

(aa) the annual budget of the Authority for the following calendar year, as approved by the Board; and

(bb) the projected amount of covered racing starts for the year in each State; and

(II) take into account other sources of Authority revenue.

(iii) Requirements regarding budgets of Authority

(I) Initial budget

The initial budget of the Authority shall require the approval of $\frac{2}{3}$ of the Board.

(II) Subsequent budgets

Any subsequent budget that exceeds the budget of the preceding calendar year by more than 5 percent shall require the approval of $\frac{2}{3}$ of the Board.

(iv) Rate increases

(I) In general

A proposed increase in the amount required under this subparagraph shall be reported to the Commission.

(II) Notice and comment

The Commission shall publish in the Federal Register such a proposed increase and provide an opportunity for public comment.

(2) Assessment and collection of fees by States

(A) Notice of election

Any State racing commission that elects to remit fees pursuant to this subsection shall notify the Authority of such election not later than 60 days before the program effective date.

(B) Requirement to remit fees

After a State racing commission makes a notification under subparagraph (A), the election shall remain in effect and the State racing commission shall be required to remit fees pursuant to this subsection according to a schedule established in rule developed by the Authority and approved by the Commission.

(C) Withdrawal of election

A State racing commission may cease remitting fees under this subsection not earlier than one year after notifying the Authority of the intent of the State racing commission to do so.

(D) Determination of methods

Each State racing commission shall determine, subject to the applicable laws, regulations, and contracts of the State, the method by which the requisite amount of fees, such as foal registration fees, sales contributions, starter fees, and track fees, and other fees on covered persons, shall be allocated, assessed, and collected.

(3) Assessment and collection of fees by the Authority

(A) Calculation

If a State racing commission does not elect to remit fees pursuant to paragraph (2)

or withdraws its election under such paragraph, the Authority shall, not less frequently than monthly, calculate the applicable fee per racing start multiplied by the number of racing starts in the State during the preceding month.

(B) Allocation

The Authority shall allocate equitably the amount calculated under subparagraph (A) collected among covered persons involved with covered horseraces pursuant to such rules as the Authority may promulgate.

(C) Assessment and collection

(i) In general

The Authority shall assess a fee equal to the allocation made under subparagraph (B) and shall collect such fee according to such rules as the Authority may promulgate.

(ii) Remittance of fees

Covered persons described in subparagraph (B) shall be required to remit such fees to the Authority.

(D) Limitation

A State racing commission that does not elect to remit fees pursuant to paragraph (2) or that withdraws its election under such paragraph shall not impose or collect from any person a fee or tax relating to antidoping and medication control or racetrack safety matters for covered horseraces.

(4) Fees and fines

Fees and fines imposed by the Authority shall be allocated toward funding of the Authority and its activities.

(5) Rule of construction

Nothing in this chapter shall be construed to require—

(A) the appropriation of any amount to the Authority; or

(B) the Federal Government to guarantee the debts of the Authority.

(g) Quorum

For all items where Board approval is required, the Authority shall have present a majority of independent members.

(Pub. L. 116-260, div. FF, title XII, § 1203, Dec. 27, 2020, 134 Stat. 3253.)

Editorial Notes

REFERENCES IN TEXT

This chapter, referred to in subsec. (f)(5), was in the original “this Act” and was translated as reading “this title”, meaning title XII of div. FF of Pub. L. 116-260, to reflect the probable intent of Congress.

§ 3053. Federal Trade Commission oversight

(a) In general

The Authority shall submit to the Commission, in accordance with such rules as the Commission may prescribe under section 553 of title 5, any proposed rule, or proposed modification to a rule, of the Authority relating to—

(1) the bylaws of the Authority;

- (2) a list of permitted and prohibited medications, substances, and methods, including allowable limits of permitted medications, substances, and methods;
- (3) laboratory standards for accreditation and protocols;
- (4) standards for racing surface quality maintenance;
- (5) racetrack safety standards and protocols;
- (6) a program for injury and fatality data analysis;
- (7) a program of research and education on safety, performance, and anti-doping and medication control;
- (8) a description of safety, performance, and anti-doping and medication control rule violations applicable to covered horses and covered persons;
- (9) a schedule of civil sanctions for violations;
- (10) a process or procedures for disciplinary hearings; and
- (11) a formula or methodology for determining assessments described in section 3052(f) of this title.

