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“Puerto Rico Horse Racing Industry and Sport Act”

Act No. 83 of July 2, 1987 as amended,

(Contains amendments incorporated by:

Act No. 175 of August 12, 1988
Act No. 56 of August 11, 1994
Act No. 137 of December 14, 1994
Act No. 100 of June 25, 1998
Act No. 143 of July 3, 1999
Act No. 20 of January 5, 2002
Act No. 170 of August 11, 2002
Act No. 139 of June 5, 2004
Act No. 7 of January 18, 2006
Act No. 2 of February 5, 2008
Act No. 160 of November 30, 2009
[Act No. 199 of December 14, 2014](#)
[Act No. 81 of July 29, 2019](#))

(Amendments non-incorporated:

Act No. 185 of November 10, 2015 (*amended Arts. 12 and 31*)

To create the Puerto Rican Horse Racing Industry and Sport Administration; provide for its organization and functioning; establish its duties and powers and the procedures to be complied with for the implementation of this act; transfer personnel, functions, funds and powers; repeal Act No. 149 of July 22, 1960, as amended, known as the "Puerto Rico Racing Act", and to exempt the sum total of all the prizes produced by the various authorized wagers in horse racing from the payment of income taxes.

STATEMENT OF MOTIVES

Historically, the Horse Racing sport has been one of the favorite pastimes of the Puerto Rican people. Since the last century when it was a part of our religious celebrations as a wholesome entertainment, to the present, when it has become a sport, a game of chance and an industry, it is still the activity which Puerto Ricans most enjoy. These activities involve the use of land for the production of excellent native horses which have frequently shown their superior quality in international competitions, the creation of thousands of direct and indirect jobs for a large number of Puerto Rican families, and significant revenue for Puerto Rico's treasury.

At present, it is governed by a law and some regulations which, due to the lack of articulate revisions, are inadequate in view of the great changes that have occurred internationally in the horse racing sport.

Guided by the above criteria, the House of Representatives of Puerto Rico carried out an in-depth study of our racing sport which was used to draft this new Puerto Rican Horse Racing

Industry and Sport in tune with the needs and requirements indicated by the sectors that appeared at the public hearings held on the horse racing sport.

The Puerto Rican people keep this "sport-entertainment-industry" in a process of continuous expansion. The public policy of our government is to guarantee the purity of the sport, provide incentives for the various sectors that can and wish to contribute to the improvement of the horse racing sport, and offer high quality spectacles to the vast group of Puerto Rican fans, with every guarantee to keep our horse racing sport clean and reliable, and other measures that are needed to protect the investments of persons and entities that participate in various ways in the operations of the Puerto Rican horse racing sport.

Be it enacted by the Legislature of Puerto Rico:

Section 1. — Title. (15 L.P.R.A. § 198)

This act shall be known as “Puerto Rico Horse Racing Industry and Sport Act”.

Section 2. —Horse Racing Industry and Sport Administration. (15 L.P.R.A. § 198a)

The Puerto Rico Horse Racing Industry and Sport Administration and everything connected therewith shall be under the jurisdiction of the Government of Puerto Rico Gaming Commission in accordance with the ‘Government of Puerto Rico Gaming Commission Act.’

Section 3. — Definitions. (15 L.P.R.A. § 198b)

For the purposes of this Act, the terms listed below shall have the following meaning:

(1) **Off-track Betting Teller** — Means the independent contractor, whether a natural or a juridical person, designated by the Operator under contract and authorized by the Government of Puerto Rico Gaming Commission, through a license to operate one or more Off-track Betting Locations, to receive and pay bets as authorized under this Act and the regulations, orders, and resolutions adopted by the Government of Puerto Rico Gaming Commission.

(2) **Off-track Betting Location:** Means the place that with the previous approval of the contracting operating enterprise is used by a Horse Racing Agent to receive authorized bets.

(3) **Year** — Means a calendar year.

(4) **Agent** — Means the authorized representative of the horse owner, stud farm owner, or breeder, duly authorized through a notarized document, who holds a license issued by the Commission to carry out duties as the owner or breeder’s agent.

(5) **Bets** — Means those bets authorized by this Act, the Horse Racing Regulations, or the Government of Puerto Rico Gaming Commission, by order or resolution.

(6) **Restricted areas** — Means those areas within any entity under the jurisdiction of the Government of Puerto Rico Gaming Commission whose access is limited to persons that meet the specific requirements set forth in this Act, the Horse Racing Regulations, and any other regulations prescribed by the Government of Puerto Rico Gaming Commission.

- (7) **Parimutuel** — Means the place or places officially designated and approved by the Government of Puerto Rico Gaming Commission to place bets, collect and pay bets authorized within each licensed racetrack or approved location, and the betting system known by that name.
- (8) **Race** — Means a competition between horses for a prize, conducted in the presence of the officials of the Government of Puerto Rico Gaming Commission, pursuant to the applicable law and regulations in effect.
- (9) **Claiming race** — Means a race in which any horse entered therein may be claimed and purchased for a previously fixed sum by any race horse owner with a current license.
- (10) **Justified cause for removal** — Means negligence or manifest disability of a person to perform his/her duties or the commission of a felony or a misdemeanor entailing moral turpitude.
- (11) **Classic** — Means a race with an additional prize in which a special fee is required for the registration of horses.
- (12) **Commission** — Means the Government of Puerto Rico Gaming Commission.
- (13) **Natural condition of a horse** — Means that physical condition of a racehorse which has undergone no human intervention through internal or external means that change the natural state of the racehorse.
- (14) **Breeder** — Any natural or juridical person holding a license issued by the Commission to engage in the breeding of thoroughbred horses.
- (15) **Stable** — Means the structure where one or more barns, stalls, or boxes are located in a racetrack, and which are owned by the operator to be assigned for the use thereof.
- (16) **Multiple combination pool ticket** — Means the printed form on which the combination of pool bets are noted.
- (17) **Moral turpitude** — Means the state or condition of an individual constituted by an inherent lack of a sense of morality and rectitude whereby a person has lost his/her concern for the respect and safety of human life and everything he/she does is essentially evil, painful, fraudulent, immoral, vile in nature and harmful in its results.
- (18) **Trainer** — A natural person holding a license issued by the Commission to engage in the training of racehorses.
- (19) **Depressant or depressive** — Means any product, substance or medication that depresses a race horse.
- (20) **Day** — Means any period comprised between two (2) consecutive midnights.
- (21) **Race day** — means the period comprised between 12:01 o'clock in the morning and 12:00 midnight of the day on which races are held.
- (22) **Executive Director** — Means the Executive Director of the Government of Puerto Rico Gaming Commission
- (23) **Drug** — Means any product, substance, medication, pharmaceutical product, natural or compound preparation or combination of these, including all their metabolites, capable of stimulating, depressing or in any manner affecting or altering the natural condition of a horse.
- (24) **Owner** — Means any natural or juridical person holding a license issued by the Commission to be the bona fide owner of one or more racehorses. Likewise, a natural or juridical person may be the owner of a share of a racehorse; provided, that all of the owners of the racehorse hold a validly issued owner license. In the case of juridical persons, the chairman or at least one of the stockholders of the corporation shall hold a validly issued owner license and all of the owners of the

racehorse must be shareholders

(25) Daily double — Means a bet to pick the winners of two (2) races specifically designated for such a bet.

(26) Horse — Means a thoroughbred racehorse or colt of either sex.

(27) Operator — Means a natural or juridical person authorized by means of a license to operate a racetrack in Puerto Rico.

(28) Paddock — Means the place designated for saddling the horse.

(29) Public trainer — Means a person holding a license to train racehorses for one or more racehorse owners and who administers and operates a public stable as owner and who must meet all the applicable requirements of the Horse Racing Regulations, orders, and resolutions of the Commission.

(30) Private trainer — Means the trainer who receives a salary from the stable owner for exclusively training the horses of the latter.

(31) Entry — Means two (2) or more horses running in the same race that are owned by the same owner or owners and shall be considered for betting purposes, as prescribed by the Government of Puerto Rico Gaming Commission through regulations, order, resolution, or the Racing Plan.

(32) Barn — In a racetrack, means the stall or group of stalls in a stable assigned by the racetrack where the racehorses of one or more owners are lodged or stabled or trained by a public trainer

(33) Stimulant — Means any product, substance, or medication that stimulates a racehorse and that affects the normal or natural condition of the horse.

(34) Horse racing nuisance — Means a person declared as such by the Government of Puerto Rico Gaming Commission according to the law, because his behavior alters or obstructs the normal development of the Horse Racing Sport

(35) Exacta — Means a bet that consists in picking the horses that finish first and second in the races designated for said bets.

(36) Combined exacta — Means a bet that consists in picking three (3) horses that finish first, second and third in any order, in the races designated for said bets.

(37) Field — Means a group of two (2) or more starters running as a single betting unit when there are more starters in a race than positions on the totalizator board.

