

AMENDED IN ASSEMBLY MAY 24, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1074**

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**Introduced by Assembly Member Atkins**

February 22, 2013

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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

AB 1074, as amended, Atkins. Horse racing: statewide marketing organization.

Existing law, operative until January 1, 2014, authorizes thoroughbred racing associations, fairs, and the organization responsible for contracting with thoroughbred 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. If a marketing organization is formed, existing law requires an amount not to exceed 0.25% of the total amount handled by each satellite wagering facility to be distributed to the marketing organization, and imposes certain requirements on the marketing organization, including that the marketing organization annually submit certain information to the California Horse Racing Board. Violations of the Horse Racing Law are generally misdemeanors.

This bill would ~~delete the repeal date, thereby extending the operation of those provisions indefinitely. By making these~~ *extend the operation of those provisions to January 1, 2019. By extending those provisions* of the Horse Racing Law ~~permanent~~, a violation of which is a crime, the bill would create new crimes and would thereby 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: no. Fiscal committee: yes.

State-mandated local program: yes.

*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) Thoroughbred racing associations, fairs, and the  
4 organization responsible for contracting with thoroughbred racing  
5 associations and fairs with respect to the conduct of racing  
6 meetings, may form a private, statewide marketing organization  
7 to market and promote thoroughbred and fair horse racing,  
8 including, but not limited to, the establishment and maintenance  
9 of an Internet Web site featuring California thoroughbred and fair  
10 racing, the establishment and administration of players incentive  
11 programs for those who wager on thoroughbred association and  
12 fair races, and promotional activities at satellite wagering facilities  
13 to increase their attendance and handle. While the promotional  
14 activities at satellite wagering facilities shall be funded by the  
15 marketing organization, they shall be implemented and coordinated  
16 by representatives of the satellite wagering facilities and the  
17 thoroughbred racing associations or fairs then conducting a live  
18 race meet. The organization shall consist of the following members:  
19 two members, one from the northern zone and one from the  
20 combined central and southern zones, appointed by the  
21 thoroughbred racetracks; two members, one from the northern  
22 zone and one from the combined central and southern zones,  
23 appointed by the owners' organization responsible for contracting  
24 with associations and fairs with respect to the conduct of racing  
25 meetings; and two members, one from the northern zone and one  
26 from the combined central and southern zones, appointed by the  
27 organization representing racing and satellite fairs.

28 (b) The marketing organization formed pursuant to subdivision  
29 (a) shall, by November 1 of each year, submit a written report to  
30 the board on a statewide marketing and promotion plan for the

1 upcoming calendar year. In addition, the organization shall annually  
2 present to the board at the board's November meeting a verbal  
3 report on the statewide marketing and promotion plan for the  
4 upcoming calendar year. The plan shall be implemented as  
5 determined by the organization. The organization shall receive  
6 input from all interested industry participants and may utilize  
7 outside consultants.

8 (c) In addition to the distributions specified in subdivisions (a)  
9 and (b) of Section 19605.7, subdivisions (a) and (b) of Section  
10 19605.71, and Section 19605.72, for thoroughbred and fair  
11 meetings only, from the amount that would normally be available  
12 for commissions and purses, an amount not to exceed 0.25 percent  
13 of the total amount handled by each satellite wagering facility shall  
14 be distributed to the marketing organization formed pursuant to  
15 subdivision (a) for the purposes set forth therein. The amounts  
16 initially distributed to the marketing organization formed pursuant  
17 to subdivision (a) shall be 0.2 percent of the total amount handled  
18 by satellite wagering facilities for thoroughbred and fair meetings  
19 only. The amount distributable to the marketing organization may  
20 be adjusted by the board, in its discretion. However, the adjusted  
21 amounts may not exceed an aggregate of 0.25 percent of the total  
22 amount handled by satellite wagering facilities for thoroughbred  
23 and fair meetings only. Any of the promotion funds that are not  
24 expended in the year in which they are collected may be expended  
25 in the following year. If promotion funds expended in any one  
26 year exceed the amount collected for that year, the funds expended  
27 in the following year shall be reduced by the excess amount. The  
28 marketing organization, on a quarterly basis, shall submit to the  
29 board a written report that accounts for all receipts and expenditures  
30 of the promotion funds for the previous three months.

31 *(d) This section shall remain in effect only until January 1, 2019,*  
32 *and as of that date is repealed, unless a later enacted statute, that*  
33 *is enacted before January 1, 2019, deletes or extends that date.*  
34 *Any moneys held by the organization shall, in the event this section*  
35 *is repealed, be distributed to the organization formed pursuant to*  
36 *Section 19608.2, for purposes of that section.*

37 SEC. 2. No reimbursement is required by this act pursuant to  
38 Section 6 of Article XIII B of the California Constitution because  
39 the only costs that may be incurred by a local agency or school  
40 district will be incurred because this act creates a new crime or

1 infraction, eliminates a crime or infraction, or changes the penalty  
2 for a crime or infraction, within the meaning of Section 17556 of  
3 the Government Code, or changes the definition of a crime within  
4 the meaning of Section 6 of Article XIII B of the California  
5 Constitution.

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