

AMENDED IN SENATE AUGUST 1, 2007

AMENDED IN SENATE JULY 17, 2007

AMENDED IN SENATE JULY 2, 2007

AMENDED IN ASSEMBLY APRIL 9, 2007

AMENDED IN ASSEMBLY MARCH 12, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

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**ASSEMBLY BILL**

**No. 241**

**Introduced by Assembly Member Price**

January 31, 2007

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An act to amend Sections 19410 and 19605.51 of, and to add Sections 19410.7, 19605.25, ~~19605.26~~, and 19605.54 to, the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 241, as amended, Price. Horse racing: satellite wagering.

Existing law generally regulates horse racing, including satellite wagering on horse races. Existing law authorizes the California Horse Racing Board to authorize certain fairs and racing associations to operate satellite wagering facilities.

This bill would authorize an additional 15 minisatellite wagering sites, as defined, in each zone under certain conditions. The bill would also require the board to adopt *emergency* regulations to implement the new facilities by April 1, 2008. The bill would authorize satellite wagering to continue to be conducted at certain ~~race tracks~~ *racetracks* that have closed, under certain conditions. ~~The bill would further~~

~~authorize a thoroughbred association or fair, subject to approval by the board, to deduct from the total amount handled in the parimutuel pool for any type of wager, an amount of not less than 10% nor more than 25% at the joint request of the thoroughbred association or fair and the horsemen’s organization for the meeting of a thoroughbred association or a fair accepting the wager.~~

Existing law generally regulates horse racing and defines “inclosure” for purposes of wagering as all areas of the racing association’s or fair’s grounds and locations, as designated by the racing association or fair licensed to conduct a live racing meeting and approved by the board, excluding the public parking lot.

This bill would delete the parking lot exclusion from that definition.

Existing law authorizes any fair in San Joaquin, San Bernardino, Humboldt, or Fresno Counties, subject to certain conditions, to operate a satellite wagering facility, as specified.

This bill would remove the specified counties listed in that provision, so as to authorize any county to operate a satellite wagering facility under those conditions.

By expanding wagering on horse racing by authorizing additional satellite wagering facilities, this bill would increase the amount of continuously appropriated license fees, thereby making an appropriation.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares the following:
- 2 (a) Although there are over 18,000 lottery outlets, more than
- 3 90 gambling establishments, and more than 60 tribal casinos, there
- 4 are only 33 places to make a wager on a horse race in the State of
- 5 California. Yet horse racing employs over 45,000 people in the
- 6 state.
- 7 (b) With a population of over 35,000,000 people, the horse
- 8 racing industry needs many more wagering sites to adequately
- 9 serve the people of the state.
- 10 (c) It is the intent of the Legislature, in enacting this measure,
- 11 to make the sport of horse racing more accessible to the citizens
- 12 of this state.
- 13 SEC. 2. Section 19410 of the Business and Professions Code
- 14 is amended to read:

1 19410. “Inclosure” means all areas of the racing association’s  
2 or fair’s grounds and locations, as designated by the racing  
3 association or fair licensed to conduct a live racing meeting and  
4 approved by the board.

5 SEC. 3. Section 19410.7 is added to the Business and  
6 Professions Code, to read:

7 19410.7. “Minisatellite wagering site” means a location where  
8 satellite wagering may be conducted, with the approval of the  
9 board, provided that the wagering occurs in an area that is restricted  
10 to those who are 21 years of age or older.

11 SEC. 4. Section 19605.25 is added to the Business and  
12 Professions Code, to read:

13 19605.25. The California Horse Racing Board may approve  
14 an additional 15 minisatellite wagering sites in each zone, if all of  
15 the following conditions are met:

16 (a) No site is within 20 miles of a racetrack, a satellite wagering  
17 facility, or a tribal casino that has a satellite wagering facility. If  
18 the proposed facility is within 20 miles of one of the  
19 above-referenced satellite facilities, then the consent of each facility  
20 within a 20-mile radius and each affected horsemen’s organization  
21 must be given before the proposed facility may be approved by  
22 the board. A horsemen’s organization that does not give its consent  
23 may block wagers from being taken on its races. However, the  
24 horsemen’s organization representing another breed may grant its  
25 consent; then that facility may accept wagers only on those races  
26 from the racetrack where the horsemen granting consent conduct  
27 racing.

28 (b) There is an agreement with the racing association that is  
29 sending the audio/visual signal to accept wagers.