(38) Breeding and Improvement Fund — Means the fund created for the purpose of promoting the breeding and acquisition of native thoroughbred horses and improving the horse racing sport.

(39) Off-track Betting Teller Uncollectible Accounts' Collection Fund — Means the Fund to which Off-track Betting Tellers who chose not to post a bond to secure payment of bets, shall make the contributions as prescribed by the Commission through order, in lieu of the bond to secure payment of money bet in off-track betting locations and not paid to an Operator.

(40) Electronic Gaming System Off-track Betting Teller Uncollectible Account's Collection Fund — Means the Fund to which Off-track Betting Tellers holding an Electronic Gaming System station Operator license who chose not to post a bond to secure payment of bets made in the machines operated by them, shall make the contributions as prescribed by the Government of Puerto Rico Gaming Commission through order, in lieu of the bond. Operators shall be responsible for collecting teller's contributions, which shall be held in a bank account solely for such purposes. An Off-track betting teller's failure to pay the Fund contributions to an Operator on a daily basis shall be grounds for suspension or cancellation of the Off-track Betting Teller's license.

(41) Racetrack — Means the place authorized through a license issued by the Government of Puerto Rico Gaming Commission for holding horse races in the jurisdiction of Puerto Rico and placing bets.

(42) Registration — Means the act of nominating a horse to take part in a race.

(43) Head of laboratory — Means the Chemist who meets the same professional requirements established for the Official Chemist, who may or may not be an official of the Government of Puerto Rico Gaming Commission, and who shall be directly in charge of the laboratory where tests of samples of any nature taken from racehorses are conducted by or under the direct supervision of the Official Veterinarian. In the case of laboratories from any jurisdiction of the United States outside of Puerto Rico, the head of laboratory must hold all authorizations and licenses required by law for the lawful exercise of its degree and profession in its jurisdiction.

(44) Jockey — Means the person authorized to ride race horses through a license issued by the Administrator.

(45) Pari-mutuel — Means the simple bets made for first place (win) and second place (place).

(46) Stewards — Means the Horse Racing Stewards, as defined in Section 13 of this Act.

(47) Act — Means the Puerto Rico Horse Racing Industry and Sport Act, this Act

(48) Racetrack License — Means the authorization or permit issued by the Government of Puerto Rico Gaming Commission to a natural or juridical person to operate a racetrack in Puerto Rico.

(49) Temporary Racetrack License — Means the temporary authorization or permit issued by the Government of Puerto Rico Gaming Commission to a natural or juridical person to begin the operations of a racetrack prior to meeting all the necessary license requirements.

(50) Month — Means a calendar month.

(51) Microchip — Means the device implanted in a racehorse for the purpose of identifying it electronically.

(52) Groom — Means the stable employee, stableman.

(53) Single combination pool ticket — Means the printed form where a single combination of bets in each race in the pool is noted.

(54) Racing Plan — Means the group of rules or standards prepared and approved by the Government of Puerto Rico Gaming Commission that shall govern the planning, scheduling, and organization of all official races.

(55) Pool — Means a prize awarded to a person who determines the largest number of winning horses and the largest number of winning horses minus one, as stipulated in the Horse Racing Regulations.

(56) Pick Three (3) — Means a bet in which the bettor must select one or more racehorses to officially arrive at the first position in each of the three races designated for this type of bet. The payout of this race is made or distributed as authorized by the Government of Puerto Rico Gaming Commission.

(57) Pick Four (4) — Means a bet in which the bettor must select one or more racehorses to officially arrive at the first position in each of the four races designated for this type of bet. The payout of this race is made or distributed, as authorized by the Government of Puerto Rico Gaming Commission.

(58) Carryover Pool (Poolpote) — Means the money accumulated from a formula-based deduction that, the Government of Puerto Rico Gaming Commission orders to be made from the daily Pick Six-wagers, which may be won by the ticket that hits, on a race day, the most winners

in the races valid for the pool in a single ticket.

(59) *Breeding place* — Means the farm and structure devoted to the breeding of thoroughbred race horses.

(60) *Prize* — Means the sum of money received by the owner of a racehorse for the horse’s performance in an official race as provided by law or regulations. It includes a regular, supplementary or retroactive prize received by a racehorse owner for the horse’s performance in an official race and the profits from bets on races simulcast out of Puerto Rico and the Electronic Gaming system.

(61) *Official Race Card* — Means the program issued under the official seal of the Government of Puerto Rico Gaming Commission which contains all the day’s races and any other information required by the Racing Secretary. It constitutes a commitment between the Government of Puerto Rico Gaming Commission and the betting public.

(62) *Official Chemist* — A person holding a valid license issued by the Board of Examiners of Chemists, who is an active member of the Puerto Rico College of Chemists and a holder of the authorizations and licenses required by law to lawfully practice his degree and profession in Puerto Rico. The Official Chemist shall be an employee of the Government of Puerto Rico Gaming Commission and shall be appointed by the Executive Director to perform the assigned duties, including serving as expert when required. The duties of the Official Chemist and the Head of Laboratory may be performed by the same person if the Government of Puerto Rico Gaming Commission has its own laboratory.

(63) *Quinella* — Means the wager that consists in determining the horses that arrive in the first and second positions, or inverted, in the races designated for said wager.

(64) *Veterinary prescription* — A written order issued by an authorized veterinarian for administering a certain dose of medication or drug(s) allowed for a particular race horse.

(65) *Claim* — Means the act of purchasing a thoroughbred horse that participates in a claiming race.

(66) *Stud Book* — Means the registry book of thoroughbred horses stating the genealogy, filiation, ownership, and any other element essential to its legal protection. It is known as Stud Book and may be maintained by the Jockey Club (American Stud Book), the Administration (Puerto Rico Stud Book), or both, at the discretion of the Government of Puerto Rico Gaming Commission as provided by the latter through resolution or order.

(67) *Regulations* — Means the Racing Regulations and any other set of regulations approved by the Government of Puerto Rico Gaming Commission, as provided in this Act

(68) *SEA* — Spanish acronym for Electronic Betting System (*Sistema Electrónico de Apuestas*).

(69) *Racing Secretary* — Means the official appointed by the Executive Director who shall be in charge of the entire registration process of racehorses participating in official races and of the preparation of a brochure indicating the racing conditions according to the Racing Plan devised by the Government of Puerto Rico Gaming Commission. The Racing Secretary is also responsible for preparing and presenting for each race day an Official Program, which must be approved and authorized by a representative of the Commission, before it is distributed

(70) *Simulcasting* — Simultaneous live and direct broadcasting of racing events held in foreign racetracks for taking bets on these. This term also refers to racing events held in Puerto Rico to be broadcast overseas for taking bets in another country on those races held in Puerto Rico.

(71) *Account Deposit Wagering (ADW)* — Means the system through which wagers are debited and/or winning payoffs are credited to an advance deposit account held by an Operator or a third party on behalf of a person, under the conditions established by the Government of Puerto Rico Gaming Commission.

(72) *Electronic Gaming System (EGS)* — Means the electronic gaming platforms located in Off-track Betting Locations, approved by the Commission in conjunction with the Department of the Treasury.

(73) *Online Wagering System (OWS)* — Means the authorized equipment and software that records wagers and calculates the approved payoffs thereof.

(74) *Superfecta* — Means the bet that consists on picking, in exact order, those horses that finish first, second, third and fourth in the races designated for that type of betting.

(75) *Total gross wagers* — Means the total amount wagered in all types of betting without discounting the deductions provided in this Act.

(76) *Totalizator* — Means the electronic computer system that records bets and calculates payoffs for the winning wagering tickets.

(77) *Trifecta* — Means the bet that consists on picking in exact order, those horses that finish first, second and third in the races designated for that type of betting.

(78) *Usage and custom* — Form of initial customary law, less solemn than the written laws whose usage is supplemental in the absence of applicable laws.

(79) *Authorized Veterinarian* — Means a veterinarian holding a valid license to practice veterinary medicine in Puerto Rico who is an active member of the College of Veterinarians of Puerto Rico, and is also officially authorized by the Commission to render professional veterinary services at entities and areas subject to the control and restrictions of the Government of Puerto Rico Gaming Commission.

Section 4. — Powers of the Government of Puerto Rico Gaming Commission. (15 L.P.R.A. § 198e)

(a) The Commission is hereby empowered to regulate all matters concerning the Horse Racing Industry and Sport. The Commission, after holding a public hearing, shall adopt such Horse Racing Sport regulations it deems necessary, which, once approved by the Commission and filed with the Department of State pursuant to the provisions of Act No. 38-2017, the ‘Government of Puerto Rico Uniform Administrative Procedure Act,’ shall have force of law and the violation thereof shall constitute an offense as provided in this Act

(b) Among other things, Commission shall have the authority to:

(1) Establish by regulations the necessary and essential requirements which, in its judgment, every racetrack should meet to operate as such; establish the terms and conditions to meet said requirements; issue temporary licenses for the period granted to racetrack owners to meet the Board’s requirements; cancel any licenses issued temporarily to their holders or their representatives if they fail to comply with the terms thereof; ensure public safety as well as the reliability, honesty, and integrity of the horse racing sport. Provided, that when financial information is required to grant permits or licenses to operate a racetrack, the financial information received by the Board shall be deemed to be confidential and may not be disclosed, except as provided by the Board and the applicable laws.

