Ensuring Humane Treatment of Retired Racehorses

New York State has enacted new provisions of the Agriculture and Markets Law that prohibit the commercial slaughter of horses known to be racehorses or breeding stock. The legislation also amends the Racing, Pari-Mutuel Wagering and Breeding Law ("Racing Law") to require that racehorses in the State be microchipped, to modify both the term "New York-bred" and the eligibility requirements to be admitted to New York bred harness horse events to require that each mare, stallion, and foal be microchipped, and to authorize the New York State Thoroughbred Breeding and Development Fund Corporation ("Thoroughbred Fund") and the Agriculture and New York State Horse Breeding Development Fund Corporation ("Harness Fund") to utilize certain designated revenues to pay for racehorse aftercare. Further, the legislation amends the Tax Law to provide a check off box for taxpayer gifts for racehorse aftercare that do not reduce the taxpayer's tax liability. The following summarizes the added provisions.

**Agriculture and Markets Law**

**Section 382 -- The Prohibition of the Commercial Slaughter of Racehorses and Breeding Stock**

A new Section 382 was added to Agriculture and Markets Law, which prohibits the slaughter of a racehorse (a horse known to be a horse eligible to race at a licensed racetrack) or breeding stock (a horse used to produce a foal intended to be used as a racehorse). The statute defines slaughter as the intentional killing of a horse for the purpose of using any part of the animal for human or animal consumption.

Section 382(1) makes it unlawful for any person or entity to slaughter or to have someone else slaughter a horse for a commercial purpose if the horse is known to be a thoroughbred or standardbred racehorse or a horse known to be breeding stock.

Section 382(2) makes it unlawful for any person or entity owning or in the process of taking ownership of a racehorse or racehorse breeding stock to: import, export, sell, offer to sell, or barter, transfer, purchase, possess, transport, deliver or receive a horse known to be a racehorse or breeding stock with the intent to slaughter or have another slaughter the horse. The subsection 2 also makes it unlawful to direct another person or entity to undertake those actions if the person providing the direction knows that the horse is a racehorse or breeding stock.

Section 382 of Agriculture and Markets Law went into effect on January 1, 2022.

**Violations of Section 382 and Penalties**

Pursuant to Section 382(4)(a), a violation of this Section is a misdemeanor and is enforced by local law enforcement.
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An individual found to have violated Section 382 is subject to a fine of not more than one thousand dollars for each racehorse or breeding stock horse slaughtered. Subsequent violations are punishable by fines of up to two thousand dollars per horse. A corporation, association or other entity found to have violated Section 382 is subject to a fine of not more than two thousand dollars five hundred dollars per each racehorse or breeding stock horse slaughtered. Subsequent violations are punishable by a fine of up to five thousand dollars per horse.

Additionally, a violation of Section 382(4)(b) may subject any New York State Gaming Commission (the "Commission") license to suspension or revocation under the provisions of the Racing Law.

All fines collected under Section 382 involving a thoroughbred racehorse are required to be remitted to the Thoroughbred Fund and deposited into a dedicated account for the care of retired racehorses. All fines issued under Section 382 involving a standardbred horse or breeding stock are required to be remitted to the Harness Fund and deposited into a dedicated account for the care of retired racehorses. (Section 382[5][a],[b]).

Limitations of Liability for Violations of Section 382

Section 382(6) provides that an owner of either a racehorse that has competed in New York State on or after January 1, 2022, or any horse used for breeding purposes in New York State on or after January 1, 2022, will not be liable for violations of Section 382, provided that the owner can demonstrate, with proper documentation, that the ownership of the horse was transferred to a party with no financial or familial relationship to the owner.

Section 382(7) also provides that liability for a violation of Section 382 is limited to the last owner in the chain of ownership of the horse, as determined by notice to the breed registry for that breed (see Section 225 of the Racing Law) or other documentation of ownership. This subdivision requires that seller or purchaser of any registered racehorse sold by a New York resident or corporation who is a member of a breed registry to provide notification of the sale to the relevant breed registry to document ownership and protect the previous owners from liability.

The Racing Law

A new provision was added to the registration provision in Section 225 of the Racing Law requiring the microchipping and registration of racehorses. The added language provides that “no horse, mare, gelding, colt, or filly shall be eligible to compete in any race, unless it is first microchipped and registered with the jockey club, the United States trotting association, the American quarter horse association, the national steeplechase and hunt association or such other entity, as applicable and as the commission may designate.”
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The amendment also grants the Commission the authority to request all microchip information be provided to it.

The new law also amends Section 251 of the Racing Law to change the definition of “New York-bred.” As revised, to qualify as “New York-bred,” the mare, stallion and foal must be microchipped and registered under Section 225 of the Racing Law. In addition, the new law amends Section 254 of the Racing Law to authorize the Thoroughbred Fund to utilize certain designated revenues to pay for racehorse aftercare.

Section 334 of the Racing Law was amended to require that, when considering horses’ eligibility to be admitted to New York-bred harness horse events, all foals shall be microchipped. Additionally, all mares and stallions must be microchipped when considering mares bred on or after January 1, 2022. Section 332 of the Racing Law was amended to direct the Harness Fund to establish a dedicated account to allocate funds for the care of retired racehorses.

Pursuant to Sections 254 and 332 of the Racing Law, the Commission will establish an advisory board to consult both Funds when the Funds make allocations from the dedicated accounts for the care of retired horses.

Tax Law

The new law added new Tax Law Sections 209-N and 209-O to permit a taxpayer to contribute to either the Thoroughbred Fund or Harness Fund, which contributions shall be deposited in an amount dedicated for the aftercare of thoroughbred racehorses or standard bred or breeding stock racehorses, respectively. These contributions will not reduce the amount of state tax owed by the contributing taxpayer.