

DEPARTMENT OF AGRICULTURE
Delaware Standardbred Breeders' Fund Program
Statutory Authority: 29 Delaware Code,
Sections 4815(b)(3)b.2.D. 29 & 8103 (8)
(29 Del.C. §§ 4815(b)(3)b.2.D.29, 8103 (8))

FINAL

ORDER

I. Nature Of Proceedings

Pursuant to its authority under 29 **Del.C.** §§4815(b)(3)b.2.D and 10115 the State of Delaware, Department of Agriculture, Standardbred Breeder's Fund (the "Fund") proposed to amend its regulations concerning the Fund's enforcement powers and also to substantially revise its regulations by specifically setting forth the powers and duties of the Fund's Administrator, eliminating the Delaware Harness Racing Commission from the hearing process for resolving disputes between horse owners, horse lessees, their agents and the Fund's Administrator substituting in its stead a public hearing before the Fund, and providing for appeals from the Fund's decisions to the Superior Court of the State of Delaware.

The Fund solicited written comments by the public in the Delaware *Register of Regulations* for June 1, 2004 as well as in two Delaware newspapers in general circulation in accordance with 29 **Del.C.** §10115. This is the Fund's Decision and Order adopting the proposed amended regulations.

II. Public Comments

The Fund received no written comments within the 30-day public comment period in response to its notice of intention to adopt the proposed amended regulations.

III. Findings And Conclusions

The public was given the required notice of the Fund's intention to adopt the proposed amended regulations and was given ample opportunity to provide the Fund with written comments opposing the Fund's plan. Thus, the Fund concludes that its consideration of the proposed amended regulations was entirely within its prerogatives and statutory authority and, having received no comments opposed to adoption, is now free to adopt them.

IV. ORDER

AND NOW, this 2nd day of July, 2004 it is hereby ordered that:

1. The proposed amendments to the Fund's regulations are adopted;
2. The text of the regulations shall be in the form attached hereto as Exhibit A;
3. The effective date of this Order is ten days from the date of its publication in the Delaware *Register of Regulations* in accordance with 29 **Del.C.** §10118(e); and
4. The Fund reserves to itself the authority to issue such other and further orders concerning its practices and procedures as may be just and proper.

IT IS SO ORDERED.

David Singleton	Michael Scuse
James Vaughn	William Oberle (by
William Chasanov, Esquire	Tom Cook)
Gloria Myers	Charles Lockhart
Garret O'Marrow	Pete Geldof
Robert Kinsey	Andy Markano

1.0 Introduction

1.1 These regulations are authorized pursuant to §4815(b)(3)b.2.D. of Title 29 of the Delaware Code, which

established in the State of Delaware a Delaware Standardbred Breeder's Program (herein "the Program") for:

- 1.1.1 Standardbred horses;
- 1.1.2 that are bred in a manner prescribed in Section 2.0 ~~herein~~;
- 1.1.3 that are the product of a registered Delaware stallion;
- 1.1.4 ~~who~~ that are registered, and whose sire is registered, with the Administrator of the Program ~~as such~~;

and,

- 1.1.5 listed in their registry books.

1.2 Those horses eligible to race under said Delaware Standardbred Breeder's Program shall be any foal of any registered Delaware stallion standing at a Delaware breeding farm and either owned by a resident of the State of Delaware or owned by a non-resident who holds a lease for a period of the breeding season and will stand the stallion for that full season on a Delaware breeding farm. A copy of any such lease shall be filed with the United States Trotting Association, the Administrator of the Breeder's Program, and the Delaware Harness Racing Commission.

1.3 The Board of the Delaware Standardbred Breeder's Program (herein "the Board") is authorized to do all that is reasonable and necessary for the proper administration of the Program and shall prepare, issue and promulgate rules and regulations providing for:

- 1.3.1 Classes and divisions of races, eligibility of horses and owners therefor and purses and bonuses to be awarded;
- 1.3.2 Nominating, sustaining and entry fees on horses and races;
- 1.3.3 Such temporary programs including eligibility of horses, breeding, and other matters as may be necessary to make the Program operable as soon as possible;
- 1.3.4 Registration and certification of Delaware stallions, mares bred to such stallions and foals produced thereby; and,

1.3.5 Such other matters as the board determines to be necessary and appropriate for the proper administration and implementation of the Program.

