



January 21, 2015

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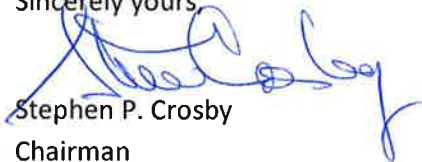
Dear Mr. Considine:

The other Commissioners and I are in receipt of your letter of January 14th, Re: Massachusetts Thoroughbred Breeders Association and distributions from the Race Horse Development Fund.

Our Counsel is now considering your request, and will bring your request before the Commission for official consideration soon. I'm sure you will be in touch with us to track our decision making process, but do stay alert to our Commission Meeting agenda, so you are sure to see when the issue will be discussed by the Commission.

Thank you for your continuing involvement in these important issues.

Sincerely yours,



Stephen P. Crosby
Chairman

CC: Massachusetts Gaming Commissioners James McHugh, Gayle Cameron, Bruce Stebbins,
Enrique Zuniga
Catherine Blue, General Counsel
Danielle Holmes, Attorney



Massachusetts Gaming Commission

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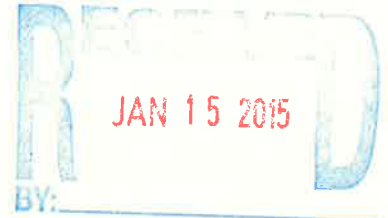
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January 14, 2015

VIA FEDEX

Stephen Crosby, Chairman and Commissioners
Massachusetts Gaming Commission
101 Federal Street, 23rd Floor
Boston, MA 02110



Re: *Massachusetts Thoroughbred Breeders Association, Inc.*

Dear Chairman Crosby and Commissioners:

I write on behalf of the Massachusetts Thoroughbred Breeders Association, Inc. (the "Breeders Association"). As you know, the Legislature established a thoroughbred breeding program pursuant to G.L. c. 128, §2(g) to promote, develop, and encourage the breeding of thoroughbred horses in the Commonwealth; and designated the Breeders Association as the entity to administer the program. (A copy of the enabling statute is attached as Exhibit "A".) In "An Act Establishing Expanded Gaming in the Commonwealth," the Legislature also established the Gaming Licensing Fund with the Commission as Trustee, and earmarked five percent of the gaming licensing fees to the Race Horse Development Fund (the "Fund"). We understand that the licensing fees total \$195,000,000, and that the Fund's Share (at 5%) equals \$9,750,000. (See St. 2011, c. 194, Section 93 attached as Exhibit "B.")

From the \$9,750,000 deposited in this Fund, the Breeders Association is entitled to \$1,170,000 in accordance with G.L. c. 23K, §60, (b) and (c)(ii), a copy of which is attached as Exhibit "C."

Please accept this letter as a formal request that the Commission make the distribution of \$1,170,000 to the Breeders Association so that it may continue to promote, develop, and encourage its thoroughbred horse breeding program in accordance with the statutory directives.

Very truly yours,

Kevin M. Considine

KMC:hp

cc: Gayle Cameron (w/enclosures)
James F. McHugh (w/enclosures)
Enrique Zuniga (w/enclosures)
Bruce Stebbins (w/enclosures)
George F. Brown (w/enclosures)
Andrew S. Hunt (w/enclosures)

EXHIBIT “A”

Chapter 112. AN ACT AUTHORIZING THE TOWN OF NORTH READING TO IMPLEMENT AN INCREASE IN AN EXISTING INTERBASIN TRANSFER OF WATER FOR THE PURPOSE OF MUNICIPAL WATER SUPPLY.

Be it enacted, etc., as follows:

The town of North Reading may, with the approval of the water resources commission, implement an increase in the existing transfer of water from the Merrimack river basin to the Ipswich river basin.

Approved July 8, 1991.

Chapter 113. AN ACT AUTHORIZING THE TOWN OF HUDSON TO CONVEY CERTAIN PARCELS OF LAND USED FOR WATER SUPPLY PURPOSES.

