.

A. Allocation. The funds generated by harness racing through pari-mutuel wagering shall be allocated according to the following schedule:

1. 15% may be set aside for payment to the breeders of Virginia-bred Standardbred horses that win races at horse racing facilities licensed by the commission;

2. 10% may be set aside for payment to the owners or lessees of Virginia Standardbred stallions which sire Virginia-bred Standardbred horses that win races at horse racing facilities licensed by the commission; and

3. 75% may be paid to supplement purses according to the following provisions:

a. Not less than 75% may be set aside to develop a stakes program for ~~two and three-year-old~~ Virginia-bred Standardbred horses; and

b. Any remaining amounts shall be set aside and may be paid to the owner or owners of a Virginia-bred Standardbred horse each time the horse wins or earns purse money in a nonrestricted race at a horse racing facility licensed by the commission.

B. Restriction. During the first five calendar years live pari-mutuel harness racing in the Commonwealth, payment of stallion owner and breeder awards shall be limited to an amount not exceeding 20% of that horse's non-maiden nonsupplemented first-place purse used in the calculation and 40% of that horse's maiden nonsupplemented first-place purse used in the calculation.

C. Restricted races. The racing secretary at each unlimited race meeting licensed by the commission shall include on the condition sheet at least one race each day restricted to Virginia-bred Standardbred horses and the race shall be run if six separate betting interests are entered. If there is not a sufficient number of registered Virginia-bred horses entered to fill the race, then the racing secretary may substitute another race.

ARABIAN AND QUARTER HORSE.

11 VAC 10-130-90. Allocation of funds.

The funds generated by Arabian and Quarter horse racing through pari-mutuel wagering shall be allocated to the breed which generated the funds according to the following schedule:

1. 20% shall be set aside for payment to the breeders of Virginia-bred horses that win races at horse racing facilities licensed by the commission;

2. 10% shall set aside for payment to the owners or lessees of registered Virginia stallions which sire Virginia-bred horses that win races at horse racing facilities licensed by the commission; and

3. 70% shall be paid to supplement purses according to the following provisions:

a. A purse supplement may be paid to the owners of Virginia-bred horses each time Virginia-bred horses win nonrestricted races at horse racing facilities licensed by the commission; and

b. A purse supplement shall be paid to purses for races restricted to Virginia-bred horses.

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