1.4 The funds for the Program ~~pursuant to §4815(b)(3) of Title 29 of the Delaware Code~~ and any nominating, sustaining, and declaration fees provided for herein shall be administered by the Delaware Department of Agriculture by deposit in a trust account entitled Delaware Standardbred Breeders' Fund. The Board shall approve an annual budget including the payment of purses and awards, cost of administration, reimbursement of expenses of members of the Board, promotional expenses, and any other appropriate expenses. The budget shall be administered by the Secretary of Agriculture or his designee in consultation with the Board in a manner consistent with ~~the~~ state laws and procedures. A report shall be prepared and filed annually by the Secretary of Agriculture with the Delaware Harness Racing Commission and the Board setting forth an itemization of all deposits to and expenditures from said fund.

1.5 Races ~~for~~ in the Program shall be contested at each licensed harness track in the State of Delaware. ~~Said races and purses and awards awarded, therefore, for program races, shall be pursuant to in compliance~~ with the rules and regulations of the Board ~~hereunder~~, and the Delaware Harness Racing Commission.

1.6 The Board can propose to amend these regulations ~~through a~~ by the affirmative vote of ~~2/3 majority of the entire board~~ eight of its eleven members. Changes to the rules of eligibility for the Program will be effective at the beginning of the next breeding season and the corresponding racing season.

2.0 Definitions.

The following words and terms, when used in this part for ~~the~~ purposes of the Delaware Standardbred Breeder's Fund Program, have the following meanings, unless the context clearly indicates otherwise. Such definitions shall not affect the use of that term by the Delaware Harness Racing Commission for purposes other than for the Breeder's Fund Program.

"Bred" means any form of insemination inside the State of Delaware by a Delaware sire, including insemination using semen transported within the State of Delaware, provided that such semen is not frozen or desiccated in any way or at any time. Bred shall also refer to foals of mares bred outside the State of Delaware by a Delaware sire through interstate semen transportation when such semen is not frozen or desiccated in any way or at any time, provided that owners of mares that produce foals from Delaware sires eligible for this program that are bred through interstate semen transportation shall not be eligible for bonuses paid to owners of mares under the Delaware Standardbred Breeder's Program set forth in Section 4.0 herein. A foal conceived through embryo transplantation is not eligible for nomination to the Delaware Standardbred Breeder's Program under any circumstances.

"Breeder" means the owner of the dam at the time of breeding through foaling.

“Breeding Season” is the season during which reproduction occurs and which runs from February 1st to August 1st of the calendar year.

“Delaware-bred horse” is a Standardbred by a Delaware sire and registered with the ~~Harness Racing Commission and Administrator of the Program~~ provided that for the purposes of determining eligibility for race years 2002 and 2003 Delaware-bred horses shall also include any foal of a 100% wholly owned mare at the time of breeding through foaling by a Delaware resident registered with the Harness and Administrator of the Program by August by May 15th of the yearling year.

“Delaware resident” is as defined in §10032 of Title 3 of the Delaware Code.

“Delaware sire” is a Standardbred stallion that regularly stands for a breeding season in Delaware, does not compete for purses during that period, and is registered with the ~~Harness Racing Commission and Administrator of the Program~~. A Delaware sire may be: a) owned by a resident of the state of Delaware and standing the entire breeding season in the state of Delaware; or b) owned by a resident of a state other than Delaware, but standing the entire breeding season in Delaware, verified by a copy of a lease filed with the Administrator of the Program ~~and the Harness Racing Commission~~ at the time of registration for the Program as provided in section 1.1 above; or c) owned jointly by a resident (or residents) and non-resident (or non-residents) of Delaware and standing the entire breeding season in Delaware with the same lease requirements as in b) above.

“Private Treaty” No stallion participating in the Program may be offered for service under private treaty. Each stallion registered in the Program must make public the ~~maximum possible~~ breeding fee.

~~Such definitions shall not affect the use of that term by the Delaware Harness Racing Commission for purposes other than for the Program.~~

“Registrant” is a horse owner, the horse owner’s agent of record or trainer of record, or the lessee of a horse.