Be it enacted, etc., as follows:

SECTION 1. The town of Hudson is hereby authorized to sell, transfer and convey two parcels of land located in said town and presently used for water supply purposes to a purchaser selected in accordance with the provisions of chapter thirty B of the General Laws. Parcel one is shown as Lot 1 on a plan entitled "Plan of Land, Hudson and Berlin, Mass." dated Sept. 22, 1967 prepared by Veo & Wheeler, Inc. of Hudson, Mass.

Parcel two is shown as Lot B-2 on a plan entitled "Subdivision Plan of Land in Hudson, Mass." dated August 21, 1981 prepared by Whitman & Howard Inc., Engineers & Architects of Wellesley, Mass. Said plan is on file with the town of Hudson.

SECTION 2. This act shall take effect upon its passage.

Approved July 8, 1991.

Chapter 114. AN ACT FURTHER REGULATING THE CONDUCT OF HORSE RACING.

Be it enacted, etc., as follows:

SECTION 1. Section 2 of chapter 128 of the General Laws, as appearing in the 1990 Official Edition, is hereby amended by striking out subsection (g) and inserting in place thereof the following subsection:-

(g) Promote, develop and encourage through the Massachusetts Thoroughbred Breeding Program, the breeding of thoroughbred horses in the commonwealth by offering cash prizes to breeders of such horses in the following manner: the Massachusetts Thoroughbred Breeders Association, Inc. shall from time to time in consultation with the chairman of the racing commission and the program manager for the equine division in the department of agriculture set the percentages for bonuses to be awarded to the breeder of a Massachusetts bred thoroughbred horse, of the purse monies won by said thoroughbred horse in any pari-mutuel running horse race if said horse finishes first, second or third; the percentage for a cash prize to the owner of the stallion, at the time of service to the dam of such purse winner; provided, however, that (i) the stallion stood the breeding season of February through June in the commonwealth, (ii) the horse finishes first, second or third, and (iii) said stallion is registered with the department of food and agriculture; the percentage for a cash prize for the purse monies won by said thoroughbred horse in any unrestricted pari-mutuel running horse race to the owner of a Massachusetts bred horse if said horse finishes first, second, or third.

The Massachusetts Thoroughbred Breeders Association, Inc. is further authorized to pay cash purses for stakes races to be limited to Massachusetts bred thoroughbred race horses from the Massachusetts thoroughbred breeding program at licensed pari-mutuel race meetings authorized by the state racing commission. Such races may be betting or non-betting races and may or may not be scheduled races by the licensee conducting the racing meeting. Purse monies paid by the association under this section may be in such amounts as the association shall determine and may be the sole cash purse for such races or may be supplemental to the cash purses established by the licensee; provided, however, that no person, partnership, corporation or group of persons may receive more than five thousand dollars as a cash prize breeder's award from the association for an individual horse race within the commonwealth. For the purposes of this section a horse race shall mean a thoroughbred race of any kind held within the commonwealth except at fairs.

No person shall be eligible for the prizes provided herein unless the following standards are met:

(1) The foal of a thoroughbred mare that drops said foal in the commonwealth and is bred back to the Massachusetts registered stallion shall be Massachusetts bred; or

(2) The foal of a thoroughbred mare who resides in the commonwealth from the fifteenth day of October of the year prior to foaling, and continues such residence until foaling and foals in the commonwealth shall be Massachusetts bred.

(3) In either the case of subparagraph (1) or (2) each thoroughbred foal dropped in the commonwealth shall be registered with the Jockey Club and the department of food and agriculture.

(4) Prior to the first day of September of each year, each person standing a thoroughbred stallion in the commonwealth at either private or public service shall file with the department of food and agriculture: (a) a list of all thoroughbred mares bred to such stallion in that year; and (b) a verified statement representing that said stallion stood the entire breeding season in the commonwealth.