- (a) When considering an application for operating a new racetrack, the Board shall require the applicant to demonstrate that the approval of the racetrack operations application shall be in the best interest and benefit of the horse racing industry, that it shall not affect the stability thereof, and that there shall be sufficient inventory of racehorses to sustain the independent operation of said racetrack.
- (2) Expressly authorize the days and places where each racetrack shall hold thoroughbred horse races in Puerto Rico, and may transfer the place and sites indicated therefore. Provided, That the Board shall authorize a minimum of two hundred and eight (208) racing days for each calendar year. The racing days shall be reasonably divided between the racetracks, always ensuring the general welfare of the horse racing industry and sport. The racing days may be increased depending on the needs of the industry and the inventory of horses available for racing.
- (3) Prescribe the rules to govern the holding of horse races upon the approval of an annual plan to be known as the ‘Racing Plan,’ which shall serve as guideline and guidance for the Racing Secretary to establish the overall conditions for the monthly programming of races. It shall adopt a horse racing plan seeking to strike a balance between native and imported horses, and to increase the number of native horse races, and establish a scale of weight that fixes a minimum weight of not less than one hundred sixteen (116) pounds for all First Category A jockeys, regardless of the age of the race horse. Provided, that the applicable weight chart set forth in Section 38 of Chapter VI of the Caribbean Racing Confederation Regulations, shall be established for every International Classic, and be filed with the Commission prior to the holding thereof. This racing plan may be revised.
- (4) Provide all that pertains to the manner in which authorized wagers shall be made as well as those to be authorized in the future, as well as the wagering-related activities
- (5) Prescribe through regulations the requirements to be met by natural and juridical persons engaged in any horse racing activity; provided, that in the interest of the public safety and the order, purity, and integrity of the Horse Racing Sport, a program to detect the presence or use of controlled substances shall be implemented, under which reliable tests shall be randomly administered to Commission officials and employees as well as to all personnel holding a license or permit issued by said Commission to perform duties directly related to the horse racing activity. The preventive nature of this program is aimed at addressing, reducing, and solving the use and abuse of illegal drugs as well as at counseling, treating, and rehabilitating the persons concerned. Said program shall be coordinated with the competent entity or entities of the public and private sectors that have the necessary and reliable resources to administer said tests. The funds to defray the cost of said tests shall proceed from the monies allocated to the Commission for these purposes under this Section. The Commission shall prescribe by regulations the process to be followed to render the operations of this program feasible and efficient. Nothing shall preclude horse owners, stud farm owners, or breeders from being shareholders of racetrack Operators in Puerto Rico.
- (6) Authorize and regulate the use of electronic, mechanical, and photographic devices for the purpose of determining the start and the order in which the horses arrive at the finish line, to photograph and oversee the development of the races, among others.
- (7) At the request of the Executive Director, of any natural or juridical person authorized to operate a racetrack in Puerto Rico, or on its own motion, declare as a horse racing nuisance

any natural or juridical person who, in its judgment, attempts, threatens, or otherwise shows an intent to hinder the ordinary course of the Horse Racing Sport. Provided, that in order to make such determination, the Commission shall allow the defendant to appear and be heard at a public hearing, pro se or by counsel. Any person declared a horse racing nuisance by the Commission that attempts to enter or enters any racetrack or entity thereof, shall be guilty of a felony and upon conviction shall be punished by imprisonment for a term of not less than five (5) years nor more than ten (10) years, or by a fine of not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000), or both penalties at the discretion of the court.

Any person that has been declared a horse racing nuisance by the Commission may not request to be reinstated to participate in horse racing activities until at least five (5) years have elapsed from said designation. The Commission shall prescribe through regulations the conditions and requirements whereby the person may be reinstated. If after being reinstated, the person once again engages in an unwelcome practice for which he should be declared a horse racing nuisance, the declaration shall extend throughout his lifetime. Any person declared a horse racing nuisance shall defray the cost of the proceedings. The statute of limitations to prosecute a person as a horse racing nuisance shall be one (1) year from the time said person is found guilty of violating the Horse Racing Regulations or the Controlled Medications Regulations, as well as any other regulations with restrictive provisions approved by the Commission to regulate the Horse Racing Sport.

(8) Prescribe, through regulations, the fines, civil penalties, and suspensions as well as the civil fines to be imposed for violations of this Act or of the rules, regulations, and orders approved or prescribed by the Commission or by the Stewards, which may be imposed by the Commission, the Stewards, or any other authorized official.

(9) Issue orders, rules, and resolutions and take the necessary measures leading to the physical safety, and the financial and social security of natural or juridical persons related to the horse racing industry and sport, including issuing cease and desist orders, should the Commission believe that a person is violating this Act or the rules, regulations, orders, or licensing requirements promulgated thereunder. When the Commission issues a cease and desist order, it shall notify the affected party of its right to an administrative hearing pursuant to the provisions of Act No. 38-2017, the ‘Government of Puerto Rico Uniform Administrative Procedure Act.’

If the party affected by the order fails to request a hearing and the Commission does not order it, said cease and desist order shall continue in effect until it is modified or rendered ineffective by the Commission. If a hearing is requested or ordered, the Commission may modify, render ineffective, or extend said order, upon notice to such effect and affording every interested party the opportunity to be heard, until the final disposition of the matter.

The Commission may render ineffective or modify an order if it determines that the conditions leading to the issuance of said order have changed or that, otherwise, it is in the public interest. It may also resort to the Court of First Instance to request enforcement of any cease and desist order issued by the Commission without the need to post a bond.

The Commission may file any other legal action or institute proceedings as are necessary or convenient to attain the purposes of this Act or of any other Act or Regulations, whose enforcement or oversight has been entrusted thereto.

(10) Consider and resolve petitions for review of the decisions issued by the Executive Director, the Stewards, or any other official in the exercise of the duties and powers conferred by the Horse Racing Act, the Horse Racing Regulations, or applicable orders or resolutions. Provided, that the Commission may, for good cause, suspend any punishment, sanction, or fine imposed by the Executive Director, the Stewards, or any authorized person not without first affording the parties in question the opportunity to be heard at a probable cause hearing. The decisions based on the Horse Racing Stewards’ appreciation shall not be reviewed.

(11) Hold hearings, conduct on-site inspections, summon witnesses, administer oaths and take testimonies, and subpoena witnesses, require the production of documents, and any other additional evidence of any nature deemed essential for learning the totality of the circumstances of a matter before its consideration. The Commission is also empowered to issue orders or summons and take depositions from persons in any investigation. In the event of nonappearance, the Commission shall resort to the Court of First Instance to compel appearance under penalty of contempt.

If there are reasonable grounds and/or belief that a person, within or without Puerto Rico, has violated or is violating any of the provisions of this Act or any order or regulation promulgated thereunder, the Commission may conduct investigations as are necessary within and without Puerto Rico.

If the Commission determines that any provision of this Act or any order or regulation promulgated thereunder has been or is being violated, the Commission shall refer the matter to the Executive Director who shall act in accordance with the powers vested in him under Section 12 of this Act and under Act No. 38-2017, the ‘Government of Puerto Rico Uniform Administrative Procedure Act.’

(12) To fix the commission that the racing agents may receive through the authorized betting systems, which in no case shall be less than eleven percent (11%) of the total combinations wagered, except in the case of parimutuel bets where the commission shall be of five percent (5%) from the approval of this act until December 31, 1994; five point five percent (5.5%) from January 1, 1995 to June 30, 1995, and six percent (6%) from July 1, 1995 thereafter; Provided, That this percentage shall be figured from the gross amount wagered in parimutuel bets in the racing agencies.

(13) Authorize the broadcast of races through simulcasting, for which it shall establish the criteria or minimum requirements that the operating enterprise and the owners of racehorses must meet so that the Board may authorize said broadcast.

(14) Submit to the Governor an annual report of its operations, actions and decisions as well as the recommendations to improve the horse racing industry and sport. Said report may include recommendations to improve the horse racing industry and sport from the racetrack or racetracks administration and from the association that represents the horse owners.

(15) Determine and establish by regulations, certain unwelcomed practices in addition to those listed in Section 11 of this Act which constitute an impairment to horse racing activities.