6 DE Reg. 1497 (5/1/03)

3.0 Eligibility for Delaware-bred races.

~~3.1 To be eligible for races under the Program for race years 2002 and 2003, a horse, which shall be registered with the Administrator and Commission by August 15th of its yearling year, shall be: 1) the product of a 100% wholly owned mare at the time of breeding through foaling by a Delaware resident, which mare shall be registered with the Administrator and Commission by August 15, 2000 for the breeding seasons of 1999 and 2000 and by August 15th 2001 for the breeding season of 2001; and/or, 2) the product of a Delaware sire, which sire shall be registered with the Administrator and Commission by March 1, 2000 for the breeding seasons of 1999 and 2000 and by August 15, 2001 for the breeding season of 2001.~~

3.21 To be eligible for races under the Program for race year 2004, the horse shall be a Delaware sired 2-year old registered with the Administrator ~~and Commission~~ by August May 15th of its yearling year or a 3-year old product of a 100% wholly owned mare at the time of breeding through foaling by a Delaware resident, which mare shall have been registered with the ~~Administrator and Commission~~ Department of Agriculture by August 15, 2000 for the breeding season of 1999 and 2000 and by August 15, 2001 for the breeding season of 2001 or a 3-year old product of a Delaware sire, which sire shall have been registered with the Administrator and Commission by March 1, 2000 for the breeding seasons of 1999 and 2000 and by August 15, 2001 for the breeding season of 2001. by March 1, 2000 and said 3-year old registered with the Administrator by May 15th of its yearling year.

3.32 To be eligible for races under the Program for race year 2005 and thereafter, the horse shall be a Delaware sired 2 or 3- year old registered with the Administrator ~~and Commission~~ by August May 15th of its yearling year.

4.0 Eligibility of breeders for bonus payments.

Bonus payments of eight percent (8%) of money earned in the Program by ~~the~~ a foals shall be paid to the owner of the mare at the time of breeding that is bred to Delaware sires to produce that foal. Bonus payments of two percent (2%) of money earned in the Program by the foals shall be paid to owners of stallions standing in Delaware. In order for a Delaware-bred horse to be eligible to earn an award for its breeder, in a race conducted by a licensed harness race track in Delaware, the foals, mares, and stallions shall be registered in accordance with these regulations with the ~~Harness Racing Commission and Administrator of the Breeder's Program~~ prior to entry for the race. In race year 2002, bonus payments shall be restricted to 2 year olds. For race years 2003 and thereafter, bonus payments shall not exceed \$70,000 per crop of foals. In the event such payments would exceed these limits, owners eligible for bonus payments shall receive a prorated share of those monies allocated toward the payment of bonus payments.

5.0 Eligibility of owners of Delaware sires for awards.

In order for a Delaware sire to be eligible to earn an award for its owner, the sire shall have been registered as a sire of Delaware with the ~~Harness Racing Commission~~ and Administrator of the Breeder's Program during each breeding season when the sire inseminated the dams that, as a result of that insemination, produced Delaware-breds. To be eligible for a sire award, it is necessary that the foal entitling the sire owner to the award be itself registered in accordance with these regulations.

6.0 Records of registration.

Foals and sires eligible for registration shall be registered on official registration forms approved by the ~~Harness Racing Commission~~ and maintained by the Administrator of the Program. The ~~registrar~~ Administrator shall certify thereon the name and address of the Owner, ~~breeder, farm where mare was inseminated, farm on which this horse was foaled, owner of stallion at time the mare was inseminated, owner of the mare at the time of breeding, notice of semen transfer, stallion by which the mare was inseminated following the birth of the Standardbred to be registered, breeder social security or tax identification number, United State Trotting Association registration number, name of foal, color and sex of foal, date of foaling, sire, dam, sire of the dam, signature of the owner, or breeder or authorized representative and the date of application.~~ The registration record shall be maintained at the Administrator of the Program and be open to public inspection during normal business days and hours at the State Department of Agriculture. Immediately upon completion and filing of the form, the Administrator of the Program shall cause a correct copy of it to be filed with the offices of the State Department of Agriculture. or agent, social security number and or tax id number. If registration is made by an agent, the name and address of the owner and social security number and or tax id number shall also be provided. Breeding information must include name, color, sex, gait, sire, and dam. For sires, the address and contact information for the breeding farm where the stallion will be collected, and current phone number, address and contact information for where the stallion actually resides, if different from where semen collection occurs. The registration records shall be maintained by the Administrator of the Program and be open to public inspection during normal business days and hours at the State Department of Agriculture. Immediately upon completion and filing of the form, the Administrator of the Program shall cause a correct copy of it to be filed with the offices of the State Department of Agriculture.