The Massachusetts Thoroughbred Breeders Association, Inc. is hereby further authorized to expend up to eight percent of the amount received each fiscal year for said program for advertising, marketing, promotion, and administration of the thoroughbred breeding program in the commonwealth.

The state auditor shall annually audit the books of the Massachusetts Thoroughbred Breeders Association, Inc., to insure compliance with this section.

SECTION 2. Chapter 494 of the acts of 1978 is hereby amended by striking out section 13, as most recently amended by section 3 of chapter 428 of the acts of 1990, and inserting in place thereof the following section:-

Section 13. Notwithstanding the provisions of clause (5) of the first paragraph of section two and of clauses (a) to (g), inclusive, of the third paragraph of section three of chapter one hundred and twenty-eight A of the General Laws during the calendar years nineteen hundred and ninety-two through nineteen hundred and ninety-five, licenses to conduct racing meetings shall only be issued under the following conditions:-

(a) no license shall be issued for more than an aggregate of two hundred and seventy-five days in any one year at all running horse racing meetings combined, not including running horse racing meetings held in connection with state or county fairs; provided, however, that up to two hundred days may be awarded in Suffolk county only; provided, further, that up to seventy-five days may be awarded in Norfolk county only.

(b) no license shall be issued for more than an aggregate of one hundred and twenty-five racing days in any one year at all harness horse racing meetings combined, including harness horse racing meetings at state or county fairs.

(c) no license shall be issued for more than an aggregate of one thousand one hundred and ninety racing days in one year at all dog racing meetings combined, excluding dog racing meetings conducted at a racetrack owned and operated by a state or county fair in Essex county; provided, however, that two hundred and ten such days may be awarded only for racing in Hampden county during the period between the fifteenth of April and the twenty-first day of October, and five hundred and twenty of the remaining such days may be awarded only in Bristol county; provided, further, that the remaining four hundred and sixty days may be awarded only in Suffolk county; provided, further, that up to sixty additional days may, in the discretion of the commission, be awarded only in Suffolk county; provided, further, that in addition to the total number of racing days provided above the commission may issue a license for an additional sixty days of racing in

EXHIBIT “B”

proposed tribal gaming development. The governing body in the host community shall coordinate with the tribe to schedule a vote for approval of the proposed gaming establishment upon receipt of a request from the tribe. The governing body of the host community shall call for the election to be held not less than 60 days but not more than 90 days from the date the request was received.

(d) A compact negotiated and agreed to by the governor and tribe shall be submitted to the general court for approval. The compact shall include a statement of the financial investment rights of any individual or entity which has made an investment to the tribe, its affiliates or predecessor applicants of the tribe for the purpose of securing a gaming license for that tribe under its name or any subsidiary or affiliate since 2005.

(e) Notwithstanding any general or special law or rule or regulation to the contrary, if a mutually agreed-upon compact has not been negotiated by the governor and Indian tribe or if such compact has not been approved by the general court before July 31, 2012, the commission shall issue a request for applications for a category 1 license in Region C pursuant to chapter 23K of the General Laws not later than October 31, 2012; provided, however, that if, at any time on or after August 1, 2012, the commission determines that the tribe will not have land taken into trust by the United States Secretary of the Interior, the commission shall consider bids for a category 1 license in Region C under said chapter 23K.

SECTION 92. Notwithstanding section 2 of chapter 128A of the General Laws and sections 1, 2 and 2A of chapter 128C of the General Laws or any other general or special law, rule or regulation to the contrary, the greyhound meeting licensee located in Bristol county and the greyhound meeting licensee located in Suffolk county licensed to conduct live racing pursuant to said chapter 128A and simulcast wagering pursuant to said chapter 128C in calendar year 2009, shall remain licensed as greyhound racing meeting licensees until July 31, 2014; provided, however, that the days between January 1 and December 31 of each year shall be dark days pursuant to said chapter 128C and the licensees shall continue to be precluded from conducting live racing during that period and as provided in chapter 388 of the acts of 2008; provided further, that all simulcasts shall comply with the Interstate Horse Racing Act of 1978, 15 U.S.C. Sec. 3001 et seq. or other applicable federal law; provided further, that all simulcasts from states which have racing associations that do not require approval in compliance with the Interstate Horse Racing Act of 1978, 15 U.S.C. Sec. 3004 (a) (1) (A), except simulcasts during the month of August, shall require the approval of the New England Horsemen's Benevolent & Protective Association prior to being simulcast to a racing meeting licensee within the commonwealth; and provided further, that if the association agrees to approve the simulcast for 1 racing meeting licensee, it shall approve the simulcast for all otherwise eligible racing meeting licensees.

