

AMENDED IN ASSEMBLY APRIL 19, 1995

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 285

Introduced by Assembly Member Hauser

February 7, 1995

~~An act to amend Section 19607.5 of the Business and Professions Code, relating to horseracing. An act to amend Sections 19601 and 19614.5 of the Business and Professions Code, relating to horseracing.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 285, as amended, Hauser. ~~Satellite—wagering Horseracing.~~

Existing law provides that a licensed association or fair that is conducting a live meeting in any horseracing zone may accept wagers on any race conducted in this state, if specified requirements are met. Existing law also provides that during calendar periods when both a fair and a thoroughbred association conduct live racing, the thoroughbred association shall be the association authorized to distribute the signal and accept wagers on out-of-zone races.

This bill, in addition, would provide that during calendar periods when the San Mateo County Fair and the Humboldt County Fair both conduct race meetings, the San Mateo County Fair shall be the association authorized to distribute the signal and accept wagers on out-of-zone races, as specified.

Existing law authorizes any county or district agricultural association fair that is licensed to conduct racing meetings for

the 1st time on or after January 1, 1979, to retain the license fee applicable to its meeting for payment of a capital expense loan incurred for the purpose of preparing its facilities for horseracing, as specified.

This bill, in addition, would authorize the Humboldt County Fair, held in the City of Ferndale, to retain the license fee applicable to its racing meeting as an additional commission for the purpose of operating the meeting and maintaining its facilities for horseracing, as specified.

~~Existing law requires signals of both racing programs to be accepted at each live racing meeting within the northern zone and at all satellite wagering facilities eligible to receive these programs when both a fair and a thoroughbred association are licensed by the California Horse Racing Board to conduct live racing meetings within the northern zone during the same calendar period.~~

~~This bill would apply that requirement to situations in which 2 fairs are licensed by the board to conduct live racing meetings within the northern zone during the same calendar period. This bill would also provide for the distribution between the fairs of commissions from the satellite wagering.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

1 ~~SECTION 1. Section 19607.5 of the Business and~~
 2 ~~SECTION 1. Section 19601 of the Business and~~
 3 ~~Professions Code is amended to read:~~
 4 19601. (a) Notwithstanding any other provision of
 5 law, a licensed association or fair that is conducting a live
 6 meeting in any racing zone may accept wagers on any
 7 race conducted in this state, if all of the following
 8 requirements are met:
 9 (1) The association or fair that conducts the race and
 10 the association or fair that accepts wagers on that race
 11 have executed an agreement providing for the conditions
 12 for transmission of the audiovisual signal of the race and
 13 the amount of compensation, if any, to be paid to the
 14 association or fair conducting the transmitted race.



1 (2) The association or fair that conducts the racing
2 meeting and the organization that is responsible for
3 negotiating purse agreements, satellite wagering
4 agreements, and all other business agreements on behalf
5 of the horsemen participating in that racing meeting
6 consent to the acceptance of the wagers. However, if
7 consent is withheld, any party may appeal the
8 withholding of consent to the board, which may
9 determine that consent is not required.

10 (3) The association or fair conducts not less than eight
11 races on days when the association or fair is licensed to
12 conduct racing, except that fewer than eight live races
13 per day may be conducted by the mutual agreement of
14 the association or fair and the organization that is
15 responsible for negotiating purse agreements, satellite
16 wagering agreements, and all other business agreements
17 on behalf of the horsemen participating in the racing
18 meeting.

19 (4) Wagering is offered only within the association's or
20 fair's racing inclosure or within the satellite wagering
21 facility and only within seven days of the commencement
22 of the racing program with the transmitted race.

23 (5) All wagers are included in the appropriate
24 parimutuel pool at the racetrack of the association or fair
25 where the race is conducted, or, at the election of the
26 parties to the agreement required by paragraph (1), in
27 the appropriate parimutuel pool of the racetrack of the
28 association or fair that accepts the transmitted race.

29 (6) The association or fair accepting wagers on an
30 out-of-zone transmitted race distributes the audiovisual
31 signal of the race to, and accepts wagers from, all eligible
32 satellite wagering facilities.