7.0 Appeals Duties and Powers of the Fund Administrator; Public Hearings; Appeals.

A person having an interest in a matter concerning the registration of a horse in the Breeder's Program shall have the right to file objections or exceptions to a registration and to the facts set forth therein within 30 days of the filing of the copy of the registration with the Administrator and the Delaware Harness Racing Commission. The objections or exceptions shall be filed in writing with the Administrator of the Breeder's Program and a duplicate delivered to the Harness Racing Commission within the 30-day time period. An interested party aggrieved of an action taken by the Administrator may appeal to the Commission in the manner prescribed for appeals. The Commission shall hear and determine an appeal de novo. In the absence of objections or exceptions timely made, a registration shall be deemed final and binding and an official record of the Commission at the expiration of the 30th day of the delivery to the Commission. The Commission shall thereafter have the right on its own motion to correct an error or inaccuracy that it may find within the records.

7.1 In addition to the duties of the Fund's Administrator that are set forth elsewhere in these regulations, the Administrator is charged with receiving and reviewing for compliance with all rules and regulations of the Fund, information submitted by registrants who are seeking to register or renew the registration of horses for participation in the Program.

7.2 If, after performing the review set forth in the immediately preceding section, the Administrator determines, in his or her sole discretion, that the information supplied by a registrant is incomplete or false, the Administrator has the power to: deny any application for registration; deny an application to renew an existing registration; and to suspend or revoke an existing registration.

7.3 The Administrator must provide the registrant with a written decision explaining the reason(s) why the registration, or application for renewal of registration, has been denied, suspended or revoked. Such written decision shall inform the registrant of the right to file a request for an administrative hearing before the Fund. Such a request for a hearing shall be considered timely filed with the Fund if it is received by the Fund within ten (10) days of the date the Administrator mails his or her written decision to the registrant. Such a request for a hearing challenging the Administrator's written decision must state with specificity the ground(s) upon which the Administrator's written decision is being contested.

7.4 No more than thirty (30) days after receiving a registrant's request a public hearing before the Fund will be

scheduled and at which the registrant will be permitted to subpoena, call and cross-examine witnesses, and to introduce documentary evidence challenging the Administrator's decision. The formal rules of evidence will not apply to such proceeding. The proceeding will be conducted in such a way as to allow for the creation of a verbatim transcript of the proceeding should either party wish to obtain one, the cost of such a transcript to be born by the requestor.

7.5 The Fund will, after considering all the evidence, and within thirty (30) days from the close of the public hearing, mail a written decision to the Administrator of the Fund and to the registrant stating its Findings of Fact and Conclusions of Law. An appeal from the decision by the Fund will be to the Superior Court of the State of Delaware on the record made before the Fund.

8.0 Records of expenses.

The Administrator of the Breeder's Program shall maintain a complete record of reasonable and necessary expenses and will submit quarterly estimates to the Board and the Secretary of Agriculture, on the basis of which the Secretary may disburse advances. The quarterly estimated statements of expenses and advances shall be reconciled annually with a certified statement of expenses to be prepared by an auditor approved in advance by the Board. The Board may thereafter review them and after approval of allowable items shall then reimburse the Administrator of the Program for the expenses the Board finds reasonable and appropriate to this program. If advances on account of expenses exceed actual expenses as approved at the end of a given year, the excess shall be deemed disbursed on account of the ensuing year's expenses. bills to the Department of Agriculture following the normal procedures of the State of Delaware as set forth by the Finance Department within the Department of Agriculture. The Secretary of Agriculture has the responsibility to authorize all travel and major purchases.

