

AMENDED IN SENATE JUNE 20, 2013

AMENDED IN ASSEMBLY MAY 24, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1074

Introduced by Assembly Member Atkins

February 22, 2013

An act to amend ~~Section~~ Sections 19531, 19549.2, 19549.6, 19549.7, 19549.9, and 19605.73 of, and to repeal Sections 19532.1 and 19532.2 of, the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

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

Existing law, the Horse Racing Law, authorizes the California Horse Racing Board to make allocations of racing weeks, as it deems appropriate, and, for thoroughbred racing, establishes a maximum of 44 weeks per year of racing weeks in the northern zone, a maximum of 42 weeks per year in the central zone, and a maximum of 7 weeks per year in the southern zone. A violation of the Horse Racing Law is a crime.

This bill would instead establish a maximum of 49 weeks per year in the combined central and southern zones. The bill would also require the board to allocate from those weeks a minimum number of weeks to certain racetracks in the central and southern zones that were used to conduct thoroughbred race meetings prior to 2012. Because a violation of those provisions would be a crime, this bill would impose a state-mandated local program.

Existing law provides that, except as specified, if a venue licensed to conduct thoroughbred racing in the central zone in 2008 is not available for racing in 2009 or thereafter, the dates formerly allocated to that venue shall be available for allocation by the board, and further provides that, if a racetrack located in the central zone is not available for use by a thoroughbred association that was licensed to conduct a live race meet at that racetrack in 2009, the board is authorized to allocate racing dates to that association to be operated at a racetrack in the central zone or southern zone for racing in 2010 or thereafter.

This bill would repeal those provisions.

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 extend the operation of those provisions to January 1, ~~2019~~ 2015. By extending those provisions of the Horse Racing Law, a violation of which is a crime, the bill would create new crimes and would thereby impose a state-mandated local program.

This bill would make conforming changes to specified provisions in order to update cross references.

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 19531 of the Business and Professions*
- 2 *Code is amended to read:*

1 19531. (a) The board shall make allocations of racing weeks,
2 including simultaneous racing between zones, as it deems
3 appropriate. The maximum number of racing weeks that may be
4 allocated for horse racing other than at fairs, shall be as follows:

5 (a)

6 (1) For thoroughbred racing: 44 weeks per year in the northern
7 zone; ~~42 and 49~~ weeks per year in the *combined* central ~~zone~~; and
8 ~~seven weeks per year in the~~ and southern ~~zone~~. *zones*.

9 (b)

10 (2) For harness racing: 25 weeks per year in the northern zone.

11 (c)

12 (3) For quarter horse racing: 25 weeks per year in the northern
13 zone.

14 (d)

15 (4) For harness racing and quarter horse racing: a total of 77
16 weeks per year in the combined central and southern zones.

17 (e)

18 (b) In its written application for a license, an applicant shall
19 state the time of day, consistent with this chapter, during which it
20 will conduct its racing meeting, and particularly the first race
21 starting time for the various racing days. After receiving a license,
22 a licensee shall not change the first race starting time without
23 securing prior approval of the board.

24 (f)

25 (c) Notwithstanding this section or any other provision in this
26 chapter, the ~~board~~ following provisions apply:

27 (1) *From the weeks available in the combined central and*
28 *southern zones pursuant to subdivision (a), the board shall allocate*
29 *a minimum of seven weeks per year to a thoroughbred racing*
30 *association to conduct thoroughbred racing at a racetrack that*
31 *was used to conduct a thoroughbred race meeting in the southern*
32 *zone prior to 2012.*

33 (2) *The board shall not allocate dates to a thoroughbred*
34 *association in the central zone for the purpose of conducting racing*
35 *during daytime hours if a thoroughbred racing association is*
36 *conducting racing in the southern zone on the same date during*
37 *daytime hours.*

38 (3) *From the weeks available in the combined central and*
39 *southern zones pursuant to subdivision (a), the board shall allocate*
40 *a minimum of 25 weeks per year to a thoroughbred racing*

1 association to conduct thoroughbred racing at a racetrack that
2 was used to conduct a thoroughbred race meeting in the central
3 zone prior to 2012.

