

(3) A licensee shall dedicate .75 percent of the funds received under paragraph (1) of this subsection to capital improvements at the track.

(B-4) (1) THE INCREASED FUNDS RETAINED BY A LICENSEE UNDER SUBSECTION (B-2) OF THIS SECTION ARE PROVIDED SO THAT THE LICENSEE SHALL IMPROVE THE FACILITIES AND SERVICES OF ITS TRACK AND INCREASE ITS PROMOTIONAL AND MARKETING ACTIVITIES, IN ORDER THAT ATTENDANCE AND WAGERING MAY BE INCREASED AND THE WELL-BEING OF THE STANDARD BRED RACING INDUSTRY ENHANCED.

(2) A LICENSEE WHO RETAINS ADDITIONAL FUNDS UNDER SUBSECTION (B-2) OF THIS SECTION, BY OCTOBER 1, 1988 AND OCTOBER 1, 1989, SHALL SUBMIT TO THE COMMISSION AND THE FISCAL COMMITTEES OF THE GENERAL ASSEMBLY A WRITTEN REPORT, BASED ON AUDITED FINANCIAL STATEMENTS, ON THE USE OF THE INCREASED FUNDS RETAINED BY THE LICENSEE BEGINNING JULY 1, 1985 UNDER SUBSECTION (B-2) OF THIS SECTION.

(3) IN NO YEAR SHALL THE LICENSEE'S EXPENDITURE FOR CAPITAL IMPROVEMENTS, MARKETING, PUBLIC RELATIONS, PROMOTIONS, AND MAINTENANCE BE LESS THAN THE AVERAGE EXPENDITURE OF THE LICENSEE FOR THE 3 FISCAL YEARS PRECEDING THE ENACTMENT OF THIS LEGISLATION FOR EACH OF THE ABOVE LISTED AREAS. IN CALCULATING THE MINIMUM REQUIRED EXPENDITURE, A LICENSEE MAY NOT INCLUDE IN THE CALCULATION ANY ALLOWANCE FOR INCOME TAX CONSEQUENCES RESULTING FROM THE INCREASED FUNDS.

(4) THE REPORT SUBMITTED TO THE COMMISSION AND TO THE FISCAL COMMITTEES UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE SUBMITTED UNDER PENALTY OF PERJURY.

(B-5) (1) A LICENSEE MAY NOT WILFULLY AND KNOWINGLY MAKE OR CAUSE TO BE MADE ANY FALSE STATEMENT OR ENTRY IN THE REPORT REQUIRED TO BE FILED UNDER PARAGRAPH (B-4)(2) OF THIS SECTION.

(2) A LICENSEE WHO WILFULLY AND KNOWINGLY VIOLATES PARAGRAPH (1) OF THIS SUBSECTION IS GUILTY OF A MISDEMEANOR AND, UPON CONVICTION, PUNISHABLE BY A FINE NOT TO EXCEED \$1,000 OR IMPRISONMENT NOT TO EXCEED 1 YEAR, OR BOTH.

~~SECTION--2--AND-BE-IT-FURTHER-ENACTED, That-this-Act--shall take-effect-July-17-1987.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect on July 1, 1987, contingent on the taking effect of Chapter of the Acts of 1987 (S.B. 1001) (71r3399), and if Chapter does not become effective, this Act shall be null and void without the necessity of further action by the General Assembly.