Section 5. — Authorities of the Executive Director. (15 L.P.R.A. § 198k)

(a) The Executive Director shall be the executive officer and administrative director of all horse racing activities in Puerto Rico, and shall have authority, without being limited thereto, to:

(1) Enforce compliance with the horse racing laws and regulations and the orders and resolutions of the Commission. Impose civil fines for violations of the laws administered by him or the rules, regulations, and orders approved or issued by him, the Commission or the Stewards, as provided in the Horse Racing Regulations. The Executive Director may file any action or suit, or institute proceedings deemed necessary or convenient to exercise his power under this Act or any other law or regulations, whose enforcement or oversight has been entrusted to him, including issuing cease and desist orders. The Executive Director may resort to the Court of First Instance to enforce compliance therewith without the need to post a bond, whether represented by his attorneys or the Secretary of Justice, upon petition to such effect.

(2) Grant, suspend temporarily, or permanently cancel horse owner, jockey, trainer, groomer, and off-track betting teller licenses, or any other license or permit in connection with horse racing activities, except for racetrack licenses. Provided, that to cancel any of said licenses temporarily or permanently, the Executive Director shall notify the affected person of the charges, and afford him the opportunity to appear and be heard, pro se or by counsel. Provided, that the administrative procedure to suspend or cancel a license is carried out pursuant to Act No. 38-2017, the ‘Government of Puerto Rico Uniform Administrative Procedure Act.’ If the Executive Director, upon investigation conducted by him, believes that a person, other than the Operator, has violated this Act or any rule or order issued thereunder, he may, upon previous notice and hearing to such effect, issue a cease and desist order, suspend the person’s license for a period not to exceed one year, and take any other action allowed by law, as necessary to protect the public interest. In the event that the Operator is found guilty of violating this Act, a rule, an order, or a resolution issued thereunder, the Executive Director, upon previous notice and hearing, may impose a fine as provided by regulations. The required notice shall include the legal or regulatory provisions that the Executive Director deems to have been violated, and the right to a hearing. The notification and hearing requirement notwithstanding, the Executive Director may issue a cease and desist order under the immediate action procedure as allowed under Act No. 38-2017. Substantial evidence shall be the quantum of evidence required in the cases heard before the Executive Director. The final resolutions of the Executive Director shall be notified by certified mail return receipt requested at the defendant’s official address, by personal delivery duly accredited, or through his counsel, if so represented during the proceeding.

The Executive Director may prepare and amend from time to time any such forms as are necessary to carry out his duties, provided, that such forms are compatible with this Act, the Horse Racing Regulations, and the orders of the Commission.

(A) Except in the case of horse owners, in all other cases the Administrator may require the interested parties to present proof of having passed knowledge, aptitude, experience, and expertise tests, or to attend and pass special courses when these are available.

(B) The Administrator shall require a certificate of criminal record to people applying for or renewing a license.

(3) The Executive Director shall not issue or renew licenses or allow licenses to remain in effect, if the applicant and/or license holder investigation shows that the applicant and/or license holder has breached or failed to meet its financial obligations to any other component of the Horse Racing Industry in Puerto Rico, and in those states or countries with which there

is reciprocity in horse racing activities. The Commissioner shall establish through Regulations the necessary documents to apply for the horse owner and public trainer licenses.

(4) No type of license shall be issued or renewed, nor shall it be rendered valid if the applicant and/or the license holder has had his license suspended or cancelled in any other country with which Puerto Rico has reciprocity in the Horse Racing Sport. The Executive Director may recognize horse owner licenses duly accredited by the horse racing authorities of any state of the United States of America or any other country with which it has reciprocity, if the requirements of such state or country are similar to those prescribed by law or regulations in Puerto Rico; thus, the Executive Director may request the owner any documentation he deems pertinent.

(5) No license or permit of any kind shall be issued to an applicant who refuses to submit to the drug testing required by the Executive Director, or tests positive on said screening test upon agreeing to submit thereto; nor should any license or permit be renewed or remain valid after the license or permit holder has been referred to rehabilitation treatment for having been identified and verified as a controlled substance user and tested positive on a subsequent test. Provided, that the Commission prescribes by regulations the process to be followed.

(6) The Executive Director shall suspend the license and authorization to operate an Off-track Betting Location that is operating adult amusement machines or any other machine or game in contravention of Act No. 11 of August 22, 1933, as amended; Act No. 221 of May 15, 1948, as amended; Act No. 77 of July 1, 2014, as amended; and any other legislation enacted for similar purposes, in the facilities where the Off-track Betting Location is located or in nearby facilities.

(7) The Commission shall regulate and oversee all that pertains to the close of wagering.

(8) Suspend the races in any racetrack when, in his judgment, said racetrack does not offer the necessary security, safety, and comforts to the public in attendance, nor to the jockeys, trainers, and other stable personnel, horse owners, and officials who directly or indirectly intervene in the event, or when the bettor's interests or rights may be adversely affected.

(9) Hold hearings, summon witnesses, administer oaths, and subpoena the production of books and documents he deems are necessary to consider any matter before him. In the event of noncompliance with a summons or an order issued by the Executive Director, the latter may resort to the Court to request compliance with said summons or order under penalty of contempt.

The Executive Director may conduct such investigations, within and without Puerto Rico, deemed necessary or entrusted to him by the Commission to determine whether a person has violated any provision of this Act or any regulation or orders promulgated thereunder.

(10) Delegate, when deemed convenient, to a hearing examiner, who shall be an attorney admitted to the Bar, to receive any evidence in connection with a matter or complaint filed with the Executive Director. The examiner thus designated may take the testimony of the witnesses appearing before him and submit a report of his findings of fact and conclusions of law to the Executive Director. The adversely affected party may challenge said report before the Executive Director within fifteen (15) calendar days of the notice thereof. The procedure before the Executive Director shall comply with the provisions of Act No. 38-2017, the ‘Government of Puerto Rico Uniform Administrative Procedure Act.’ By virtue of Section 3.3 of Act No. 38-2017, the ‘Government of Puerto Rico Uniform Administrative Procedure Act,’

in addition to hearing examiners, the designation of administrative judges shall be allowed. The head of the agency may delegate his adjudicatory authority to administrative judges, who shall be officials or employees of the agency.

(11) Appoint personnel as necessary for the operation of the Commission.

(12) Contract the services of the personnel required for holding horse races, including, but not limited to Stewards, the start and finish judges, the paddock, registration, track, weighing or mounting officials, veterinarians, betting inspectors, or any other personnel deemed necessary. The place where these persons perform their duties shall be deemed to be part of the Commission, and their powers, duties, and functions shall be provided in the Horse Racing Regulations.

(13) Inspect all racetrack, stable, and ranch facilities, as well as all the establishments used for the conservation and exploitation of printing businesses or other wagering and betting mechanisms and off-track betting locations and, if he deems it appropriate, may require all of them to adopt reasonable measures for the protection, safety, and comfort of the general public.

(14) Attend Board meetings when so required, or when he deems it is necessary to best perform his duties.

(15) Establish and supervise a Horse Racing Vocational School, appoint personnel as necessary for its operations, and promulgate rules and standards for the operations thereof with the approval of the Commission. The School’s operating expenses shall be defrayed from the special fund created by Section 3060.11 of the ‘Puerto Rico Internal Revenue Code of 2011,’ through the corresponding appropriation annually earmarked in the General Expense Budget of the Commission.

Provided, further, that the Commission shall issue licenses to ride and participate in horse races to any person older than seventeen (17) years of age who graduated from the Horse Racing Vocational School.

The Commission shall award the Mateo Matos Scholarship, in the amount of one thousand dollars (\$1,000) annually, to an outstanding jockey student who demonstrates financial need, as provided by the Commission. Likewise, the Commission shall award the Pablo Suárez Vélez Scholarship, in the amount of one thousand dollars (\$1,000) annually, to an outstanding trainer student who demonstrates financial need, as provided by the Commission. The two scholarships provided for herein shall be funded from the Breeding and Development Fund.

(16) Mediate, in conjunction with the Secretary of Labor and Human Resources, if possible, in any labor-management, labor-union, or other dispute related to any group participating in horse racing activities or the industry that could jeopardize the holding of races. Any of the parties involved may request the Commission’s intervention, and none of the parties may call a strike until the Commission has intervened for a period not to exceed fifteen (15) days in an attempt to find a satisfactory solution to the dispute and has failed to reach an agreement. This provision does not invalidate the constitutional guarantees concerning the right to strike or to picket, if an agreement is not reached.

(17) The personnel appointed by the Executive Director for the development and supervision of the races shall be appointed for a fixed term under contract, which may be rescinded or cancelled any time at the discretion of the Executive Director to safeguard the integrity of the sport and maintain the people’s trust therein. The personnel of the Executive Director’s Office

shall be appointed pursuant to the provisions of [Act No. 8-2017, as amended, the ‘Government of Puerto Rico Human Resources Administration and Transformation Act,’](#) or its succeeding law. Provided, that the Executive Director shall determine the number of employees and shall fix the salaries of those holding positions of trust according to the pay scale promulgated by the Training and Labor Affairs Advisory and Human Resources Administration Office.

