

AMENDED IN ASSEMBLY MAY 10, 1995

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CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 371

Introduced by Assembly Member Tucker

February 10, 1995

An act to amend Section 19567 of, to add Section 19414.6 to, and to repeal and add Section 19617.8 of, the Business and Professions Code, relating to horseracing, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 371, as amended, Tucker. Horseracing: satellite wagering: Arabian horseraces.

(1) Existing provisions of the Horse Racing Law provide a comprehensive scheme for satellite wagering.

This bill would state that "satellite wagering" and operating a "satellite wagering facility" involve the transmission of an audiovisual signal from the host racetrack to an approved facility for the purpose of parimutuel wagering, regardless of whether the audiovisual signal is transmitted by satellite, cable, microwaves, fiber optics, or other technology approved by the California Horse Racing Board.

(2) Existing law requires a sum equal to 10% of the first and second place money of every purse won by a California-bred or Arabian horse for first or second place at a horserace

meeting to be paid by the licensee conducting the meeting to the breeder of the horse.

This bill would instead require those sums to be deposited with the official registering agency for Arabian horses and thereafter distributed as breeder premiums, owners' awards, and stallion awards in connection with Arabian horseraces, as specified. The bill would also provide that these provisions shall apply to any horse racing meeting conducted on or after January 1, 1995.

(3) This bill would also declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

1 SECTION 1. Section 19414.6 is added to the Business
2 and Professions Code, to read:

3 19414.6. "Satellite wagering" and operating a
4 "satellite wagering facility" involve the transmission of an
5 audiovisual signal from the host race track to an approved
6 facility for the purposes of parimutuel wagering,
7 regardless of whether the audiovisual signal is
8 transmitted by satellite, cable, microwaves, fiber optics,
9 or other technology approved by the board.

10 SEC. 2. Section 19567 of the Business and Professions
11 Code is amended to read:

12 19567. (a) Since the purpose of this chapter is to
13 encourage agriculture and the breeding of horses in this
14 state, a sum equal to 10 percent of the first money of every
15 purse won by a California-bred horse at a horserace
16 meeting shall be paid by the licensee conducting the
17 meeting to the breeder of the horse. This section applies
18 to any California-bred standardbred horse that is foaled
19 on or after November 1, 1977, for all races, except the
20 California standardbred sires stakes races.

21 (b) Notwithstanding subdivision (a), a sum equal to 10
22 percent of the first and second place money of every
23 purse won by a California-bred Arabian horse for first or
24 second place at a horserace meeting shall be deposited



1 with the official registering agency pursuant to
2 subdivision (b) of Section 19617.8 and shall thereafter be
3 distributed in accordance with subdivisions (c) to (g),
4 inclusive, of Section 19617.8.

5 (c) Moneys from quarter horse racing derived
6 pursuant to this section shall be deposited with the official
7 registering agency pursuant to subdivision (b) of Section
8 19617.7 and shall thereafter be distributed in accordance
9 with subdivisions (c), (d), and (e) of Section 19617.7.

10 (d) Moneys from Appaloosa horseracing derived
11 pursuant to this section shall be deposited with the official
12 registering agency pursuant to subdivision (b) of Section
13 19617.9 and shall thereafter be distributed in accordance
14 with subdivisions (c), (d), and (e) of Section 19617.9.

15 (e) This section does not apply to thoroughbred horses
16 or thoroughbred racing.

17 SEC. 3. Section 19617.8 of the Business and
18 Professions Code is repealed.

19 SEC. 4. Section 19617.8 is added to the Business and
20 Professions Code, to read:

21 19617.8. (a) The following definitions govern the
22 construction of this section:

23 (1) "Breeder" means the person or persons listed as
24 breeder of record by the Arabian Horse Registry of
25 America and so indicated on the horse's registration
26 papers.

27 (2) "Eligible earnings" means the following:

28 (A) In the case of breeder premiums, the annual
29 amount earned by a California-bred Arabian horse for
30 finishing first or second in qualifying races.

31 (B) In the case of owners' awards, the annual amount
32 earned by a California-bred Arabian horse for finishing
33 first or second in qualifying races.

34 (C) In the case of stallion awards, the annual amount
35 earned by California-bred Arabian foals of an eligible
36 Arabian horse sire for finishing first or second in
37 qualifying races.

38 (D) In order for earnings from a qualifying race to be
39 considered as eligible earnings, an Arabian horse shall be
40 registered as a California-bred horse with the official



1 registering agency before the date entries were taken by
2 the association for the qualifying race in which that horse
3 earned purse money.

4 (E) In determining the purse earned in any race that
5 is a stakes race, the amount earned shall be based on the
6 added money, with no consideration given to other
7 sources of the purse, such as nomination, entry, or starting
8 fees, bonuses, and sponsor contributions, or any
9 combination thereof.