4 (4) The board shall not allocate dates to a thoroughbred
5 association in the southern zone for the purpose of conducting
6 racing during daytime hours if a thoroughbred racing association
7 is conducting racing in the central zone on the same date during
8 daytime hours.

9 SEC. 2. Section 19532.1 of the Business and Professions Code
10 is repealed.

11 ~~19532.1. (a) Notwithstanding any other provision of law,
12 excluding venues under construction for the purpose of expanded
13 year-round stabling and training for thoroughbred race horses, if
14 a venue used for thoroughbred racing by an association or racing
15 fair licensed to conduct thoroughbred racing in the central zone in
16 2008 is not available for racing in 2009 or thereafter, the dates
17 formerly allocated to that venue shall be available for allocation
18 by the board to licensed associations or racing fairs in the southern
19 or central zone.~~

20 ~~(b) Upon allocation of dates pursuant to this section, no
21 association or racing fair licensed to conduct thoroughbred racing
22 in the southern or central zones may receive more than 25 weeks
23 of thoroughbred racing when aggregated among the combined
24 southern and central zones.~~

25 ~~(c) Notwithstanding subdivisions (a) and (b), the aggregate
26 allocation of racing weeks conducted in the southern and central
27 zones shall not exceed the total aggregate racing weeks permitted
28 to be run in the southern and central zones by Section 19531.~~

29 SEC. 3. Section 19532.2 of the Business and Professions Code
30 is repealed.

31 ~~19532.2. Notwithstanding any other provision of law,
32 commencing July 1, 2010, if a racetrack located in the central zone
33 is not available for use by a thoroughbred association that was
34 licensed by the board to conduct a live race meet at that racetrack
35 in 2009, the board shall be authorized to allocate racing dates to
36 that association to be operated at a racetrack in the central zone or
37 southern zone for racing in 2010, or thereafter, in accordance with
38 the rules and regulations of the board, provided, however, that the
39 number of racing dates allocated pursuant to this section does not~~

1 ~~exceed the number of racing dates that became unavailable at the~~
2 ~~central zone racetrack.~~

3 *SEC. 4. Section 19549.2 of the Business and Professions Code*
4 *is amended to read:*

5 19549.2. From the weeks available for harness and quarter
6 horse racing pursuant to *paragraph (4) of subdivision (a)* of
7 Section 19531, the board may allocate a maximum of 12 weeks
8 of harness racing to the 22nd District Agricultural Association to
9 be conducted on the 22nd District Agricultural Association
10 grounds. The racing shall be conducted by a person other than the
11 22nd District Agricultural Association.

12 *SEC. 5. Section 19549.6 of the Business and Professions Code*
13 *is amended to read:*

14 19549.6. Notwithstanding *paragraph (2) of subdivision (b) (a)*
15 of Section 19531 and Sections 19540, 19546, and 19549, the board
16 may allocate additional weeks of harness racing to the California
17 Exposition and State Fair in Sacramento or its lessee, to be raced
18 at the California Exposition and State Fair in Sacramento.

19 *SEC. 6. Section 19549.7 of the Business and Professions Code*
20 *is amended to read:*

21 19549.7. Notwithstanding *paragraph (3) of subdivision (e) (a)*
22 of Section 19531 and Section 19549, the board may allocate
23 additional weeks of quarter horse racing to a lessee of the California
24 Exposition and State Fair in Sacramento to be raced at the
25 California Exposition and State Fair in Sacramento.

26 *SEC. 7. Section 19549.9 of the Business and Professions Code*
27 *is amended to read:*

28 19549.9. Notwithstanding *paragraph (4) of subdivision (d) (a)*
29 of Section 19531 and Section 19549, the board may allocate up to
30 10 additional weeks of harness racing to the Los Angeles County
31 Fair, or its lessee, to be raced at the fairgrounds in Pomona.