SECTION 93. (a) There shall be established and set up on the books of the commonwealth a Gaming Licensing Fund which shall receive all category 1 or category 2 licensing fees, with the exception of initial application fees, collected from applicants in receipt of a category 1 or category 2 license under chapter 23K of the General Laws. The fund shall expire on December 31, 2015. The commission shall be the trustee of the fund and shall transfer monies in the fund as follows;

- (1) 10 per cent to the Community Mitigation Fund established in section 61 of chapter 23K of the General Laws;
- (2) 14.5 per cent to the Transportation Infrastructure and Development Fund established in section 62 of chapter 23K of the General Laws;
- (3) 11 per cent to the Local Capital Projects Fund established in section 2EEEE of chapter 29 of the General Laws;
- (4) 13 per cent to the Manufacturing Fund established in section 98;
- (5) 17 per cent to the Community College Fund established in section 99;

- (6) 1.5 per cent to the Massachusetts Tourism Fund established in section 35J of chapter 10 of the General Laws;
- (7) 23 per cent to the Healthcare Payment Reform Fund established in section 100;
- (8) 5 per cent shall be remitted to the comptroller for deposit into the Local Aid Stabilization Fund established in section 2CCCC of chapter 29 of the General Laws; and
- (9) 5 per cent shall be remitted to the Race Horse Development Fund established in section 60 of chapter 23K of the General Laws.

(b) Upon receipt by the Massachusetts gaming commission of license fees from licensees, interim transfers and payments shall be made on a pro rata basis from the Gaming Licensing Fund as provided in clauses (1) and (2) of subsection (a); provided, however, that no transfer or payment under said clauses (1) and (2) of said subsection (a) shall occur until the fund reimburses \$20,000,000 to the Commonwealth Stabilization Fund as required by subsection (c) of section 94.

SECTION 94. (a) Within 30 days after the effective date of this act, the comptroller shall transfer \$15,000,000 from the Commonwealth Stabilization Fund established in section 2H of chapter 29 of the General Laws to the Massachusetts gaming commission for the start-up and operational costs of implementing chapter 23K of the General Laws.


(b) Within 10 days after the effective date of this act, the comptroller shall transfer \$5,000,000, from the Commonwealth Stabilization Fund established in section 2H of chapter 29 of the General Laws to the General Fund.

(c) Upon receipt by the Massachusetts gaming commission of sufficient license fees from licensees under chapter 23K of the General Laws, the commission shall transfer \$20,000,000 to the Commonwealth Stabilization Fund established in section 2H of chapter 29 of the General Laws.

SECTION 95. Notwithstanding any general or special law to the contrary, in the second fiscal year in which a deposit is made into the Gaming Local Aid Fund under subclause (e) of clause (2) of section 59 of chapter 23K the General Laws, the commission shall transfer from the Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 3.125 per cent of the gross gaming revenue received from a category 1 establishment. In the third fiscal year in which a deposit is made into the Gaming Local Aid Fund under said subclause (e) of said clause (2) of said section 59 of said chapter 23K, the commission shall transfer from the Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 6.25 per cent of the gross gaming revenue received from a category 1 establishment. In the fourth fiscal year in which a deposit is made into the Gaming Local Aid Fund under said subclause (e) of said clause (2) of said section 59 of said chapter 23K, the commissioner shall transfer from Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 9.375 per cent of the gross gaming revenue received from a category 1 establishment. In the fifth fiscal year in which a deposit is made into the Gaming Local Aid Fund under said subclause (e) of said clause (2) of said section 59 of said chapter 23K and in all subsequent fiscal years, the commission shall transfer from the Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 12.5 per cent of the gross gaming revenue received from a category 1 establishment.