(18) Issue orders directed to safeguarding the public policy set forth in this Act, and the financial wellbeing of the horse racing industry, when necessary.

(19) Provide through an order to such effect, the closing time to receive reports from the pari-mutuel bets and off-track betting locations that record the bets made on race days.

(20) Maintain a stud book of race horses similar to the American Stud Book maintained and published by the Jockey Club, which shall be known as the Puerto Rico Stud Book, to keep a record of the thoroughbred horses in Puerto Rico that have been registered in the American Stud Book; provided, that for a thoroughbred horse to participate in races in Puerto Rico the licensed owner shall submit to the Executive Director the application form furnished by the latter to register the horse in question along with proof of the horse’s registration in the American Stud Book, which shall be returned duly sealed and shall constitute evidence of the horse’s registration locally. Likewise, horse breeders and owners in Puerto Rico shall submit for the records of the Commission the same information or proof submitted to or required by the Jockey Club; provided, that the Executive Director may take official notice of the Jockey Club’s records and the current circumstances of horse racing in Puerto Rico and/or of the records of any entity or administrative agency of Puerto Rico, a U.S. jurisdiction or any other country, and based on such records, direct the correction of any record of the Commission, including the cancellation of any unlawful or incorrect registration, for which the adversely affected party shall be afforded the opportunity to be heard.

Section 6. — Stewards. (15 L.P.R.A. § 198I)

There shall be three (3) Horse Racing Stewards, a Chairperson, and two (2) associate members, who shall be appointed by the Executive Director and shall serve according to the criteria established by the Commission

The Stewards shall have the power to administer oaths and take testimony relating to the holding of the races, as well as to issue orders to the Operator and all other persons holding a license issued by the Government of Puerto Rico Gaming Commission leading to the adoption of reasonable measures as are necessary during race days for the protection and physical safety of the components of the racing industry and the public in general. Likewise, Stewards shall be empowered to impose administrative penalties for violations of the Act or the Regulations while said events are being held. Said penalties shall conform to the provisions of this Act and the Regulations adopted by the Commission. The duly constituted Horse Racing Stewards shall be the supreme authority while the races are being held. Act No. 38-2017, as amended, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act,’ shall not apply to the procedures held before the Stewards; provided, that the Stewards shall guarantee due process of law.

Section 7. — Review by the Commission. (15 L.P.R.A. § 198m)

Any person adversely affected by the orders, decisions, suspensions, or fines imposed by the Stewards, or any other authorized official, may appear in person or by counsel to request a review before the Commission. The Commission may review, based on the record, the decisions issued by the Stewards or any other official in the exercise of the duties and powers conferred by the Horse Racing Act, the Horse Racing Regulations, or other applicable orders or resolutions. The Commission may hold argumentative hearings concerning any review proceedings.

The petitions for review shall not stay the effect of the orders, decisions, suspensions, and fines while they are being resolved by the Commission. Provided, that the Commission, in order to determine good cause, shall hear both parties before staying the effects of any order, decision, suspension, or fine imposed by the Stewards or any other authorized official. In the case of fines, the person sanctioned may not register, train, care for, or ride horses unless said person deposits with the Office of the Commission the amount of the fine, which shall be refunded if the Commission resolves in his favor. The Operator shall also deposit the amount of the fine imposed thereon in order to resort to the Commission or the court. Any noncompliance with or delay in meeting this requirement or paying the fine shall entail the payment of interest on the unpaid amount.

Every petition for review shall be filed with the Commission within the jurisdictional term of twenty (20) days from the notice of the determination to be reviewed.

The Commission shall consider the petition for review within thirty (30) days from the filing thereof with the Office of the Secretary and shall issue a resolution within sixty (60) days after the hearing. The Commission shall issue a resolution denying, upholding, modifying, or revoking the revised order, resolution, or decision. The Commission shall be required to make findings of fact and conclusions of law in all cases in which it issues a resolution, as well as state the facts according to the evidence presented. Substantial evidence shall be the quantum of evidence required in the cases heard before the Commission.

The adversely affected party may request reconsideration of the order or resolution of the Commission by filing a petition to such effect with the Commission within the jurisdictional term of twenty (20) days as of the date of notice of the order or resolution.

The Commission shall establish, through regulations, the manner in which the procedures before it shall be conducted.

The filing of the petition for reconsideration provided herein shall not stay the effectiveness of a decision, order, resolution, or action sought to be reconsidered by the Commission.

No injunction, cease and desist order, or any other restraining order preventing the execution of the appealed orders or resolutions shall be issued without notice to or hearing before the Commission, the Stewards, or any other official, as the case may be.

Section 8. — Judicial Review. (15 L.P.R.A. § 198n)

(a) The final decisions, orders, or resolutions of the Commission may be reviewed by the Court of Appeals upon filing an appeal.

(b) The petition for review provided herein shall be filed within a jurisdictional term of thirty (30) days after the corresponding final decision, order, or resolution has been served on the affected party.

(c) Neither the filing of the petition for review provided herein, nor the granting of the writ by the Court of Appeals shall stay the effectiveness of the decision, order, or resolution appealed before the courts, except as otherwise ordered by the Court.

(d) No injunction or any other temporary restraining order preventing the execution of the appealed orders or resolutions shall be issued without notice to, or hearing before the Commission, the Stewards, or any other official, as the case may be. Every judicial proceeding before the courts of justice shall take into account the legislative intent of granting the Horse Racing Sport the highest degree of autonomy compatible with law and equity.

Section 9. — Special Considerations when Issuing Licenses. (15 L.P.R.A. § 198o)

(a) No license to engage in horse racing activities shall be issued or renewed to any person who has been convicted of violating any of the provisions of the Controlled Substances Act of Puerto Rico, or who has been convicted of a felony or a misdemeanor involving moral turpitude, until a minimum of five years have elapsed from the occurrence of the criminal act and the person has met all other conditions provided by the Commission through regulations.

(b) No license issued under this Act shall be valid for more than four (4) years. License fees corresponding to the approved years of validity shall be fully paid at the time of issue. Racetrack licenses may be issued for a term of up to fifteen (15) years and the fees corresponding to each approved year of validity shall be paid annually by the applicant on the anniversary date of the license. Temporary racetrack licenses shall not be valid for more than one year; however, temporary licenses may be renewed by the Commission if the requirements set forth herein are met and upon payment of the corresponding fees.

(c) All licenses shall be renewed according to the date of birth of the applicant, except for the racetrack license which shall be renewed on the anniversary date of said license. Provided, that the necessary documents and the payment of the corresponding fees shall be submitted each year as provided in this Act and in the Horse Racing Regulations. Juridical persons' licenses shall be renewed one year after the issue date thereof. The Executive Director shall establish the licensing process through an administrative order.

(d) The racetrack or racetracks may request the Commission's authorization for simulcasting and/or electronically reproducing in Puerto Rico races held in other racetracks in order to broaden their local race program, accept wagers on, and obtain receipts from imported races. The deductions provided in Section 20 of this Act shall apply to wagers placed in Puerto Rico on simulcast and/or otherwise electronically reproduced races. Likewise, racetracks may request the Commission's authorization to simulcast and/or electronically reproduce live races held therein in order to allow other racetracks or authorized interstate off-track betting locations to place wagers on such races. Racetrack operators are hereby authorized to enter into agreements with other racetracks and/or authorized interstate or international off-track betting locations, and to enter into agreements for simulcasting and/or electronically reproducing races. Any request for exporting the signal of live races held for placing interstate or international wagers shall be submitted to, and approved by the Commission and have the consent of the group representing a majority of horse

owners participating in the applicant racetrack or the direct consent of the owners absent an owners’ association representing a majority of owners. The Commission shall prescribe by regulations reasonable requirements for approving the simulcasting on a case by case basis, which shall operate independently from the local races.

Section 10. — Prohibition on Officials and Employees. (15 L.P.R.A. § 198p)

(a) No official or employee of the Commission nor the Executive Director of the Government of Puerto Rico Gaming Commission shall have any proprietary interest in the racetracks, nor in those horses that participate in the races, nor can they make wagers on horse races in Puerto Rico. Any violation of this Section shall be sufficient cause for dismissing such official or employee.

(b) No official of the Government of Puerto Rico Gaming Commission appointed by the Governor may work for a racetrack Operator until at least one (1) year has elapsed since said official ceased holding office.

(c) No racetrack official or employee directly involved in any type of authorized wagering may have an interest in or own a share of the horses participating in the horse races. Race track operators, whether a natural or a juridical person, shall be notified of any violation of this Section and the employee or official who committed such violation shall cease to hold such position, or the racetrack license shall be suspended while the person responsible remains an employee of the racetrack; provided, that before the dismissal of the employee is directed by the Executive Director or the racetrack license is suspended by the Commission, the concerned persons shall be afforded the opportunity to appear pro se or by counsel and be heard, and resort to the Court of First Instance to request review.

