

AMENDED IN SENATE APRIL 6, 2010

SENATE BILL

No. 1439

Introduced by Senator Price

February 19, 2010

An act to amend Section 19605.25 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1439, as amended, Price. Horse racing: minisatellite wagering facilities.

Existing law authorizes the California Horse Racing Board to approve an additional 15 minisatellite wagering sites in each zone under certain conditions, including that no site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. Existing law provides that if the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board. Existing law requires the written consent of the San Mateo County Fair be obtained prior to the approval of any minisatellite wagering site located within a 20-mile radius of its fairground.

This bill would *replace the 20-mile radius requirement in the above provisions with a 15-mile radius requirement and would* provide that the requirement that the approval of a racetrack, satellite wagering facility, tribal casino that has a satellite wagering facility, or fair be obtained if the proposed minisatellite wagering facility is within ~~20~~ 15 miles shall only apply to those facilities that are operated by *tribal casinos*, racetracks, or fairs that actually conduct ~~7~~ 2 weeks or more of live racing in the preceding year. The bill would authorize the board,

if a satellite wagering facility or tribal casino does not consent to a minisatellite wagering facility being situated within ~~20~~ 15 miles, to conduct a one-year test at the proposed site in order to determine its impact on total parimutuel revenues and on attendance and wagering at existing satellite wagering facilities. *With respect to the one-year test, the board may approve only one minisatellite wagering facility per existing satellite wagering facility and the minisatellite wagering facility must be located within 10 miles of the satellite wagering facility.* The bill would authorize a certain impact fee, as provided.

This bill would specify how mileages are to be measured for purposes of the above provisions.

This bill would make clarifying and other technical changes.

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 19605.25 of the Business and Professions
- 2 Code is amended to read:
- 3 19605.25. (a) The board may approve an additional 15
- 4 minisatellite wagering sites in each zone, if all of the following
- 5 conditions are met:
- 6 (1) No site is within ~~20~~ 15 miles of a racetrack, a satellite
- 7 wagering facility, or a tribal casino that has a satellite wagering
- 8 facility. If the proposed minisatellite wagering facility is within
- 9 ~~20~~ 15 miles of one of the above-referenced facilities, then the
- 10 consent of each such facility within ~~20~~ 15 miles must be given
- 11 before the proposed minisatellite wagering facility may be
- 12 approved by the board.
- 13 (2) An agreement in accordance with subdivision (a) of Section
- 14 19605.3 has been executed and approved by the board. In addition
- 15 to the requirements set forth in that provision, the agreement shall
- 16 specify which components of its racing program, including live,
- 17 out-of-zone, out-of-state, and out-of-country races, an association
- 18 or fair will make available to the site. The terms and conditions of
- 19 the agreement, including all fees payable pursuant to paragraph
- 20 (3) of that provision, a portion of which may be paid to horsemen
- 21 in the form of purses, shall be subject to the approval of the
- 22 horsemen’s organization responsible for negotiating purse
- 23 agreements with the association or fair.

1 (3) The site is approved by the board.

2 (4) The wagers are accepted in an area that is accessible only
3 to those who are at least 21 years of age.

4 (5) The board has approved the accommodation, equipment
5 used in conducting wagering at the site, communications system,
6 technology, and method used by the site to accept wagers and
7 transmit odds, results, and other data related to wagering.

8 (b) Parimutuel clerks shall be available to service the self-service
9 tote machines at these locations, and to cash wagering vouchers
10 on a regularly scheduled basis.

11 (c) Until ~~January 1, 2013~~ *July 1, 2011*, if the proposed
12 minisatellite wagering site is in the northern zone in a fair district
13 where the fair has operated a satellite wagering facility for the
14 previous five years, the approval of the fair must be obtained even
15 if the proposed location is more than ~~20~~ 15 miles from the existing
16 satellite wagering facility operated by the fair.

17 (d) For purposes of commissions, deductions, and distribution
18 of handle, wagers placed at minisatellite sites shall be treated as
19 if they were placed at satellite wagering facilities authorized under
20 Section 19605, 19605.1, or 19605.2. Section 19608.4 shall apply
21 to minisatellite wagering facilities.

22 (e) The written consent of the San Mateo County Fair shall be
23 obtained prior to the approval of any minisatellite wagering site
24 located within ~~20~~ 15 miles of its fairground.

25 (f) Minisatellite wagering facilities created pursuant to this
26 section are not eligible for satellite wagering commission
27 distributions pursuant to Section 19604.

28 (g) The board shall adopt emergency regulations to implement
29 these new facilities on or before April 1, 2008. The board, in
30 adopting these regulations, shall minimize the expense to both the
31 operator of the minisatellite facility and the host racetrack.

32 (h) If there are more than 15 applications for minisatellite
33 wagering facilities in any zone, the board shall determine which
34 facilities will generate the largest handle, and give priority to the
35 approval of those facilities. The board shall license a minisatellite
36 facility for two years, and then review the operation and the size
37 of the handle, and determine if it is in the best interest of horse
38 racing to relicense the facility or, in the alternative, license another
39 minisatellite facility that might generate a greater handle.

1 (i) Except as may be provided in the agreement required
2 pursuant to paragraph (2) of subdivision (a), no association or fair
3 shall be required to make all or part of its racing program available
4 to a minisatellite wagering facility. Notwithstanding subdivision
5 (e) of Section 19608.2, all costs incurred by the organization
6 executing that agreement in excess of the amounts distributable
7 to the organization from wagers placed at the site on that racing
8 program, shall be borne by the minisatellite wagering facility.

9 (j) Notwithstanding subdivisions (a) and (e), the requirement
10 that the approval of a racetrack, satellite wagering facility, tribal
11 casino that has a satellite wagering facility, or fair be obtained if
12 the proposed minisatellite wagering facility is within ~~20~~ 15 miles
13 shall only apply to those facilities that are operated by *tribal*
14 *casinos*, racetracks, or fairs that actually conduct ~~seven~~ *two* weeks
15 or more of live racing in the preceding year. If a satellite wagering
16 facility, or tribal casino that has a satellite wagering facility, does
17 not consent to a minisatellite wagering facility being situated within
18 ~~20~~ 15 miles, the board may conduct a one-year test at the proposed
19 site in order to determine the impact of the proposed minisatellite
20 wagering facility on total parimutuel revenues, and on the
21 attendance and wagering at existing satellite wagering facilities.
22 *With respect to the one-year test, the board may approve only one*
23 *minisatellite wagering facility per existing satellite wagering*
24 *facility and the minisatellite wagering facility must be located*
25 *within 10 miles of the existing satellite wagering facility.* During
26 the one-year study, the operator of the minisatellite wagering
27 facility and the satellite wagering facility operated by a fair or a
28 tribal casino may enter into an agreement providing for the payment
29 of an impact fee. If there is no agreement within that year, the
30 board may hear testimony from both parties and impose an impact
31 fee based on the results of the one-year test study. A decision of
32 the board regarding a proposed site may cover the period of time
33 during which the test is to be conducted, as well as apply to the
34 operation of the minisatellite wagering facility if it continues to
35 operate beyond one year.

36 (k) For purposes of this section, mileages shall be measured
37 property line to property line by the shortest publicly accessible
38 driving route.

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