SECTION 96. The governing body of a host community which has accepted chapter 43D of the General Laws shall file a proposal with the interagency permitting board to designate the site proposed for a category 1 establishment as a priority development site. In a community which has not accepted said chapter 43D, the planning board shall designate a local permitting ombudsman, who shall be a planning board member of the host community or a

EXHIBIT “C”



THE 189TH GENERAL COURT OF
THE COMMONWEALTH OF MASSACHUSETTS

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CHAPTER 23K	THE MASSACHUSETTS GAMING COMMISSION <i>se fee or tax; penalties.</i>	PREV NEXT
Section 60	Race Horse Development Fund	PREV NEXT

Section 60. (a) There shall be established and set up on the books of the commonwealth a Race Horse Development Fund to be administered by the commission. The fund shall consist of monies deposited under subsection (c) of section 55. The commission shall make distributions from the Race Horse Development Fund to each licensee under chapter 128A.

(b) There shall be a horse racing committee consisting of 5 members, 1 of whom shall be the governor or the governor's designee who shall serve as chair, 1 of whom shall be the treasurer and receiver general or the treasurer's designee, 1 of whom shall be the chair of the commission or the chair's designee, 1 of whom shall be appointed by the New England Horsemen's Benevolent & Protective Association and the Massachusetts Thoroughbred Breeding Program and 1 of whom shall be appointed by the Harness Horseman's Association of New England and the Massachusetts Standardbred Breeding Program. The horse racing committee shall make recommendations on how the funds received in subsection (a) shall be distributed between thoroughbred and standardbred racing facilities to support the thoroughbred and standardbred horse racing industries under this section. In making its recommendations, the committee shall consider certain criteria including, but not limited to: (i) the average purses awarded at thoroughbred and standardbred racing facilities; (ii) the total employment numbers, both direct and indirect, attributable to each horse racing industry; (iii) the relative needs of each horse racing industry for increased purses; (iv) the amount of the live racing handle generated by each horse racing industry; and (v) the number of breeding and training farms of each industry that are located in the commonwealth. The committee shall submit distribution recommendations to the clerks of the senate and house of representatives not later than 30 days before submitting the recommendations to the commission for final approval. The commission shall only change the distribution percentage upon a recommendation by the committee.

(c) Funds received from the Race Horse Development Fund shall be distributed between thoroughbred and standardbred accounts, as approved by the commission, as follows:

(i) 80 per cent of the funds approved by the commission shall be deposited weekly into a separate, interest-bearing purse account to be established by and for the benefit of the horsemen; provided, however, that the earned interest on the account shall be credited to the purse account; and provided further, that licensees shall combine these funds with revenues from existing purse agreements to fund purses for live races consistent with those agreements with the advice and consent of the horsemen;

(ii) 16 per cent of the funds approved by the commission shall be deposited as follows: (A) for a thoroughbred track, into the Massachusetts Thoroughbred Breeding Program authorized by the commission; or (B) for a standardbred track, into the Massachusetts Standardbred Breeding Program authorized by the commission;

(iii) 4 per cent shall be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at a horse racing facility for the benefit of the organization's members, their families, employees and others under the rule and eligibility requirements of the organization, as approved by the commission; provided, however, that this amount shall be deposited within 5 business days of the end of each month into a separate account to be established by each respective horsemen's organization at a banking institution of its choice; and provided further, that of this amount, the commission shall determine how much shall be paid annually by the horsemen's organization to the thoroughbred jockeys or standardbred drivers organization at the horse racing facility for health insurance, life insurance or other benefits to active and disabled thoroughbred jockeys or standardbred drivers under the rules and eligibility requirements of that organization.

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