

AMENDED IN SENATE APRIL 23, 2008

AMENDED IN SENATE APRIL 10, 2008

AMENDED IN SENATE APRIL 2, 2008

**SENATE BILL**

**No. 1570**

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**Introduced by Senator Vincent**

February 22, 2008

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An act to add Section 12012.91 to the Government Code, relating to gaming, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1570, as amended, Vincent. Tribal gaming: satellite wagering.

Existing federal law, the Indian Gaming Regulatory Act of 1988, provides for the negotiation and execution of tribal-state gaming compacts for the purpose of authorizing certain types of gaming on Indian lands within a state. The California Constitution authorizes the Governor to negotiate and conclude compacts, subject to ratification by the Legislature.

This bill would provide that, when negotiating with a tribal government for a tribal-state gaming compact pursuant to those provisions of the California Constitution, the Governor shall use his or her best efforts to ensure that satellite wagering on horse racing is one of the forms of gaming offered at any gaming facility authorized under the compact. The bill would require any payments to the state for receiving the audio-visual signal on horse racing to be deposited in the ~~Maddy-Vincent~~ *Maddy* Fund for Horse Racing, as established by the bill, and would require certain amounts in that fund to be used for specified purposes. ~~The bill also would require that, if SCA 20 of the 2007-08 Regular Session is approved by the voters at the next statewide~~

~~primary or general election, and if future compact negotiations between the state and tribal governments relating to granting tribal casinos the authority to play craps or roulette generate additional funds for the state, any additional funds generated by SCA 20 be deposited into the Maddy-Vincent Fund for Horse Racing.~~ The bill would continuously appropriate all moneys in the ~~Maddy-Vincent~~ *Maddy* Fund for Horse Racing to the Horse Racing Board for the benefit of the fair racing associations, racing associations, and the horsemen and horsewomen involved in horse racing, as specified.

By establishing a continuously appropriated fund, this bill would make 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 all of the  
2 following:

3 (a) Seventy-five years ago the people of California adopted an  
4 amendment to the California Constitution to provide for horse  
5 racing. Through the past 75 years, California has been one of the  
6 preeminent racing venues in the country. Through the years,  
7 world-class horses have run at California race tracks, along with  
8 appearances by the top jockeys in the United States.

9 (b) It is estimated that horse racing contributes approximately  
10 three billion dollars (\$3,000,000,000) annually to the industry and  
11 trade of the State of California.

12 (c) More than 50,000 Californians are employed directly or  
13 indirectly by various elements of the horse racing industry.

14 (d) Although the State of California has compacts with more  
15 than 65 tribal governments, only three tribal casinos currently offer  
16 satellite wagering on horse racing. Yet the hundreds of thousands  
17 of patrons who visit tribal casinos every day are potential patrons  
18 for wagering on California horse racing. There is no question that  
19 the horse racing industry in California would benefit from having  
20 additional facilities where an individual could wager on  
21 California's horse races.

22 (e) The future of California horse racing is in serious question.  
23 It is anticipated that Bay Meadows Race Track will soon close,  
24 and the Hollywood Park Race Track may close in the near future.

1 Additionally, the owners of two other race tracks report that in the  
2 past seven years they have not made any money, and their  
3 continued vitality is in question.

4 Accordingly, the Legislature determines that it is necessary to  
5 provide some assistance to the horse racing industry so that it may  
6 return to its former level of competitiveness, and so that horse  
7 racing will thrive and survive in California.

8 SEC. 2. Section 12012.91 is added to the Government Code,  
9 to read:

10 12012.91. (a) When negotiating with a tribal government for  
11 a tribal-state gaming compact pursuant to subdivision (f) of Section  
12 19 of Article IV of the California Constitution, the Governor shall  
13 use his or her best efforts to ensure that satellite wagering on horse  
14 racing is one of the forms of gaming offered at any gaming facility  
15 authorized under the compact.

16 (b) If a compact that provides for satellite wagering requires  
17 any payments to the state for receiving the audio-visual signal on  
18 horse racing, that revenue shall be deposited in the ~~Maddy-Vincent~~  
19 *Maddy* Fund for Horse Racing, which is hereby established in the  
20 General Fund. Notwithstanding Section 13340, all moneys in the  
21 ~~Maddy-Vincent~~ *Maddy* Fund for Horse Racing are hereby  
22 continuously appropriated to the Horse Racing Board for the  
23 benefit of the fair racing associations, racing associations, and the  
24 horsemen and horsewomen involved in horse racing, as specified  
25 in subdivisions (c) and (d).

26 (c) The Horse Racing Board shall distribute the first ten million  
27 dollars (\$10,000,000) that is deposited each fiscal year in the  
28 ~~Maddy-Vincent~~ *Maddy* Fund for Horse Racing in equal shares,  
29 for the purpose of debt service, to a fair racing association in the  
30 northern zone and a fair racing association in the central zone that  
31 have made substantial improvements to their racing facilities in  
32 order to accommodate additional weeks of horse racing, as  
33 compared to the number of weeks actually conducted in 2007,  
34 provided that the additional weeks of racing are the result of the  
35 closing of a race track that conducted at least 20 weeks of racing  
36 in that zone. If less than ten million dollars (\$10,000,000) is  
37 received in any fiscal year, then the proceeds shall be distributed  
38 equally between the fair racing association in the northern zone  
39 and the fair racing association in the central zone that meet the  
40 requirements described in this subdivision.

1     ~~(d) If SCA 20 of the 2007–08 Regular Session is approved by~~  
2     ~~the voters at the next statewide primary or general election, and if~~  
3     ~~future compact negotiations between the state and tribal~~  
4     ~~governments relating to granting tribal casinos the authority to~~  
5     ~~play craps or roulette generate additional funds for the state, these~~  
6     ~~funds also shall be deposited into the Maddy-Vincent Fund for~~  
7     ~~Horse Racing. These funds, if any, and any funds remaining after~~  
8     ~~the distribution described in subdivision (c), shall be distributed~~  
9     ~~to the fair racing associations and racing associations, on a pro~~  
10    ~~rata basis, based upon their total handle the previous year. Of the~~  
11    ~~funds received by the racing associations, 50 percent shall be~~  
12    ~~deposited into the purse pool for the benefit of the horsemen and~~  
13    ~~horsewomen conducting racing at that race meet.~~