33 (b) Any association or fair accepting wagers under
34 subdivision (a) shall deduct from the total amount
35 handled in each conventional and exotic parimutuel pool
36 on the transmitted race, the same percentages deducted
37 pursuant to Article 9.5 (commencing with Section 19610)
38 for races at its own meeting. However, if the wagers are
39 from a quarter horse race meeting, then the amounts
40 deducted shall be the same as for a quarter horse race



1 meeting. Amounts deducted under this section, including
2 amounts deducted from wagers on out-of-zone races
3 within the inclosure of the association or fair, shall be
4 distributed as provided under Section 19605.7 with
5 respect to wagers made within the northern zone, or
6 Section 19605.71 with respect to wagers made within the
7 central or southern zone, except that amounts distributed
8 for purposes other than state license fees and fees payable
9 to the Equine Research Laboratory, School of Veterinary
10 Medicine, University of California at Davis, and the
11 California Diagnostic Veterinary Lab System shall be
12 proportionally reduced by the amount of any fees paid as
13 compensation to the association or fair conducting the
14 transmitted race pursuant to subdivision (c). The method
15 used to calculate the reduction in proportionate share
16 shall be approved by the board. For wagers on
17 out-of-zone races made within the association's or fair's
18 inclosure, the percentage amount normally distributed as
19 a satellite wagering facility commission, less any pro rata
20 reduction required by this subdivision, shall be
21 distributed instead as additional commissions and purses
22 pursuant to Section 19605.8. Additionally, for all wagers
23 on out-of-zone races, the percentage amount normally
24 distributed for promotion of the program at satellite
25 wagering facilities, less any pro rata reduction required
26 by this subdivision, shall be distributed instead as
27 additional commissions and purses pursuant to Section
28 19605.8.

29 (c) Nothing in this section precludes an association or
30 fair from charging a fee as a condition of transmitting its
31 races to another zone, except that any fee shall be
32 allocated among all associations, fairs, and satellite
33 wagering facilities receiving the transmitted race in
34 proportion to the amount wagered at each location, and
35 the fee shall not exceed 2.5 percent of the total amount
36 wagered on each out-of-zone race. Any fees received by
37 the association or fair that conducts the transmitted race
38 shall be divided equally between commissions to the
39 association or fair conducting the out-of-zone race and



1 purses to horsemen that participate in the association's or
2 fair's racing meeting.

3 (d) All breakage and unclaimed tickets, including
4 unclaimed refunds, on wagers on out-of-zone races shall
5 be distributed equally between the association or fair that
6 accepts wagers on the transmitted race, and the
7 horsemen, in the form of purses, who participate in the
8 racing meeting of the association or fair that accepts
9 wagers on the transmitted race.

10 (e) All wagers made pursuant to this section shall be
11 considered to have been wagered at a satellite wagering
12 facility and shall be excluded from total handle for the
13 purposes of Section 19611.

14 (f) Notwithstanding Section 19530.5, satellite
15 wagering facilities operated by a county fair, district
16 agricultural association fair, or citrus fruit fair in the
17 Counties of Kern, Fresno, or Tulare shall be considered
18 northern zone facilities and shall receive their audiovisual
19 signal from the association or fair conducting a racing
20 meeting in the northern zone that is authorized to
21 distribute the signal and accept wagers on central and
22 southern zone races. Satellite wagering facilities operated
23 by a county fair, district agricultural association, or citrus
24 fruit fair in the Counties of Santa Barbara or Ventura shall
25 be considered central-southern zone facilities and shall
26 receive the audiovisual signal from the association or fair
27 conducting a racing meeting in the central or southern
28 zone that is authorized to distribute the signal and accept
29 wagers on central and southern zone races.

30 (g) All purse moneys derived from wagering on
31 out-of-zone races at fair racing meetings conducted shall
32 be distributed to all breeds of horses participating in the
33 fair meeting in direct proportion to the purse money
34 generated by breed on live races conducted during the
35 fair race meeting.