Section 11. — Unwelcome Practices. (15 L.P.R.A. § 198q)

(a) The following practices in horse racing activities shall be deemed to be undesirable when committed in any place, within or outside the physical facilities of a racetrack in Puerto Rico. In all cases any attempt shall be deemed as an undesirable practice. Those practices carried out abroad evidenced by final and binding disposition of the forum with legal authority to do so shall be deemed as undesirable practices.

(b) *Fraud in the Races.*

(1) Every jockey or person who by fraudulent, illegal or illicit means interferes with the normal course of a race, or prevents the horse that he or any other jockey is riding in a race from exerting its maximum effort.

(2) Every person who is connected with horse racing activities inside or outside of the same, who directly or indirectly bribes, or by any other means influences a jockey so that said jockey by fraudulent, illegal or illicit means interferes with the normal development of a race, or prevents the horse that he or any other jockey is riding in a race held in a racetrack in Puerto Rico, from exerting its maximum effort.

(3) Any jockey or person who applies an electric battery or any similar artifact to a horse in the stable area or in an official or practice race or during morning exercises held in the racetracks of Puerto Rico for the purpose of stimulating, improving or altering the competitive ability of said horse.

(4) Every person who tries to incite, or incites a jockey to apply an electric battery or similar apparatus to any horse that is running in a race, practice or morning exercise held in the racetracks of Puerto Rico with the purpose of stimulating, improving or altering the competitive ability of said horse.

(5) Every person who bears on his person, or in any piece of his clothing within the stable area, paddocks, starting areas or mounting stations, an electric battery or similar apparatus that can be applied to a horse during a practice, morning exercise, or official race with the purpose of stimulating, improving or altering the race horse's competitive ability.

(c) *Illegal bets.*

(1) That any person or persons announces or offers for sale, sells, donates, trades, exchanges, or in any other way or means transports, bears on his person, buys, takes, receives or accepts, prints, writes, has printed or written, distributes or transfers any unauthorized printed matter, or card, or paper which is presumed to be, constitutes, or represents a means of participation or action in any form, bet, or wager authorized by this Act, regulations, order, or resolution of the Board, operating or conducting said act in contravention or in violation of its provisions.

(2) That any person maintains, exploits, operates, or manages any location where said games are held in contravention or violation of this Act, or the regulations, orders, or resolutions of the Commission.

(3) That any person gives, pays, delivers or distributes, takes or receives any money or other thing such as prizes, gratuities, or winnings in or by such wagers thus maintained, exploited or managed, or who cooperates, helps, sees or participates in any of the above-mentioned acts.

(4) That any person or persons offer or accept a wager with regard to a race horse's probable order in the finish of a race in violation of this Act, regulations, order or resolution of the Horse Racing Board, or any other applicable statute.

(d) *Alteration or cancellation of Betting Tickets.*

(1) That after a bet has been officially registered at a Horse Racing Agency or at the racetrack, the ticket is altered or mutilated...

(2) That in any illegal way or by illicit means an attempt is made to register a betting ticket in order to obtain the product of the bet.

(3) That any person, in any way, joins with another to defraud any of the persons concerned in the authorized wagers.

(4) That a horse racing agent, his/her employees or the employees of the mutuel window of the Operating Enterprise cancels a ticket played without being told to do so by the bettor.

(e) *Fraudulent birth or registration certificate.*

(1) That any natural or juridical person by any means attempts to register or registers an imported horse in the registers of the Commission, making it pass off as a native horse

(2) That any natural or juridical person attempts to alter or alters the birth or registration certificate of a native or imported horse in any way.

(f) *Penalties.* — Any person who engages in any of the aforementioned practice shall be guilty of a felony and, upon conviction, shall be punished by imprisonment for not less than five (5) years or by a fine of five thousand dollars (\$5,000); or by imprisonment for a term not to exceed ten (10) years, or by a fine of ten thousand dollars (\$10,000), or both penalties at the discretion of the court. The Commission may impose on any person who violates any provision of this Act or of any Regulation or Order promulgated thereunder, a civil fine of not less than five hundred dollars

(\$500) nor more than five thousand dollars (\$5,000) for each violation. Vehicles, equipment, and monies used to engage in these unwelcomed practices shall be seized. The Commission may refer any evidence available concerning the violations of this Act, or any Regulation or Order promulgated thereunder, to the Secretary of Justice or to any other competent body so as to request the corresponding investigation.

The Commission may take the measures deemed necessary to prevent the occurrence of any unwelcome practices herein listed or may initiate any proceeding against a party in order for the latter to answer for his engaging in any of said unwelcome practice. The costs, expenses, and reasonable attorney’s fees pertaining to said proceeding shall also be imposed on the defendant. Said funds shall be deposited in the special fund of the agency.

The Operator’s noncompliance with its obligation to deposit the government’s deductions or the imposed fines within the established term, shall empower the Secretary of the Treasury, at the request of the Commission, to execute any bond posted by the operator.

Section 19. — Fees. (15 L.P.R.A. § 198r)

A. —The Gaming Commission, through the Executive Director, shall collect the following fees:

1.	Racetrack license (annually)	\$250,000.00
2.	Temporary racetrack license (annually)	\$250,000.00
3.	Electronic Gaming System Operator License (annually)	\$250,000.00
4.	Electronic Video Gaming System Provider License (annually)	\$100,000.00
5.	Other Electronic Video Gaming System (EGS) Operator Licenses To be provided in the (EGS) Regulations	
6.	Horse or Stable Owner First License	\$250.00
7.	Horse or Stable Owner License Renewal	\$125.00
8.	Off-track Betting Teller License	\$200.00
9.	Off-track Betting Teller License Renewal	\$100.00
10.	Stable Agent License	\$150.00
11.	Stable Agent License Renewal	\$75.00
12.	Owner-Trainer License	\$250.00
13.	Owner-Trainer License Renewal	\$125.00
14.	Public Trainer License	\$100.00
15.	Public Trainer License Renewal	\$50.00
16.	Groom License	\$20.00
17.	Groom License Renewal	\$10.00
18.	Private Trainer License	\$100.00
19.	Private Trainer License Renewal	\$50.00
20.	Jockey License	\$50.00
21.	Jockey License Renewal	\$25.00
22.	Valet License	\$10.00
23.	Valet License Renewal	\$5.00
24.	Jockey Agent License	\$150.00
25.	Jockey Agent License Renewal	\$75.00
26.	Registration of colors of each stable or owner	\$50.00

27.	Registration of colors of each stable or owner Renewal	\$25.00
28.	For each change in the colors of the same owner in the same year	\$50.00
29.	Breeder License	\$150.00
30.	Breeder License Renewal	\$75.00
31.	Horse Farm Owner License	\$150.00
32.	Horse Farm Owner License Renewal	\$75.00
33.	Native Colt First Inspection	\$10.00
34.	Horse Inspection or re-inspection	\$25.00
35.	Stud Book Registration Native Colt or Horse	\$35.00
36.	Registration of an imported horse as breeding stock	\$50.00
37.	Registration of an imported horse not eligible as breeding stock in the Stud Book	\$35.00
38.	Transfer of registration of a horse registered in the Stud Book	\$5.00
39.	Entry of each change, if made voluntarily at the owner's request, except when said entry is made by order of the Commission, or in case the name of the racehorse is hard to pronounce.	\$100.00
40.	Recording each horse transfer or sale	\$20.00
41.	Application for buying or claiming in a claiming race	\$20.00
42.	For a certified copy of a Stud Book Registration	\$25.00
43.	A copy of any public document	
	A certified copy - per page	\$2.00
	A non-certified copy - per page	\$2.00
	Five-generation Pedigree Certificate	\$20.00
44.	Certificate of Export	\$25.00
45.	Claim Fee	\$25.00
46.	Imported Horse Registration Certificate (male or female)	\$50.00
47.	Imported Horse Registration Certificate (gelding)	\$50.00
48.	Veterinary License	\$250.00
49.	Veterinary License Renewal	\$125.00
50.	Veterinary Assistant License	\$100.00
51.	Veterinary Assistant License Renewal	\$50.00
52.	Horseshoer License	\$20.00
53.	Horseshoer License Renewal	\$10.00
54.	Breaker License	\$50.00
55.	Breaker License Renewal	\$20.00
56.	Sales Agent License	\$150.00
57.	Sales Agent License Renewal	\$75.00
58.	Transporter License	\$50.00
59.	Transporter License Renewal	\$25.00
60.	Exercise Rider License	\$30.00
61.	Exercise Rider License Renewal	\$15.00
62.	Trotter License	\$30.00
63.	Trotter License Renewal	\$15.00

64.	Pony Boy License	\$50.00
65.	Pony Boy License Renewal	\$25.00
66.	Harness Repairman License	\$20.00
67.	Harness Repairman License Renewal	\$10.00
68.	License Duplicate	\$10.00
69.	A copy of the Horse Racing Regulations (general)	\$25.00
70.	A copy of the Controlled Medications Regulations	\$10.00
71.	A copy of the Controlled Substances Regulations	\$10.00
72.	A copy of the Stabling Regulations	\$10.00
73.	A copy of the Prizes Regulations	\$10.00
74.	A copy of the Gaming System Regulations	\$10.00
75.	Regulations Not Listed	

B. — The Executive Director may also collect the fees authorized by the Commission, through order or regulations, for courses, examinations, and the filing of miscellaneous documents or applications for which no specific fee whatsoever has been established in this Act. The fees collected shall be included in the operating budget of the Government of Puerto Rico Gaming Commission.

