

AMENDED IN ASSEMBLY AUGUST 16, 2010

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**SENATE BILL**

**No. 1072**

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**Introduced by Senator Calderon**

February 17, 2010

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An act to amend Section 19605.73 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1072, as amended, Calderon. Horse racing: statewide marketing organization.

Existing law permits racing associations, fairs, and the organization responsible for contracting with racing associations and fairs with respect to the conduct of racing meetings, to form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing, and to obtain, provide, or defray the cost of workers' compensation coverage for stable employees and jockeys of thoroughbred trainers. Existing law requires the marketing organization to annually submit to the California Horse Racing Board a statewide marketing and promotion plan and a thoroughbred trainers' workers' compensation defrayal plan for thoroughbred and fair horse racing. A specified percentage of the amount handled by each satellite wagering facility is required to be distributed to the marketing organization for the promotion of thoroughbred and fair horse racing, and to defray the cost of workers' compensation insurance, as specified. Existing law repeals these provisions on January 1, 2011.

This bill would extend the operation of these provisions until January 1, 2014, when they would be repealed. The bill would, with respect to the statewide marketing and promotion plan, instead require the

marketing organization ~~to annually present~~, *by November 1 of each year, to submit a written report to the board at the board's November meeting a verbal report* on the statewide marketing and promotion plan for the upcoming calendar year, *and would additionally require the marketing organization to annually present to the board at the board's November meeting a verbal report on the statewide marketing and promotion plan for the upcoming calendar year. The bill would specify that the workers' compensation defrayal plan is to be submitted to the board by November 1 of each year.* The bill would also require the marketing organization to semiannually submit to the board a written report that accounts for all receipts and expenditures of the promotion funds for the previous 6 months.

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

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

1 SECTION 1. Section 19605.73 of the Business and Professions  
2 Code is amended to read:  
3 19605.73. (a) Racing associations, fairs, and the organization  
4 responsible for contracting with racing associations and fairs with  
5 respect to the conduct of racing meetings, may form a private,  
6 statewide marketing organization to market and promote  
7 thoroughbred and fair horse racing, and to obtain, provide, or  
8 defray the cost of workers' compensation coverage for stable  
9 employees and jockeys of thoroughbred trainers. The organization  
10 shall consist of the following members: two members, one from  
11 the northern zone and one from the combined central and southern  
12 zones, appointed by the thoroughbred racetracks; two members,  
13 one from the northern zone and one from the combined central  
14 and southern zones, appointed by the owners' organization  
15 responsible for contracting with associations and fairs with respect  
16 to the conduct of racing meetings; and two members, one from the  
17 northern zone and one from the combined central and southern  
18 zones, appointed by the organization representing racing and  
19 satellite fairs.  
20 (b) The marketing organization formed pursuant to subdivision  
21 (a) ~~shall annually present to the board at the board's November~~  
22 ~~meeting a verbal report~~, *by November 1 of each year, submit a*  
23 *written report to the board* on a statewide marketing and promotion

1 plan for the upcoming calendar year, and shall ~~annually~~, by  
2 *November 1 of each year*, submit to the board a thoroughbred  
3 trainers' workers' compensation defrayal plan, for thoroughbred  
4 and fair horse racing that encompasses all geographical zones in  
5 the state, and which includes the manner in which funds were  
6 expended in the implementation of the plan for the previous  
7 calendar year. *In addition, the organization shall annually present*  
8 *to the board at the board's November meeting a verbal report on*  
9 *the statewide marketing and promotion plan for the upcoming*  
10 *calendar year.* The plan shall be implemented as determined by  
11 the organization. The organization shall receive input from all  
12 interested industry participants and may utilize outside consultants  
13 in developing the annual marketing plan.

14 (c) In addition to the distributions specified in subdivisions (a)  
15 and (b) of Section 19605.7, and in Sections 19605.71 and 19605.72,  
16 for thoroughbred and fair meetings only, from the amount that  
17 would normally be available for commissions and purses, an  
18 amount equal to 0.4 percent of the total amount handled by each  
19 satellite wagering facility shall be distributed to the statewide  
20 marketing organization formed pursuant to subdivision (a) for the  
21 promotion of thoroughbred and fair horse racing and to defray the  
22 cost of workers' compensation coverage for stable employees and  
23 jockeys of thoroughbred trainers. Not more than one-sixth of the  
24 total amount available annually pursuant to this subdivision shall  
25 be used to defray the cost of workers' compensation insurance.  
26 Any of the promotion funds that are not expended in the year in  
27 which they are collected may be expended in the following year.  
28 If promotion funds expended in any one year exceed the amount  
29 collected for that year, the funds expended in the following year  
30 shall be reduced by the excess amount. The marketing organization  
31 shall semiannually submit to the board a written report that  
32 accounts for all receipts and expenditures of the promotion funds  
33 for the previous six months.

34 (d) This section shall remain in effect only until January 1, 2014,  
35 and, as of that date, is repealed, unless a later enacted statute that  
36 is enacted before January 1, 2014, deletes or extends that date.  
37 Any moneys held by the organization shall, in the event this section

- 1 is repealed, be distributed to the organization formed pursuant to
- 2 Section 19608.2, for purposes of that section.

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