36 (h) *(1) During calender periods when the San Mateo*
37 *County Fair and the Humboldt County Fair both conduct*
38 *race meetings, the San Mateo County Fair shall be the*
39 *association authorized to distribute the signal and accept*
40 *wagers on out-of-zone races, if it complies with the*



1 *conditions specified in subdivision (a). The amounts*
2 *deducted from out-of-zone wagering shall be distributed*
3 *as provided in subdivisions (b) and (d), except that the*
4 *applicable state license fee shall be at the rate or rates*
5 *specified for mixed-breed meetings in subdivision (b) of*
6 *Section 19605.7. From the amounts distributed as track*
7 *commissions pursuant to this section, an amount*
8 *equivalent to one-half of one percent of the out-of-zone*
9 *wagering handle shall be allocated as a track commission*
10 *to the Humboldt County Fair.*

11 (2) During calendar periods when both a fair and a
12 thoroughbred association conduct live racing, the
13 thoroughbred association shall be the association
14 authorized to distribute the signal and accept wagers on
15 out-of-zone races. The amounts deducted under this
16 section shall be distributed on any day of overlap as
17 provided in Section 19607.5 subject to the agreements
18 specified in paragraph (1) of subdivision (a), except that
19 the applicable state license fee shall be at the rate or rates
20 specified for nonfair meetings in subdivision (b) of
21 Section 19605.7.

22 (i) During calendar periods when a thoroughbred
23 association and any other breed association are
24 conducting a racing meeting in the same zone, the
25 thoroughbred association shall be the association
26 authorized to distribute out-of-zone thoroughbred or fair
27 races, except that the thoroughbred association may
28 waive this right and allow the other breed racing
29 association conducting a race meeting to distribute the
30 signal and accept wagers on out-of-zone thoroughbred or
31 fair races for any racing day or days. For the purposes of
32 this subdivision, the combined central and southern zone
33 shall be considered one zone.

34 (j) In order to encourage additional intrastate
35 simulcasting, maximize state revenues, and further the
36 purposes of this section, the board may adopt regulations
37 to ensure that all horseracing programs conducted within
38 the state are exposed to the maximum number of racing
39 fans. The regulations may include, but are not limited to,
40 the following:



1 (1) Establishing a minimum number of out-of-zone
2 races that must be accepted by associations and fairs that
3 contract to accept out-of-zone wagers pursuant to
4 subdivision (a).

5 (2) Requiring associations, fairs, and satellite wagering
6 facilities to present out-of-zone audiovisual signals to
7 racing fans in substantially the same manner as in-zone
8 signals are presented.

9 (3) Giving racing fans the opportunity to make wagers
10 on out-of-zone racing programs at all parimutuel
11 terminals where wagers on in-zone races are accepted.

12 *SEC. 2. Section 19614.5 of the Business and*
13 *Professions Code is amended to read:*

14 19614.5. (a) Notwithstanding Section 19614, any
15 county or district agricultural association fair ~~which~~ *that*
16 is licensed to conduct racing meetings for the first time
17 on or after January 1, 1979, may retain the license fee
18 applicable to its meeting for payment of a capital expense
19 loan incurred for the purpose of preparing its facilities for
20 horseracing. Such license fee retention shall be applicable
21 only during the loan period and only so long as all the
22 monies retained are used to pay off the loan for such
23 capital expenses.

24 (b) *Notwithstanding any other provision of this*
25 *chapter, the Humboldt County Fair, held in the City of*
26 *Ferndale, may retain the license fee applicable to its*
27 *racing meeting as an additional commission for the*
28 *purpose of operating the meeting and maintaining its*
29 *facilities for horseracing. This license fee retention shall*
30 *be applicable only as long as the Humboldt County Fair*
31 *and another fair or thoroughbred association are licensed*
32 *by the board to conduct live racing meetings within the*
33 *northern zone during the same calender period.*

1
2
3
4
5
6
7

All matter omitted in this version of the bill appears in the bill as introduced in the Assembly, February 7, 1995 (JR 11)

O

