

ASSEMBLY BILL

No. 1347

Introduced by Assembly Member Gray

February 22, 2013

An act to amend Section 19605.73 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1347, as introduced, Gray. 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.

This bill would extend the operation of those provisions to January 1, 2019. Because the bill would extend 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.

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 *marketing* organization shall consist of the
19 following members: two members, one from the northern zone
20 and one from the combined central and southern zones, appointed
21 by the thoroughbred racetracks; two members, one from the
22 northern zone and one from the combined central and southern
23 zones, appointed by the owners' organization responsible for
24 contracting with associations and fairs with respect to the conduct
25 of racing meetings; and two members, one from the northern zone
26 and one from the combined central and southern zones, appointed
27 by the 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
31 upcoming calendar year. In addition, the *marketing* organization
32 shall annually present to the board at the board's November
33 meeting a verbal report on the statewide marketing and promotion

1 plan for the upcoming calendar year. The plan shall be
2 implemented as determined by the *marketing* organization. The
3 *marketing* organization shall receive input from all interested
4 industry participants and may utilize outside consultants.

5 (c) In addition to the distributions specified in subdivisions (a)
6 and (b) of Section 19605.7, subdivisions (a) and (b) of Section
7 19605.71, and Section 19605.72, for thoroughbred and fair
8 meetings only, from the amount that would normally be available
9 for commissions and purses, an amount not to exceed 0.25 percent
10 of the total amount handled by each satellite wagering facility shall
11 be distributed to the marketing organization formed pursuant to
12 subdivision (a) for the purposes set forth therein. The amounts
13 initially distributed to the marketing organization formed pursuant
14 to subdivision (a) shall be 0.2 percent of the total amount handled
15 by satellite wagering facilities for thoroughbred and fair meetings
16 only. The amount distributable to the marketing organization may
17 be adjusted by the board, in its discretion. However, the adjusted
18 amounts may not exceed an aggregate of 0.25 percent of the total
19 amount handled by satellite wagering facilities for thoroughbred
20 and fair meetings only. Any of the promotion funds that are not
21 expended in the year in which they are collected may be expended
22 in the following year. If promotion funds expended in any one
23 year exceed the amount collected for that year, the funds expended
24 in the following year shall be reduced by the excess amount. The
25 marketing organization, on a quarterly basis, shall submit to the
26 board a written report that accounts for all receipts and expenditures
27 of the promotion funds for the previous three months.

28 (d) This section shall remain in effect only until January 1, ~~2014~~
29 2019, and, as of that date, is repealed, unless a later enacted statute
30 that is enacted before January 1, ~~2014~~ 2019, deletes or extends
31 that date. Any moneys held by the *marketing* organization shall,
32 in the event this section is repealed, be distributed to the
33 organization formed pursuant to Section 19608.2, for purposes of
34 that section.

35 SEC. 2. No reimbursement is required by this act pursuant to
36 Section 6 of Article XIII B of the California Constitution because
37 the only costs that may be incurred by a local agency or school
38 district will be incurred because this act creates a new crime or
39 infraction, eliminates a crime or infraction, or changes the penalty
40 for a crime or infraction, within the meaning of Section 17556 of

- 1 the Government Code, or changes the definition of a crime within
- 2 the meaning of Section 6 of Article XIII B of the California
- 3 Constitution.

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