

AMENDED IN SENATE AUGUST 12, 2008

AMENDED IN ASSEMBLY APRIL 9, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 2048

Introduced by Assembly Member Silva

February 19, 2008

An act to amend ~~Section 19596.1~~ *Sections 19596.1 and 19605.76* of the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2048, as amended, Silva. ~~Horse racing: harness or quarter horse races: out-of-state or out-of-country.~~ *racine*.

Under existing law, the California Horse Racing Board is authorized to permit a harness or quarter horse association conducting a race meeting to accept wagers on the results of out-of-state, out-of-country, and sometimes other harness or quarter horse races, if specified conditions are met, including that the association conducts at least 7 live races and imports not more than 6 races on live racing days.

This bill would revise that provision to instead permit the association to import not more than 8 races on live racing days.

Existing law authorizes the operation of satellite wagering facilities.

This bill would require the board to review the regulations governing the operation of satellite wagering facilities, in an attempt to reduce the cost of operating these facilities.

Existing law authorizes a quarter horse racing association to deduct an additional 0.5% of the total amount handled in its exotic parimutuel

pools, under certain conditions, to be distributed as specified. This authorization expires as of January 1, 2009.

This bill would extend that authorization to January 1, 2014.

Under existing law, revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

By providing for the importation of additional out-of-state and out-of-country races, this bill would authorize additional wagering, and 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. Section 19596.1 of the Business and Professions
- 2 Code is amended to read:
- 3 19596.1. (a) Notwithstanding any other provision of law, the
- 4 board may authorize a harness or quarter horse association
- 5 conducting a race meeting to accept wagers on the results of
- 6 out-of-state or out-of-country harness or quarter horse races and,
- 7 with the board’s approval and with the concurrence of the
- 8 horsemen’s organization contracting with the association, other
- 9 designated harness or quarter horse races during the period it is
- 10 conducting the racing meeting, if all of the following conditions
- 11 are met:
- 12 (1) The authorization complies with federal laws, including, but
- 13 not limited to, Chapter 57 (commencing with Section 3001) of
- 14 Title 15 of the United States Code.
- 15 (2) Wagering is offered only within the racing inclosure and
- 16 only within 36 hours of the running of the out-of-state feature race.
- 17 (3) The association conducts at least seven live races, and
- 18 imports not more than eight races on those days during a racing
- 19 meeting when live races are being run, except as provided in
- 20 subdivision (b).
- 21 (4) If only one breed of horse specified in this section is being
- 22 raced on a given day, then the association conducting the live
- 23 racing may import those races which would otherwise be simulcast
- 24 by the association which is not racing, provided that the total

1 number of harness or quarter horse races imported in a calendar
2 year does not exceed the number of night races imported in 1998
3 after 5:30 p.m. After the usual deductions, including the portion
4 for the racing association, the portion remaining for purses from
5 these races shall be distributed equally for purses for harness
6 horsemen and quarter horse horsemen.

7 (5) No quarter horse or harness racing association shall accept
8 wagers on out-of-state or out-of-country quarter horse or harness
9 races commencing before 5:30 p.m., Pacific standard time, without
10 the consent of any thoroughbred association or fair that is then
11 conducting a live racing meeting in this state.

12 (b) An association that is authorized to import races pursuant
13 to subdivision (a) may, at its sole discretion, import fewer than the
14 maximum number of harness or quarter horse races authorized in
15 paragraph (3) of subdivision (a). For up to two races per night, for
16 each race that is not imported under the maximum authorized by
17 paragraph (3) of subdivision (a) on a particular night of racing, the
18 association may add a race to the number of races allowable under
19 the maximum authorization on another night of racing. However,
20 no more than two races may be added under this subdivision to
21 the number allowable on a single night, and the total number of
22 imported races over a calendar year may not exceed the total
23 number of imported races authorized pursuant to paragraphs (3)
24 and (4) of subdivision (a).

25 *SEC. 2. Section 19605.76 of the Business and Professions Code*
26 *is amended to read:*

27 19605.76. (a) Notwithstanding Section 19610, a quarter horse
28 racing association may deduct an additional 0.5 percent of the total
29 amount handled in its exotic parimutuel pools. This additional
30 deduction shall only be permitted with the approval of the
31 organization representing quarter horsemen and horsewomen at
32 the applicable racing association meet.

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

39 (c) Any quarter horse racing association that authorizes a betting
40 system located outside of this state to accept exotic wagers on its

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

11 (d) The amounts distributed to the organization described in
12 subdivision (e) shall be deposited by that organization in a separate
13 account to defray workers' compensation insurance costs for
14 trainers and owners who are racing horses at the applicable quarter
15 horse racing association meet. Any funds not expended for this
16 purpose in the calendar year in which they are collected may either
17 be used for the following year's workers' compensation costs, as
18 specified above, or to benefit the purse pools at the track where
19 the funds are generated. Funds to benefit purse pools shall be
20 allocated by breed, in the same proportions as each breed generated
21 in deductions under this section at the track in the year the funds
22 were collected.

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

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

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

1 *SEC. 3. Due to a decrease in handle at several satellite*
2 *wagering facilities, the California Horse Racing Board shall review*
3 *the regulations governing the operation of satellite wagering*
4 *facilities, in an attempt to reduce the cost of operating these*
5 *facilities.*

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