

## Assembly Bill No. 1074

### CHAPTER 428

An act to amend 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.

[Approved by Governor September 30, 2013. Filed with  
Secretary of State September 30, 2013.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1074, Atkins. Horse racing: 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. Existing law also prohibits the board from allocating dates to a thoroughbred association in the central zone for conducting racing during daytime hours, if in the southern zone, a thoroughbred racing association is conducting racing on the same date during daytime hours. A violation of the Horse Racing Law is a crime.

This bill would, instead of separate allocations to the central and southern zones, establish a maximum of 49 racing 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 and would authorize the board to allocate from those weeks a maximum number of weeks to certain racetracks in the southern zone that were not used to conduct thoroughbred race meetings in the southern zone prior to 2012. The bill would prohibit the board from allocating dates to a thoroughbred association in the southern zone for the purpose of conducting racing, regardless of the hours, if, on the same date and during daytime hours, a thoroughbred racing association is conducting racing in the central zone, and would reciprocally prohibit the allocation of racing dates to a thoroughbred association in the central zone when daytime racing is conducted by a thoroughbred association in the southern zone. 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 board. Violations of the Horse Racing Law are generally misdemeanors.

This bill would extend the operation of those provisions to January 1, 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.

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

SECTION 1. Section 19531 of the Business and Professions Code is amended to read:

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

(1) For thoroughbred racing: 44 weeks per year in the northern zone; and 49 weeks per year in the combined central and southern zones.

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

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

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

(b) In its written application for a license, an applicant shall state the time of day, consistent with this chapter, during which it will conduct its racing meeting, and particularly the first race starting time for the various

racing days. After receiving a license, a licensee shall not change the first race starting time without securing prior approval of the board.

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

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

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

(3) From the weeks available in the combined central and southern zones pursuant to subdivision (a), the board shall allocate a minimum of 25 weeks per year to a thoroughbred racing association to conduct thoroughbred racing at a racetrack that was used to conduct a thoroughbred race meeting in the central zone prior to 2012.

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

(5) From the weeks available in the combined central and southern zones pursuant to subdivision (a), the board may allocate a maximum of five weeks per year to a thoroughbred racing association to conduct thoroughbred racing at a racetrack in the southern zone that was not used to conduct a thoroughbred race meeting in the southern zone prior to 2012.

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

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

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

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

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

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

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

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

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

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

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

19605.73. (a) Thoroughbred racing associations, fairs, and the organization responsible for contracting with thoroughbred racing associations and fairs with respect to the conduct of racing meetings, may form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing, including, but not limited to, the establishment and maintenance of an Internet Web site featuring California thoroughbred and fair racing, the establishment and administration of players incentive programs for those who wager on thoroughbred association and fair races, and promotional activities at satellite wagering facilities to increase their attendance and handle. While the promotional activities at satellite wagering facilities shall be funded by the marketing organization, they shall be implemented and coordinated by representatives of the satellite wagering facilities and the thoroughbred racing associations or fairs then conducting a live race meet. The organization shall consist of the following members: two members, one from the northern zone and one from the combined central and southern zones, appointed by the thoroughbred racetracks; two members, one from the northern zone and one from the combined central and southern zones, appointed by the owners' organization responsible for contracting with associations and fairs with respect to the conduct of racing meetings; and two members, one from the northern zone and one from the combined central and southern zones, appointed by the organization representing racing and satellite fairs.

(b) The marketing organization formed pursuant to subdivision (a) shall, by November 1 of each year, submit a written report to the board on a statewide marketing and promotion plan for the upcoming calendar year. In addition, the organization shall 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 plan shall be implemented as determined by the organization. The organization shall receive input from all interested industry participants and may utilize outside consultants.

(c) In addition to the distributions specified in subdivisions (a) and (b) of Section 19605.7, subdivisions (a) and (b) of Section 19605.71, and Section

19605.72, for thoroughbred and fair meetings only, from the amount that would normally be available for commissions and purses, an amount not to exceed 0.25 percent of the total amount handled by each satellite wagering facility shall be distributed to the marketing organization formed pursuant to subdivision (a) for the purposes set forth therein. The amounts initially distributed to the marketing organization formed pursuant to subdivision (a) shall be 0.2 percent of the total amount handled by satellite wagering facilities for thoroughbred and fair meetings only. The amount distributable to the marketing organization may be adjusted by the board, in its discretion. However, the adjusted amounts may not exceed an aggregate of 0.25 percent of the total amount handled by satellite wagering facilities for thoroughbred and fair meetings only. Any of the promotion funds that are not expended in the year in which they are collected may be expended in the following year. If promotion funds expended in any one year exceed the amount collected for that year, the funds expended in the following year shall be reduced by the excess amount. The marketing organization, on a quarterly basis, shall submit to the board a written report that accounts for all receipts and expenditures of the promotion funds for the previous three months.

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

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