32 **SECTION 1.**

33 *SEC. 8. Section 19605.73 of the Business and Professions Code*
34 *is amended to read:*

35 19605.73. (a) Thoroughbred racing associations, fairs, and the
36 organization responsible for contracting with thoroughbred racing
37 associations and fairs with respect to the conduct of racing
38 meetings, may form a private, statewide marketing organization
39 to market and promote thoroughbred and fair horse racing,
40 including, but not limited to, the establishment and maintenance

1 of an Internet Web site featuring California thoroughbred and fair
 2 racing, the establishment and administration of players incentive
 3 programs for those who wager on thoroughbred association and
 4 fair races, and promotional activities at satellite wagering facilities
 5 to increase their attendance and handle. While the promotional
 6 activities at satellite wagering facilities shall be funded by the
 7 marketing organization, they shall be implemented and coordinated
 8 by representatives of the satellite wagering facilities and the
 9 thoroughbred racing associations or fairs then conducting a live
 10 race meet. The organization shall consist of the following members:
 11 two members, one from the northern zone and one from the
 12 combined central and southern zones, appointed by the
 13 thoroughbred racetracks; two members, one from the northern
 14 zone and one from the combined central and southern zones,
 15 appointed by the owners' organization responsible for contracting
 16 with associations and fairs with respect to the conduct of racing
 17 meetings; and two members, one from the northern zone and one
 18 from the combined central and southern zones, appointed by the
 19 organization representing racing and satellite fairs.

20 (b) The marketing organization formed pursuant to subdivision
 21 (a) shall, by November 1 of each year, submit a written report to
 22 the board on a statewide marketing and promotion plan for the
 23 upcoming calendar year. In addition, the organization shall annually
 24 present to the board at the board's November meeting a verbal
 25 report on the statewide marketing and promotion plan for the
 26 upcoming calendar year. The plan shall be implemented as
 27 determined by the organization. The organization shall receive
 28 input from all interested industry participants and may utilize
 29 outside consultants.

30 (c) In addition to the distributions specified in subdivisions (a)
 31 and (b) of Section 19605.7, subdivisions (a) and (b) of Section
 32 19605.71, and Section 19605.72, for thoroughbred and fair
 33 meetings only, from the amount that would normally be available
 34 for commissions and purses, an amount not to exceed 0.25 percent
 35 of the total amount handled by each satellite wagering facility shall
 36 be distributed to the marketing organization formed pursuant to
 37 subdivision (a) for the purposes set forth therein. The amounts
 38 initially distributed to the marketing organization formed pursuant
 39 to subdivision (a) shall be 0.2 percent of the total amount handled
 40 by satellite wagering facilities for thoroughbred and fair meetings

1 only. The amount distributable to the marketing organization may
2 be adjusted by the board, in its discretion. However, the adjusted
3 amounts may not exceed an aggregate of 0.25 percent of the total
4 amount handled by satellite wagering facilities for thoroughbred
5 and fair meetings only. Any of the promotion funds that are not
6 expended in the year in which they are collected may be expended
7 in the following year. If promotion funds expended in any one
8 year exceed the amount collected for that year, the funds expended
9 in the following year shall be reduced by the excess amount. The
10 marketing organization, on a quarterly basis, shall submit to the
11 board a written report that accounts for all receipts and expenditures
12 of the promotion funds for the previous three months.

13 (d) This section shall remain in effect only until January 1, ~~2019~~,
14 2015, and as of that date is repealed, unless a later enacted statute,
15 that is enacted before January 1, ~~2019~~, 2015, deletes or extends
16 that date. Any moneys held by the organization shall, in the event
17 this section is repealed, be distributed to the organization formed
18 pursuant to Section 19608.2, for purposes of that section.

19 ~~SEC. 2.~~

20 *SEC. 9.* No reimbursement is required by this act pursuant to
21 Section 6 of Article XIII B of the California Constitution because
22 the only costs that may be incurred by a local agency or school
23 district will be incurred because this act creates a new crime or
24 infraction, eliminates a crime or infraction, or changes the penalty
25 for a crime or infraction, within the meaning of Section 17556 of
26 the Government Code, or changes the definition of a crime within
27 the meaning of Section 6 of Article XIII B of the California
28 Constitution.