

Introduced by Senator Negrete McLeodFebruary 23, 2012

An act to amend Section 19614 of the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1227, as introduced, Negrete McLeod. Horse racing: parimutuel pool funds.

Existing law, the Horse Racing Law, generally regulates horse racing and vests the administration and enforcement of the Horse Racing Law in the California Horse Racing Board. A violation of the act, where no other penalty is expressed, is a misdemeanor.

Existing law requires every association that conducts a racing meeting to deduct 15% of the total amount handled in conventional parimutuel pool and 16.75% of the total amount handled in exotic parimutuel pools and to distribute the moneys as specified. Existing law requires any fair racing association to additionally deduct 1% from the total amount handled in its daily conventional and exotic parimutuel pools, and provides for the deposit of the moneys in the Fair and Exposition Fund, a continuously appropriated fund, for expenditure for the construction or operation of recreational and cultural facilities of general public interest.

This bill would instead require that the 1% deducted from the total amount handled in its daily conventional and exotic parimutuel pools be distributed to the fair that conducted the racing meeting and to the horsemen and horsewomen who participated in the racing meeting. The bill would specify that 50% of this amount, would be payable to the fair as commissions, and 50% to the horsemen and horsewomen as

purses. Because a violation of these provisions would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

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

1 SECTION 1. Section 19614 of the Business and Professions
2 Code is amended to read:

3 19614. (a) Notwithstanding Sections 19611 and 19612, and
4 except for an association that qualifies pursuant to Section 19612.6,
5 for a fair conducting a live racing meeting, 1 percent of the total
6 amount handled on live races, excluding wagering at a satellite
7 facility, shall be retained by the fair association for payment to the
8 state as a license fee.

9 (b) Additionally, 0.48 percent of the total amount handled on
10 live racing, excluding wagering at a satellite facility, shall be
11 deposited with the official registering agency pursuant to
12 subdivision (a) of Section 19617.2, and shall thereafter be
13 distributed in accordance with subdivisions (b), (c), and (d) of
14 Section 19617.2.

15 (c) After distribution of the applicable amounts as set forth in
16 subdivisions (a) and (b) and the payments made pursuant to other
17 relevant sections of this chapter, all funds remaining from the
18 deductions provided in Section 19610 shall be distributed 47.5
19 percent as commissions and 52.5 percent as purses. From the
20 amount distributed as thoroughbred purses, a sum equal to 0.07
21 percent of the total handle shall be held by the association to be
22 deposited with the official registering agency pursuant to
23 subdivision (a) of Section 19617.2, and shall thereafter be
24 distributed in accordance with subdivisions (b), (c), and (d) of
25 Section 19617.2.

26 Any additional amount generated for purses and not distributed
27 during the previous corresponding meeting shall be added to the
28 purses at the current meeting.

1 (d) In addition to the amounts deducted pursuant to Section
2 19610, any fair racing association shall deduct 1 percent from the
3 total amount handled in its daily conventional and exotic
4 parimutuel pools. The additional 1 percent shall be ~~deposited in~~
5 ~~the Fair and Exposition Fund and is hereby appropriated for the~~
6 ~~purposes specified in Section 19630.~~ *distributed to the fair that*
7 *conducted the racing meeting and to the horsemen and*
8 *horsewomen who participated in the racing meeting as follows:*

- 9 (1) *Fifty percent to the fair as commissions.*
10 (2) *Fifty percent to the horsemen and horsewomen as purses.*

11 SEC. 2. No reimbursement is required by this act pursuant to
12 Section 6 of Article XIII B of the California Constitution because
13 the only costs that may be incurred by a local agency or school
14 district will be incurred because this act creates a new crime or
15 infraction, eliminates a crime or infraction, or changes the penalty
16 for a crime or infraction, within the meaning of Section 17556 of
17 the Government Code, or changes the definition of a crime within
18 the meaning of Section 6 of Article XIII B of the California
19 Constitution.