C. — The Executive Director may establish and authorize an application procedure for licenses and all other permits, requests, or matters by electronic means, providing for the payment mechanism for each one of them.

Section 13. — Deductions on bets. (15 L.P.R.A. § 198s)

Natural or juridical persons operating racetracks or firms authorized to calculate official payoffs, shall only make the following deductions on the bets placed in their racetracks and in off-track betting locations. If there is a conflict with any law in effect, said law shall be rendered ineffective, and the deductions provided herein shall apply. If the gross amount wagered in any fiscal year does not exceed \$165,000,000, the following deductions shall apply:

- (1) Parimutuel bets.- From the gross amount wagered, the following deductions shall be made:
 - (a) 6% for off-track betting tellers' commissions.
 - (b) 16% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 4.0% for the State Treasury's General Fund.
 - (d) 0.55% for the Breeders' Fund.
- (2) Daily double bets.- On the gross total wagered:
 - (a) 11% for off-track betting tellers' commissions.
 - (b) 32.30% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 4.40% for the State Treasury's General Fund.
 - (d) 1% for the Breeders' Fund
- (3) Pick-six bets on the total gross amount wagered:
 - (a) 11% for off-track betting tellers' commissions.

- (b) 32.30% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 4.40% for the State Treasury’s General Fund.
 - (d) 1% for the Breeders’ Fund
- (4) Other authorized bets on the total gross amounts wagered:
 - (a) Eleven percent (11%) for off-track betting tellers’ commissions.
 - (b) 32.30% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 4.40% for the State Treasury’s General Fund.
 - (d) 1% for the Breeders’ Fund.
- (5) Progressive Deduction Rate
 - (A) If the gross amount wagered in any fiscal year exceeds \$165,000,000, the portion of the gross amount wagered corresponding to the excess of this amount, and up to \$175,000,000, shall be subject to the following deductions:
 - (i) Parimutuel bets. — From the gross amount wagered, the following deductions shall be made:
 - (a) 6% for off-track betting tellers’ commissions.
 - (b) 16% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 4.0% for the State Treasury’s General Fund.
 - (d) 0.55% for the Breeders’ Fund.
 - (ii) Daily double bets on the gross amount wagered:
 - (a) 11% for off-track betting tellers’ commissions.
 - (b) 31.28% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 6.02% for the State Treasury’s General Fund.
 - (d) 1% for the Breeders’ Fund
 - (iii) Pick-six bets on the total gross amount wagered:
 - (a) 11% for off-track betting tellers’ commissions.
 - (b) 31.28% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 6.02% for the State Treasury’s General Fund.
 - (d) 1% for the Breeders’ Fund
 - (iv) Other authorized bets on the total gross amount wagered:
 - (a) 11% for off-track betting tellers’ commissions.
 - (b) 31.28% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 6.02% for the State Treasury’s General Fund.
 - (d) 1% for the Breeders’ Fund.
 - (B) If the gross amount wagered in any fiscal year exceeds \$175,000,000, the portion of the gross amount wagered corresponding to the excess of this amount, and up to \$185,000,000, shall be subject to the following deductions:
 - (i) Parimutuel bets. — From the gross amount wagered, the following deductions shall be made:

- (a) 6% for off-track betting tellers' commissions.
 - (b) 16% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 4.0% for the State Treasury's General Fund.
 - (d) 0.55% for the Breeders' Fund.
 - (ii) Daily double bets on the total gross amount wagered:
 - (a) 11% for off-track betting tellers' commissions.
 - (b) 29.66% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 7.64% for the State Treasury's General Fund.
 - (d) 1% for the Breeders' Fund
 - (iii) Pick-six bets on the total gross amount wagered:
 - (a) 11% for off-track betting tellers' commissions.
 - (b) 29.66% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 7.64% for the State Treasury's General Fund.
 - (d) 1% for the Breeders' Fund
 - (iv) Other authorized bets on the total gross amounts wagered:
 - (a) 11% for off-track betting tellers' commissions.
 - (b) 29.66% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 7.64% for the State General Fund.
 - (d) 0.90% for the Breeders' Fund.
- (C) If the gross amount wagered in any fiscal year exceeds \$185,000,000, the portion of the gross amount wagered corresponding to the excess of this amount shall be subject to the following deductions:
- (i) Parimutuel bets. — From the total gross amount wagered, the following deductions shall be made:
 - (a) 6% for off-track betting tellers' commissions.
 - (b) 16% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 4.0% for the State Treasury's General Fund.
 - (d) 0.55% for the Breeders' Fund.
 - (ii) Daily double bets on the total gross amount wagered:
 - (a) 11% for off-track betting tellers' commissions.
 - (b) 28.04% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 9.26% for the State Treasury's General Fund.
 - (d) 1% for the Breeders' Fund
 - (iii) Pick-six bets on the total gross amount wagered:
 - (a) 11% for off-track betting tellers' commissions.
 - (b) 28.04% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 9.26% for the State Treasury's General Fund.

- (d) 1% for the Breeders’ Fund
- (iv) Other authorized bets on the total gross amount wagered:
 - (a) 11% for off-track betting tellers’ commissions.
 - (b) 28.04% to be divided according to the agreement between the racetrack operator and the horse owners.
 - (c) 9.26% for the State Treasury’s General Fund.
 - (d) 1% for the Breeders’ Fund.
- (6) The deduction for off-track betting tellers’ commissions shall not be applied if the bets are placed outside of an off-track betting location; in such cases, said commission shall be part of the total gross amount wagered, but are subject to the other deductions expressly stated in this Act. If the bets are placed through the Account Deposit Wagering or other similar system, the percentage of the commission corresponding to off-track betting tellers may be used by the operator to pay the commission of the system operator.
- (7) Winners shall not be paid the first four (4) cents or fraction thereof of the winnings, which shall be withheld by the racetrack Operators, whether natural or juridical persons, and deposited each race day in a special interest-bearing account held in a local banking institution, to be used by the juridical person that is the Operator of the racetrack where the wagers were generated to fund the acquisition of thoroughbred horses. Said funds shall be used as provided by the Commission through an order to such effect, pursuant to the regulations and under the supervision and oversight of the Executive Director. The foregoing notwithstanding, prior to depositing said funds in the special account, Operators may use such funds to make up deficiencies in the betting pools, known as minus pools; once the deficiency is covered, the surplus shall be deposited in the special account.
- (8) Bettors’ right to collect winnings from horse wagers or receive a refund after a bet has been declared void shall expire three (3) months after the day on which they are won or voided. Unclaimed money shall be remitted immediately by the corporation owning the racetrack to the Secretary of the Treasury, who shall distribute it as follows:
 - (a) One hundred percent (100%) of the amount shall be deposited in the Breeding and Development Fund, in a special account in favor of the Government of Puerto Rico Gaming Commission for the development of the Horse Racing Sport in general, as determined by the Commission by order or resolution.The monies deposited in this Fund may be used by the Commission to defray the costs of drug testing provided for in this Act.
- (9) All winnings from the different Horse Racing Sport wagers made in Puerto Rico shall be tax exempt.

Section 14. — Repeals. (15 L.P.R.A. § 198 note)

Act July 22, 1960, No. 149, as amended, known as "Puerto Rico Racing Act", is hereby repealed, provided, that Act July 23, 1974, No. 129, creating the Racing Vocational School shall continue in effect.

Section 15. — Transfer of Personnel, Funds and Property. (15 L.P.R.A. § 198 note)

The regular personnel, records, assets, and any available appropriation balance of the former Horse Racing Administration are hereby transferred to the Government of Puerto Rico Gaming Commission.

The personnel thus transferred shall keep the same position they held at the time of the transfer as well as all the rights, privileges, and obligations with respect to any pension, retirement, savings, and loan funds system to which they were affiliated prior to the approval of this Act.

Section 16. — Effectiveness. — This act shall take effect thirty (90) days after its date of approval.

Section 17. — Racehorse Inventory. (15 L.P.R.A. § 198t)

The racetrack Operator shall maintain an inventory of the thoroughbred racehorses available for participating in races. The Executive Director shall establish, through an administrative order, the dates on which said inventory shall be made. Provided, that said inventory shall be submitted to the office of the Executive Director not later than thirty (30) days after its completion.

