

AMENDED IN SENATE AUGUST 22, 2008

AMENDED IN SENATE JUNE 18, 2008

AMENDED IN ASSEMBLY APRIL 9, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 1289

Introduced by Assembly Member Price

February 23, 2007

An act to amend ~~Section 19601.2~~ *Sections 19601.2 and 19605.77* of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1289, as amended, Price. Fairs: ~~wagering~~; out-of-zone, out-of-state, and out-of-country races: *harness racing; workers' compensation*.

Existing law provides that when the San Mateo County Fair, or other fair or thoroughbred association, and the Humboldt County Fair simultaneously conduct race meetings, the San Mateo County Fair, or other fair or thoroughbred association, is authorized to distribute the signal and accept wagers on out-of-zone, out-of-state, and out-of-country races if it complies with specified conditions.

Under existing law, for the period in which both fairs are conducting race meetings, the San Mateo County Fair, or other fair or thoroughbred association, is required to give to the Humboldt County Fair 0.75% of the out-of-zone, out-of-state, and out-of-country handle. Existing law requires the San Mateo County Fair to distribute the remaining amount by retaining 50% and distributing it equally as commissions and purses with the other 50% being paid to the state as a license fee.

This bill would make clarifying changes to the above provisions.

Existing law authorizes a harness racing association, until January 1, 2009, upon approval of the organization representing harness horsemen and horsewomen, to deduct an additional 1% from the conventional parimutuel pools of harness races for workers' compensation costs of trainers, as specified, with any funds not expended for this purpose in the year in which they are collected to either be used for the following year's workers' compensation costs or to benefit the harness purse pool, as specified. If the harness racing association and the organization representing harness horsemen and horsewomen cannot agree on the manner of distribution of these funds, the matter is required to be submitted to the California Horse Racing Board for a decision.

This bill would extend the operation of these provisions until January 1, 2014.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

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

1 SECTION 1. Section 19601.2 of the Business and Professions
2 Code is amended to read:
3 19601.2. (a) During calendar periods when the San Mateo
4 County Fair, or other fair or thoroughbred association, and the
5 Humboldt County Fair simultaneously conduct race meetings in
6 the northern zone, the San Mateo County Fair, or other fair or
7 thoroughbred association, shall be the association authorized to
8 distribute the signal and accept wagers on out-of-zone, out-of-state,
9 and out-of-country races if it complies with the conditions specified
10 in subdivision (a) of Section 19601. The amounts deducted from
11 these wagers shall be distributed as provided in Section 19601,
12 and license fees on races conducted by the Humboldt County Fair
13 and on out-of-zone, out-of-state, or out-of-country races shall be
14 as specified in subdivision (h) of Section 19601. Additionally,
15 from, and to the extent of, license fees generated from the total
16 handle of the San Mateo County Fair, or other fair or thoroughbred
17 association, during the overlap, the San Mateo County Fair, or
18 other fair or thoroughbred association, shall distribute to the
19 Humboldt County Fair, not less than seven days after the close of
20 the racing meeting, an amount equal to 0.75 percent of the
21 out-of-zone, out-of-state, and out-of-country handle. From the

1 amount remaining, if any, 50 percent shall be retained by the San
2 Mateo County Fair, or other fair or thoroughbred association, to
3 be distributed equally as commissions and purses, and 50 percent
4 shall be paid to the state as a license fee.

5 (b) During calendar periods when the Fresno District Fair and
6 any thoroughbred association in the northern zone both conduct
7 race meetings, the thoroughbred association shall be the association
8 authorized to distribute the signal and accept wagers on
9 out-of-zone, out-of-state, and out-of-country races, if it complies
10 with the conditions specified in subdivision (a) of Section 19601.
11 The amounts deducted from these wagers shall be distributed as
12 provided in Section 19601, and license fees on races conducted
13 by the Fresno District Fair and on out-of-zone, out-of-state, or
14 out-of-country races shall be as specified in subdivision (h) of
15 Section 19601. Additionally, from, and to the extent of, license
16 fees generated from the total handle of the thoroughbred association
17 during the overlap, the thoroughbred association shall distribute
18 to the Fresno District Fair, not less than seven days after the close
19 of the racing meeting, an amount equal to 0.75 percent of the
20 out-of-zone, out-of-state, and out-of-country handle. From the
21 amount remaining, if any, 50 percent shall be retained by the
22 thoroughbred association to be distributed equally as commissions
23 and purses, and 50 percent shall be paid to the state as a license
24 fee.

25 *SEC. 2. Section 19605.77 of the Business and Professions Code*
26 *is amended to read:*

27 19605.77. (a) Notwithstanding Section 19610, a harness racing
28 association may deduct an additional 1 percent of the total amount
29 handled in conventional parimutuel pools of harness races. This
30 additional deduction shall only be permitted with the approval of
31 the organization representing harness horsemen and horsewomen
32 at the applicable racing association meeting.

33 (b) Any funds collected pursuant to subdivision (a) from
34 conventional parimutuel pools on harness races within the inclosure
35 of a racetrack, at satellite wagering facilities within this state, and
36 through advance deposit wagering by residents of this state, shall
37 be distributed to the organization described in subdivision (e) to
38 be used in accordance with subdivision (d).

39 (c) Any harness racing association that authorizes a betting
40 system located outside of this state to accept conventional wagers

1 on its races and to combine those wagers in the association's
2 conventional parimutuel pools, including, but not limited to, a
3 multijurisdictional wagering hub as to conventional wagers made
4 by residents other than those of this state, may deduct the amount
5 specified in subdivision (a) in addition to any other applicable
6 deductions specified in law. Any amount deducted pursuant to this
7 subdivision shall be distributed to the organization described in
8 subdivision (e) to be used in accordance with the provisions of
9 subdivision (d). This additional deduction shall not be included in
10 the amount on which license fees are determined pursuant to
11 Section 19602.

12 (d) The amounts distributed to the organization described in
13 subdivision (e) shall be deposited by that organization in a separate
14 account and used to reduce the workers' compensation insurance
15 costs for trainers who are racing horses at the applicable harness
16 racing association meet. Any funds not expended for this purpose
17 in the calendar year in which they are collected may either be used
18 for the following year's workers' compensation costs, as specified
19 above, or to benefit the harness purse pool at the track where the
20 funds are generated.

21 (e) The harness racing association and the organization
22 representing harness horsemen and horsewomen shall form an
23 organization to which any funds deducted pursuant to subdivisions
24 (b) and (c) shall be distributed. The harness associations
25 collectively shall have representation equal to that of the
26 organization representing harness horsemen and horsewomen on
27 the governing board of the organization formed pursuant to this
28 subdivision.

29 (f) If the harness-horse racing association and the organization
30 representing harness horsemen and horsewomen cannot agree on
31 the manner for distributing these funds to defray the costs of
32 workers' compensation insurance, the matter shall be submitted
33 to the California Horse Racing Board for a decision consistent
34 with subdivision (d), and the decision of the board shall be final.

35 (g) This section shall remain in effect only until January 1, ~~2009~~
36 2014, and as of that date is repealed, unless a later enacted statute,
37 that is enacted before January 1, ~~2009~~ 2014, deletes or extends
38 that date.

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