9.0 Purses and Bonus Awards

9.1 A purse or bonus awarded under this section shall be in accordance with the standards for purses at each racing meet as approved by order of the Commission. The racing association shall maintain a separate ledger of such purses and bonuses and shall transmit a certified copy of allowances, bonus payments, and purses made no later than the 10th day of each month of the meet to the Commission. After the Commission has reviewed and approved them, it shall reimburse the racing association for the advances made which the Commission finds proper. The Administrator shall send a confirmation to the Department of Agriculture on a race week basis which will state the amount owed for purses of the Program.

9.2 Administrator of the Program shall compile awards bonus payments earned by breeders ~~and owners~~ of Delaware Sires and Dams and maintain a separate ledger of them. ~~A certified report of awards earned shall be forwarded to the Commission on a monthly basis during the racing season. The list of awards will be forwarded to Administrator of the Program who shall ensure payment to the awardees subject to approval by the Commission.~~ Bonus payments will be paid out at the end of the racing year. For race years 2003 and thereafter, bonus payments shall not exceed \$70,000 per crop of foals. In the event such payments would exceed these limits, owners eligible for bonus payments shall receive a prorated share of those monies allocated toward the payment of bonus payments.

9.3 A person interested in the ~~awards, allowances, prizes and purses~~ bonus payments and objecting to the calculations or determinations thereof as shown on the records of the Administrator of the Program ~~and the Harness Racing Commission~~ shall be responsible for taking written appeals to the ~~Commission~~ Board in the manner provided for appeals from the decisions of the Administrator pertaining to registrations.

9.4 ~~The Board will have the right to review and approve fees and charges imposed by the Administrator or the Program. The charge or fee may not be imposed without prior approval by the Board.~~

9.54 Records, funds and accounts of funds, and prizes, purses, ~~allowances and awards~~ under this program shall be maintained separate from other records, funds, and accounts and may not become co-mingled with other matters. The records, funds, and accounts shall be kept continuously open for inspection by the Administrator of the Program.

10.0 Responsibilities-Owners or lessees of standardbred stallions and mares

10.1 An owner or lessee of a standardbred stallion who desires to use him for breeding purposes and to have him qualify for the Program, shall register the stallion by December 1st of the approaching breeding season with the ~~Delaware Harness Racing Commission and Administrator of the Program~~ or by January 1st of the approaching breeding season with an additional supplemental fee equal to the standard registration fee. ~~For breeding season 1999 and 2000, an owner or lessee of a Standardbred stallion who desires to use him for breeding purposes and to have him qualify for the Program, shall register the stallion by March 1, 2000.~~ Unless the stallion is contracted to stand at stud in the southern hemisphere, the stallion shall stand in the State of Delaware for the remainder of the breeding season.

If a stallion is contracted to stand at stud in the southern hemisphere, a copy of said contract must be provided to the Administrator of the Program ~~and the Harness Racing Commission~~ at the time of application for eligibility registration in the Program, in the event the contract is entered into at a subsequent date, within ten (10) days of entering into the contract. A virgin Standardbred stallion entering stud service for the first time shall be registered prior to his first breeding and shall stand in the State of Delaware the remainder of the breeding season, unless he is contracted to stand at stud in the southern hemisphere. A stallion shall be registered on an application ~~for Standardbred stallion certificate for eligibility~~ established by the Administrator of the Program. ~~in consultation with the Harness Racing Commission.~~

10.2 An owner or lessee of a standardbred stallion eligible for the Program shall designate a resident of Delaware as the authorized agent who shall be responsible for the registrations and records ~~of the farm; of the stallion and the records of the breeding farm;~~ and complying with the requirements of the Program. The "Authorized Agent" ~~form shall be filed with information shall be incorporated into~~ the Stallion registration form and filed as such.

~~10.3 In order for foals of 100% wholly owned mares at the time of breeding through foaling by a Delaware resident to be eligible for races under the Program for race years 2002 and 2003, said mares shall be registered with the Administrator and Commission by August 15, 2000 for the breeding seasons of 1999 and 2000. No fee shall be charged for registering said mare.~~

10.3 No stallion participating in the Delaware Standardbred Breeder's Program may be offered under private treaty. Each stallion registered in the Delaware Standardbred Breeder's Program must make public the maximum possible breeding fee.