30 (c) The site is approved by the board.

31 (d) The wagers are accepted in an area that is accessible only  
32 to those who are at least 21 years of age.

33 (e) Wagering is permitted only on those races that may be  
34 wagered on at the racetrack.

35 (f) Parimutuel clerks are available to service the self-service  
36 tote machines at these locations, and to cash wagering vouchers  
37 on a regularly scheduled basis.

38 (g) If the proposed minisatellite wagering site is in the northern  
39 zone in a fair district where the fair has operated a satellite  
40 wagering facility for the previous five years, the approval of the

1 fair must be obtained even if the proposed location is more than  
2 20 miles from the existing satellite wagering facility operated by  
3 the fair.

4 (h) The provisions of Sections 19607.1, 19607.2, 19607.3,  
5 19608.1, 19608.2, and 19608.4 shall apply to the operation of these  
6 new facilities. For purposes of commissions, deductions, and  
7 distributions, wagers at these facilities shall be treated as if they  
8 were made at a traditional satellite wagering facility.

9 (i) The consent of the San Mateo County Fair shall be obtained  
10 prior to the approval of any minisatellite wagering site located  
11 within a 20-mile radius of its fairground.

12 (j) Minisatellite wagering facilities created pursuant to this  
13 section are not eligible for satellite wagering commission  
14 distributions pursuant to Section 19604.

15 (k) The board shall adopt *emergency* regulations to implement  
16 these new facilities on or before April 1, 2008. The board, in  
17 adopting these regulations, shall minimize the expense to both the  
18 operator of the minisatellite facility and the host racetrack.

19 (l) *If there are more than 15 applications for minisatellite*  
20 *wagering facilities in any zone, the board shall determine which*  
21 *facilities will generate the largest handle, and give priority to the*  
22 *approval of those facilities. The board shall license a minisatellite*  
23 *facility for two years, and then review the operation and the size*  
24 *of the handle, and determine if it is in the best interest of horse*  
25 *racing to relicense the facility or, in the alternative, license another*  
26 *minisatellite facility that might generate a greater handle.*

27 ~~SEC. 5. Section 19605.26 is added to the Business and~~  
28 ~~Professions Code, to read:~~

29 ~~19605.26. Notwithstanding any other provision of law, a~~  
30 ~~thoroughbred association or fair, subject to approval by the board,~~  
31 ~~may deduct from the total amount handled in the parimutuel pool~~  
32 ~~for any type of wager, an amount of not less than 10 percent nor~~  
33 ~~more than 25 percent at the joint request of the thoroughbred~~  
34 ~~association or fair and the horsemen's organization for the meeting~~  
35 ~~of a thoroughbred association or a fair accepting the wager. The~~  
36 ~~amount deducted shall be distributed as prescribed in this chapter.~~

37 ~~SEC. 6.~~

38 ~~SEC. 5. Section 19605.51 of the Business and Professions Code~~  
39 ~~is amended to read:~~

1 19605.51. Notwithstanding subdivision (a) of Section 19605,  
 2 and Section 19605.1, any fair may, with the approval of the  
 3 Department of Food and Agriculture and the authorization of the  
 4 board, subject to the conditions specified in Section 19605.3,  
 5 operate a satellite wagering facility on leased premises within the  
 6 boundaries of that fair.

7 ~~SEC. 7.~~

8 SEC. 6. Section 19605.54 is added to the Business and  
 9 Professions Code, to read:

10 19605.54. Any racetrack in the central zone that conducted  
 11 racing in 2007 but that has since closed may continue to conduct  
 12 satellite wagering. If the racetrack site is no longer available for  
 13 use as a satellite wagering facility, then the owner of the racetrack  
 14 may conduct satellite racing at another location within that city,  
 15 subject to approval by the board. *If the owners of the racetrack*  
 16 *which last conducted racing at that facility determine that they do*  
 17 *not wish to operate a satellite wagering facility, then any other*  
 18 *racetrack conducting racing in that zone may instead be authorized*  
 19 *to open a satellite wagering facility. If there is no other racing*  
 20 *association that wishes to operate a satellite wagering facility in*  
 21 *that city, then any other person or entity may seek the approval of*  
 22 *the board to operate a satellite wagering facility in that city.* The  
 23 board, prior to granting its approval, shall conduct a hearing on  
 24 the issue, and afford parties the opportunity to be heard.

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CORRECTIONS:

Text—Pages 3, 4, and 5.

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