Section 18. — Excise Taxes on horse owners. (15 L.P.R.A. § 198u)

a) For all legal purposes, including the ‘Internal Revenue Code for a New Puerto Rico,’ as amended, and any law or statute succeeding it, the total revenues of all regular and supplemental prizes as well as any other income derived and received from the horse races and the Electronic Gaming System by the owners of race horses registered in the Commission, shall be exempt from any taxation, excise, or levy imposed under the aforementioned Code, as amended; provided, that the holding of horse races in a racetrack authorized in Puerto Rico continues active and operational.

This provision repeals all other provisions contained in any other law, including the ‘Internal Revenue Code’ and the ‘Excise Tax Law.’

Section 19. — Special Account (15 L.P.R.A. § 198v)

The amount corresponding to the Breeding and Development Fund from unclaimed prizes and voided tickets shall be deposited in a special account of the Government of Puerto Rico Gaming Commission.

Section 20. — Electronic Video Games System Authorization; Regulations; Implementation. (15 L.P.R.A. § 198w)

An Electronic Video Games System is hereby authorized and established solely and exclusively in those premises where Horse Racing Agents operate, through which a person may participate in the various modalities of said games. Likewise, the use of an interactive computer system is hereby authorized to allow registering the bets at the time they are made.

With the collaboration of the Executive Director of the Tourism Company and the Secretary of the Department of the Treasury, the Board shall be responsible for adopting and promulgating

the regulations needed for the implementation of the Electronic Video Games System pursuant to the provisions of Act No. 170 of August 12, 1988, known as the Uniform Administrative Procedures Act of the Commonwealth of Puerto Rico. The provisions of said regulations, to be implemented by the Administrator, without their being construed as a limitation, shall be the following:

- a) The Electronic Video Games System shall be operated only on those days on which horse races are held.
- b) The product of the games played in the Electronic Video Games System, minus the prizes paid, shall be remitted by the Horse Racing Agent to the Operating Enterprise or deposited with banking institutions expressly authorized by the Operating Enterprise for such purposes, on the date or within the term established by the Operating Enterprise. The latter may require that the Horse Racing Agent establish a special account at a banking institution through which electronic transfers may be made in order to receive the monies on account of the plays, make payments to and receive payments from the Operating Enterprise;
- c) The Operating Enterprise is hereby authorized to negotiate and execute contracts with Providers for the design and implementation of the Electronic Video Games System;
- d) The Net Receipts Proceeding from the Operations of the Electronic Video Games System shall be covered into a special account created by the Operating Enterprise;
- e) Beginning February 1, 2006, and thereafter, the Executive Director shall submit an annual report on the implementation of the Electronic Gaming System to the Legislative Assembly of Puerto Rico.

Furthermore, the Regulations shall contain or establish, without it being construed as a limitation, the following:

- a) The undesirable practices that must be prohibited to safeguard and maintain the public trust in the authorized Electronic Video Games System and provide the sanctions and administrative fines applicable for incurring the same;
- b) The installation of a computer system for registering the bets, as well as authorize the use of electronic equipment or systems to issue a Receipt to each player indicating the Play selected and any other information deemed necessary;
- c) The bonds that the Racetrack License holder, the Horse Racing Agents and the Providers must post to guarantee compliance with their obligations;
- d) The type of game that is to be adopted and the manner in which to play the same;
- e) The number of prizes and their amounts;
- f) The manner in which the prizes are to be paid;
- g) The reports that must be submitted by the Horse Racing Agents, related to the transactions for the Plays, as well as the manner in which these must be filed and the information they must contain; and
- h) All other matters necessary and convenient for the efficient operation of the Electronic Video Games System or for the convenience of the public.

For purposes of this Section and Section 19 of this Act, the terms below shall have the following meaning:

- a) **Race Prizes Account:** Means the account maintained by a racetrack to pay the monies received by the owner of a racehorse for the performance of said horse in an official race according to the regulations of the Government of Puerto Rico Gaming Commission. It

includes regular, supplementary or retroactive prizes, donations, rewards, gifts, or any monies received by an owner as direct or indirect result of the participation of his horse in an official race.

b) Off-track Betting Tellers Commission Fund: Means the fund referred to in Section 19 of this Act.

c) Net Receipts on Operations: Means the total product of the games played from all games that comprise the Electronic Video Games System, after discounting the prizes paid by the Horse Racing Agents and the Operating Enterprise.

d) Game Played: Means the selection made by the player as to the type of game as evidenced in a receipt.

e) Electronic Gaming System: Means such transaction or operation through terminals located in off-track betting locations that allows people to participate in electronic games through which, by chance, said person may receive credits that may be redeemed for cash.

Section 29. — Distribution of net receipts from the Electronic Video Games System. (15 L.P.R.A. § 198y)

The net receipts from the Electronic Gaming System operations shall be deposited in a special account created by the Operator. The amount to be distributed to the player on account of winnings shall not be less than eighty-three percent (83%) of the total value of the plays. This ratio shall be measured on the basis of the parameters to be established through regulations.

The Operator shall distribute the operations’ net receipts in the following order and manner:

(a) If the electronic gaming system is operated by the operator:

- (1) Fifteen percent (15%) for the Off-track Betting Tellers’ Commission;**
- (2) Fifteen percent (15%) to be paid into the account for race prizes; and**
- (3) Seventy percent (70%) to the operator.**

(b) If the Electronic Gaming System is operated by a provider:

- (1) Fifteen percent (15%) for the Off-track Betting Tellers’ Commission;**
- (2) Fifteen percent (15%) to be paid into the account for race prizes; and**
- (3) the remainder of: (A) The amount agreed upon by the provider and the operator shall be divided between the provider and the operator pursuant to the agreement between the operator and the provider.**

Any balance of the net receipts from the Electronic Gaming System operations, after the items stated in subsections (a) and (b) are covered, shall be paid and deposited in the General Fund of Puerto Rico.

Section 22. — Creation of the Off-track Betting Teller Uncollectible Accounts Fund. (15 L.P.R.A. § 198z)

(1) Said Fund, as defined in Section 3 of this Act, shall consist of the contributions made by off-track betting tellers who choose not to post a bond to secure the payment of wagers, in lieu of said bond, to secure the recovery of the money waged in off-track betting locations and not paid to an Operator. Said contributions shall be established by the Executive Director through an order.

(2) Operators, as defined in Section 3 of this Act, shall be in charge of collecting the tellers' contributions, which shall be kept in a bank account exclusively held for such purposes

(3) The failure to pay the contributions corresponding to the Fund for the Collection of Uncollectable Accounts of Horse Racing Agencies to an operating enterprise on a daily basis shall be deemed to be cause for the suspension or cancellation of the license of the off-track betting teller.

Section 23. — Creation of the Breeding and Development Fund. (15 L.P.R.A. § 198aa)

(1) Said fund, as defined in Section 3 of this Act, is created for purposes of promoting the breeding and acquisition of thoroughbred horses and developing the horse racing industry.

(2) The monies deposited into the Breeding and Improvement Fund are intended for creating incentives to horse owners to acquire more and better thoroughbred horses. Without it being construed as a limitation, the fund may be used to make contributions and grant loans, at a considerably lower interest rate than the prime rate, to owners and breeders for the acquisition of racehorses, as well as for the acquisition of studs of proven quality in order to donate or lease their services, as well as for contributing to the payment of the breaking and transportation of racehorses.

(3) The Commission shall have the right to deduct from the payments corresponding to the recipients of said programs, an administration or service fee that shall not exceed five percent (5%) of said funds and proof thereof shall be submitted and kept.

(4) The Funds obtained for the Breeding and Development Fund, as provided in this Act, shall be tax-exempt for the beneficiaries thereof. Said funds shall be distributed by the Commission, upon receipt thereof, as prescribed through regulations, order, or resolution. The interest generated by these accounts shall be used for the same purposes that led to the creation of this Fund.

(5) The Executive Director may appoint a Fund Administrator if, in his best judgment, said procedure is beneficial to the disposition and management thereof.

(6) The Commission shall prescribe through regulations the award of two (2) scholarships in the amount of one thousand dollars (\$1,000) each. These scholarships shall be known as the Mateo Matos Scholarship and the Pablo Suárez Vélez Scholarship, as provided in the ‘Government of Puerto Rico Gaming Commission Act.’ These amounts may be adjusted by the Commission, according to the time value of money. Scholarships shall be funded by this Breeding and Development Fund.

Note. This compilation was prepared by the [Puerto Rico Office of Management and Budget](#) staff who have striven to ensure it is complete and accurate. However, this is not an official compilation and may not be completely free of error. It contains all amendments incorporated for reading purposes only. For accuracy and exactitude please refer to the act original text and the collection of Laws of Puerto Rico Annotated LPR.A. The state links acts are property of [Legislative Services Office](#) of Puerto Rico. The federal links acts are property of [US Government Publishing Office GPO](#). Compiled by the Office of Management and Budget Library.

See also the **Original version Act**, as approved by the Legislature of Puerto Rico.