11.0 Sire Registration Fees

11.1 Sires shall initially register for the Program no later than December 1st of the approaching breeding season, or no later than January 1st with an additional supplemental registration fee equal to the regular stallion registration fee. ~~For sires registering in breeding season 2000, sires shall initially register for the Program no later than March 1, 2000.~~

11.2 All fees must accompany the registration and must be submitted by registered or certified mail.

11.3 Registration fees for the Program are non-refundable.

11.4 Sire registration fee for a Standardbred stallion shall be \$500.00. ~~Sire registration for those sires standing in the State of Delaware and registering for breeding seasons prior to 2001 in accordance with these regulations shall be charged a single fee of \$250. The supplemental registration fee shall be \$1,000.00.~~

11.5 The annual stallion registration fees may be used to offset reasonable expenses related to administering and promoting the Program. Any fees beyond reasonable expenses shall be invested in the endowment account of the Program.

~~11.6 The annual stallion registration fee may be used to offset reasonable expenses related to administering and promoting the Program. Any fees beyond reasonable expenses shall be invested in the endowment account of the Program. An owner of a Standardbred stallion registered with the Administrator and Commission shall submit by December 1st of each year the stallion registration fee, or January 1st with the supplemental fee provided in section 10 above and a report for each stallion that states each mare bred by said stallion during the preceding twelve (12) months. For breeding seasons prior to breeding season 2001, an owner of a Standardbred stallion registered with the Administrator and Commission shall submit by March 1, 2000 the stallion registration fee of \$250 and any other documentation required by the Administrator and Commission to verify where the stallion stood during the period for which the stallion or its progeny seek to register. An owner of a Standardbred stallion registered with the Administrator shall submit by September 1st after the breeding season which the stallion serviced mares a copy of the USTA "Mares Bred Report."~~

12.0 Sire Renewal Fees

12.1 The registration of a stallion that remains in the state for more than one (1) breeding season shall be renewed annually.

12.2 The annual renewal fee for registration of stallions to the Delaware Standardbred Breeders' Fund Program shall be \$500.

~~12.3 The annual stallion registration fee may be used to offset reasonable expenses related to administering and promoting the Delaware Standardbred Breeder's Program. Any fees beyond reasonable expenses shall be invested in the endowment account of the Delaware Standardbred Breeder's Program. An owner of a standardbred~~

stallion registered with the Administrator and Commission shall submit by December 1st of each year the stallion registration fee and a report for each stallion that states each mare bred by said stallion during the preceding twelve (12) months.

13.0 Penalties and Suspension from the Program

13.1 If an owner or a lessee of a registered stallion fails to furnish information the Administrator of the Breeder's Program has requested relating to the registration or renewal of registration of a horse, the Administrator of the Breeder's Program shall:

13.1.1 Suspend or deny the registration of the stallion; and

13.1.2 Schedule a hearing within thirty days of the denial or suspension.

13.1.2.1 After the hearing, the Administrator of the Breeder's Program shall determine within ten working days whether the failure to furnish information was willful; and:

13.1.2.1.1 Suspend the registration; or

13.1.2.1.2 Rescind its suspension of the registration; or

13.1.2.1.3 Deny or revoke the registration; or

13.1.2.1.4 Deny or revoke the registration; and bar from further registration, horses owned by the person who executed the application containing false or misleading information.

13.1.2.2 If the Administrator of the Breeder's Program determines that a registration is incorrect, or an application for registration, renewal of registration, or transfer of a registered stallion contains false or misleading information, the Administrator shall:

13.1.2.2.1 Suspend or deny the registration of the stallion; and

13.1.2.2.2 Summon the person who executed the application, and any person who has knowledge relating to the application, to appear before the Administrator at a hearing;

13.1.2.3 After the hearing, the Administrator of the Breeder's Program shall determine within ten working days whether the person knew or had reason to know that the information was false or misleading, and:

13.1.2.3.1 Rescind its suspension or denial of the registration; or

13.1.2.3.2 Suspend, deny, or revoke the registration; or

13.1.2.3.3 Deny or revoke the registration; and bar from further registration, horses owned by the person who executed the application containing false or misleading information.