(b) Publication and comment

(1) In general

The Commission shall—

- (A) publish in the Federal Register each proposed rule or modification submitted under subsection (a); and
- (B) provide an opportunity for public comment.

(2) Approval required

A proposed rule, or a proposed modification to a rule, of the Authority shall not take effect unless the proposed rule or modification has been approved by the Commission.

(c) Decision on proposed rule or modification to a rule

(1) In general

Not later than 60 days after the date on which a proposed rule or modification is published in the Federal Register, the Commission shall approve or disapprove the proposed rule or modification.

(2) Conditions

The Commission shall approve a proposed rule or modification if the Commission finds that the proposed rule or modification is consistent with—

- (A) this chapter; and
- (B) applicable rules approved by the Commission.

(3) Revision of proposed rule or modification

(A) In general

In the case of disapproval of a proposed rule or modification under this subsection, not later than 30 days after the issuance of the disapproval, the Commission shall make recommendations to the Authority to modify the proposed rule or modification.

(B) Resubmission

The Authority may resubmit for approval by the Commission a proposed rule or modification that incorporates the modifications recommended under subparagraph (A).

(d) Proposed standards and procedures

(1) In general

The Authority shall submit to the Commission any proposed rule, standard, or procedure developed by the Authority to carry out the horseracing anti-doping and medication control program or the racetrack safety program.

(2) Notice and comment

The Commission shall publish in the Federal Register any such proposed rule, standard, or procedure and provide an opportunity for public comment.

(e) Amendment by Commission of rules of authority

The Commission, by rule in accordance with section 553 of title 5, may abrogate, add to, and modify the rules of the Authority promulgated in accordance with this chapter as the Commission finds necessary or appropriate to ensure the fair administration of the Authority, to conform the rules of the Authority to requirements of this chapter and applicable rules approved by the Commission, or otherwise in furtherance of the purposes of this chapter.

(Pub. L. 116-260, div. FF, title XII, § 1204, Dec. 27, 2020, 134 Stat. 3257; Pub. L. 117-328, div. O, title VII, § 701, Dec. 29, 2022, 136 Stat. 5231.)

Editorial Notes

REFERENCES IN TEXT

This chapter, referred to in subsecs. (c)(2)(A) and (e), was in the original “this Act” and was translated as reading “this title”, meaning title XII of div. FF of Pub. L. 116-260, to reflect the probable intent of Congress.

AMENDMENTS

2022—Subsec. (e). Pub. L. 117-328 amended subsec. (e) generally. Prior to amendment, text read as follows: “The Commission may adopt an interim final rule, to take effect immediately, under conditions specified in section 553(b)(B) of title 5, if the Commission finds that such a rule is necessary to protect—

- “(1) the health and safety of covered horses; or
- “(2) the integrity of covered horseraces and wagering on those horseraces.”

§ 3054. Jurisdiction of the Commission and the Horseracing Integrity and Safety Authority

(a) In general

Beginning on the program effective date, the Commission, the Authority, and the anti-doping and medication control enforcement agency, each within the scope of their powers and responsibilities under this chapter, as limited by subsection (j),¹ shall—

- (1) implement and enforce the horseracing anti-doping and medication control program and the racetrack safety program;

- (2) exercise independent and exclusive national authority over—

- (A) the safety, welfare, and integrity of covered horses, covered persons, and covered horseraces; and

- (B) all horseracing safety, performance, and anti-doping and medication control mat-

¹ So in original. Probably should be “subsection (k)”.