13.1.2.4 If a person summoned by the Administrator of the Breeder's Program fails to respond to the summons within ten working days, the Administrator of the Breeder's Program:

13.1.2.4.1 Shall suspend or deny the registration of the stallion;

13.1.2.4.2 Notify the person in writing of the action taken by the Commission; and

13.1.2.4.3 may deny or revoke the registration; and bar from further registration, horses owned by the person who executed the application containing false or misleading information.

13.2 Appeals

Appeals of decisions to deny or suspend registrations by the Administrator of the Breeder's Program may be appealed to the Delaware Harness Racing Commission within thirty days of the action by the Administrator of the Breeder's Program, subject to the same rules and procedures for handling appeals established for the Delaware Harness Racing Commission.

14.0 Races

14.1 13.1 The purses for all races, ~~including walkovers~~, under this Breeder's Program shall be distributed on the following percentage basis: 50-25-12-8-5. Walkovers receive 50 % of the purse. Points to qualify for the finals shall be distributed on the same percentage basis. In fields with more than five horses, places six through ~~nine~~ eight shall receive 4-3-2-4 points, respectively.

14.2 13.2 In the case of dead heats, points for the two positions shall be divided equally among those horses finishing in a dead heat. For example, if two horses finish in a dead heat for second, those horses would divide 25 plus 12 points to receive 18.5 percent of the purse or 18.5 qualifying points each. In the case of a tie in points, the fastest time in either elimination shall determine the horse eligible to enter the final. In the case of horses tied in points that have recorded identical times, the amount of the horses' lifetime earnings will decide the horse eligible to enter the final. In the case where points, times, and lifetime earnings are equal, the eligible horse shall be drawn by lot. All horses must start in one elimination in order to start in the final. All horses shall be on the gate in eliminations and the final.

14.3 13.3 The percentage basis established by subsection (1) of this section shall apply at each of the associations licensed by the Delaware Harness Racing Commission.

14.4 13.4 If circumstances prevent the racing of an event, and the race is not drawn, all stake payments shall

be refunded to the purse account of the Program.

~~14.5~~ 13.5 The monies provided for purses and bonus payments shall be distributed evenly between the races of each:

~~14.5.1~~ 13.5.1 Age:

~~14.5.2~~ 13.5.2 Sex: and

~~14.5.3~~ 13.5.3 Gait.

~~14.6~~ 13.6 ~~The minimum purses for elimination races for both pacers and trotters shall be \$5,000. The minimum purses for finals shall be \$30,000. Beginning in 2004, the minimum purse for elimination races for 2 and 3-year old trotters and pacers shall be \$15,000.00 and the finals shall be \$100,000.00.~~ The Board of the Program, pursuant to a recommendation from the Administrator of the Program may agree to increase purses should funds and other conditions permit, or decrease purses in the event of insufficient funds.

~~14.7~~ 13.7 No horse is eligible to declare unless it has at least one charted satisfactory performance line within 30 days of declaration and must meet the following qualifying standards:

2 Year-Olds		3 Year-Olds	
Pacers	Trotters	Pacers	Trotters
2:10	2:14	2:06	2:12

~~14.8~~ 13.8 Horses that meet the qualifying standards for a preliminary leg at each racetrack are qualified for subsequent legs and the final at that racetrack.

~~14.9~~ 13.9 The Administrator of the Program shall be responsible for races conducted under the Program and shall ensure that:

~~14.9.1~~ 13.9.1 each track declares the time specified for races under this program by proper notice and racing dates are issued for sires stakes after the track's race dates are set.

~~14.9.2~~ 13.9.2 entry for races run under the Program is required to be received by the Racing Office ~~by noon three days in advance of the scheduled race date in a box designated for this purpose.~~ at the date and time published on the track's condition sheet.

~~14.9.3~~ 13.9.3 The eligibility and class of all horses ~~running~~ participating in races is carefully screened.

~~14.9.4~~ 13.9.4 The Administrator, or his/her designee, is present for the ~~Judge's~~ race draw ~~by the Judges~~ for all races conducted under the Program.

6 DE Reg. 1497 (5/1/03)

~~14.10~~ Beginning in 2004, the minimum purse for elimination races for 2-year old trotters and pacers shall be \$7,500.00 and minimum purse for finals shall be \$75,000.-

~~14.11~~ Beginning in 2005, the minimum purse for elimination races for 2 and 3-year old trotters and pacers shall be \$7,500.00 and minimum purse for finals shall be \$75,000.00.

7 DE Reg. 497 (10/01/03)

~~15.0~~ 14.0 Nomination and Sustaining Payments

~~15.1~~ 14.1 Nomination and sustaining payments shall be made to the Program in U.S. Funds.

~~15.2~~ 14.2 A fee payment required by this section shall be postmarked no later than the date due that is specified for the fee by this section. If the date due is on a Sunday and/or a legal federal holiday which falls on a Saturday, payment is due by the following Monday. If the date due falls on a Monday that is a legal holiday, such payment is due on Tuesday. Payments made by commercial delivery services shall be treated the same as those made by letters bearing a postmark.

~~15.3~~ 14.3 Beginning with the yearlings of 2001, the yearling nomination fee shall be:

~~15.3.1~~ 14.3.1 Forty (40) dollars each; and

~~15.3.2~~ 14.3.2 Due by May 15th of the yearling year.

~~15.4~~ 14.4 A nomination shall be accompanied by a photocopy of the USTA registration certificate. Supplemental fees of \$25 shall be assessed if the USTA registration certificate does not accompany the nomination. No nomination shall be accepted where a USTA registration certificate is not obtained and submitted within 60 days of nomination to the Program.

~~15.5~~ 14.5 If the May 15th deadline to nominate a yearling is missed, a late supplemental payment of \$350 shall be required. The late supplemental payment shall be accepted if ~~(a)~~ it is received by ~~April 1~~ March 15th of the two (2) year old year; ~~and (b) the two (2) year old Marefn 15th payment has been made.~~ This payment is in addition to the regular sustaining payment due on March 15th.

~~15.6~~ 14.6 Sustaining payments shall be as follows:

~~15.6.1~~ 14.6.1 Two(2) Year Old payments

March 15th-\$100.00(must be made to ensure eligibility as a three (3) year old;

May 15th-\$200.00;

Declaration Fee (for each track) \$500.00

~~15.6.2~~14.6.2 Three (3) Year Old payments.

March 15th-\$300.00

Declaration Fee (for each track) \$500.00

6 DE Reg. 1497 (5/1/03)

5 DE Reg. 1274 (12/1/01)

~~16.0~~ 15.0 Investment Plan and Use of Fees

~~16.1~~ 15.1 All proceeds received pursuant to §4815(b)(3)b.2.D of Title 29 of the Delaware Code, which established in the State of Delaware, a Delaware Standardbred Breeders' Program and any interest earned on these monies shall be invested in an endowment account until race year 2002.

~~16.2~~ 15.2 For race year 2002, five hundred thousand dollars (\$500,000) of the proceeds received pursuant to §4815(b)(3)b.2.D of Title 29 of the Delaware Code, which established in the State of Delaware, the Program and any interest earned on the endowment fund in the preceding (12) twelve months shall be deposited in a separate purse account for purses and bonuses for that race year. For race year 2002, one million five hundred thousand dollars (\$1,500,000) of the proceeds pursuant to §4815(b)(3)b.2.D of Title 29 of the Delaware Code, which established in the State of Delaware, the Program shall be deposited in the endowment account.

~~16.3~~ 15.3 For race year 2003, two million dollars (\$2,000,000) of the proceeds received pursuant to §4815(b)(3)b.2.D of Title 29 of the Delaware Code, which established in the State of Delaware, the Program and any interest earned on the endowment fund in the preceding (12) twelve months shall be deposited in a separate purse account for purses and bonuses for that race year.

~~16.5~~ 15.4 For race year 2004 and each race year thereafter, ~~two~~ three million dollars (\$3,000,000) of the proceeds received pursuant to §4815(b)(3)b.2.D of Title 29 of the Delaware Code, which established in the State of Delaware, the Program and any interest earned on ~~that money~~ the endowment fund in the preceding (12) twelve months shall be deposited in a separate purse account for purses and bonuses for ~~race year 2004 and for each year thereafter~~ that race year.

~~16.4~~ 15.5 Any monies from the purse account for the Program at the end of the race year shall revert to the endowment account of the Program.

8 DE Reg. 336 (8/1/04)