10 (F) On or before February 15 of any year, the stallion
11 owner shall advise the official registering agency of any
12 and all purses earned during the preceding year to be
13 considered in determining the amount of the stallion
14 award to which the owner is entitled.

15 (3) “Eligible Arabian sire” means an Arabian stallion
16 that was continuously present in this state for the
17 calendar year in which the qualifying race was
18 conducted. If a sire dies in this state and stood his last
19 season at stud in this state, he shall thereafter continue to
20 be considered an eligible Arabian sire. Notwithstanding
21 any other provision of law, an Arabian or stallion shall be
22 considered an eligible Arabian sire only if its owner has
23 registered the stallion with the official registering agency
24 for the stallion awards on or before February 15 of the
25 calendar year immediately following the calendar year
26 for which the awards are being distributed. Stallion claim
27 forms are due February 15, whether or not the official
28 registering agency solicits them.

29 (4) “Official registering agency” means the officially
30 recognized organization representing Arabian horsemen
31 designated by the board.

32 (5) “Owner” means the person who is registered with
33 the paymaster of purses on the date the qualifying race
34 was conducted as the owner of the California-bred
35 Arabian horse earning purse money in that race.

36 (6) “Qualifying race” means all Arabian horseraces in
37 this state.

38 (7) “Stallion owner” means the person who is the
39 owner of the eligible Arabian sire as of December 31 of
40 the calendar year in which that sire’s foals had eligible



1 earnings or the person who owned the eligible Arabian
2 sire on the date that the sire died.

3 (b) Any association conducting a race meeting that
4 includes Arabian horseracing shall deposit with the
5 official registering agency 0.2 of 1 percent of the total
6 amount handled ontrack, and 0.4 of 1 percent of the total
7 amount handled offtrack, in daily conventional and exotic
8 parimutuel pools and a sum equal to 13.33 percent of
9 those funds specified for purses in Section 19612.1 and the
10 sums specified in Sections 19567 and 19617.5, resulting
11 from Arabian horseracing. The deposits shall be made at
12 the following intervals:

13 (1) For any meeting of 20 racing days or less, the
14 requisite deposit shall be made not later than seven days
15 immediately following the last day of that meeting.

16 (2) For any meeting of more than 20 racing days, the
17 initial deposit shall be made not later than 27 racing days
18 after the commencement of that meeting and every 20
19 racing days thereafter, with a final deposit made not later
20 than seven days following the last day of the meeting. The
21 initial deposit for that meeting shall be based upon the
22 applicable amount handled during the first 20 racing days
23 of the meeting and deposits thereafter shall be based
24 upon the applicable amount handled during the ensuing
25 periods of 20 racing days with the last deposit being based
26 upon the applicable amount handled from the end of the
27 last 20-racing-day period for which a deposit has been
28 made to the end of the meeting.

29 (c) After deducting a sum up to, but not to exceed, 10
30 percent of the total deposits made pursuant to subdivision
31 (b) and the total deposits made pursuant to other
32 provisions of this chapter, including Sections 19612.1 and
33 19612.2, to compensate the official registering agency for
34 its administrative costs, the official registering agency
35 shall distribute annually the balance of the deposits in the
36 following manner:

37 (1) Fifty-five percent to the breeder fund from which
38 breeder premiums are to be paid.

39 (2) Twenty percent to the owner fund from which
40 owners' awards are to be paid.



1 (3) Fifteen percent to the stallion fund from which
2 stallion awards are to be paid.

3 (4) Ten percent to the California-bred race fund to be
4 used for the promotion of California-bred races and
5 programs, which fund shall be administered by the
6 official registering agency. Any funds not so used during
7 the year shall augment the owner fund of that year and
8 shall be distributable therefrom. It is the intent of the
9 Legislature that all funds used for purses shall
10 supplement and not supplant existing purses for
11 California-breds.

12 (d) The official registering agency shall make the
13 following payments to the breeder, owner, and stallion
14 owner to encourage agriculture and the breeding of high
15 quality horses in this state:

16 (1) The breeder shall be paid a sum based on a
17 prorated share of first and second place earnings.

18 (2) The owner shall be paid an owners' award, a sum
19 based on a prorated share of first and second place
20 earnings from qualified races by a California-bred
21 Arabian horse.

22 (3) The stallion owner shall be paid a stallion award, a
23 sum based on a prorated share of first and second place
24 earnings from the Arabian horses who placed first or
25 second in one or more races at a fair meeting, mixed
26 breed meeting, or other type of meeting.

27 Stallion awards shall not be made to the owner of a sire
28 that has been out of the state for breeding purposes
29 during the calendar year. Stallion awards shall not be
30 made for any race run outside of the State of California.

31 (4) The breeder premium, and owners' and stallion
32 awards shall be paid not later than March 31 of the
33 calendar year immediately following the calendar year
34 for which the awards or premiums were earned.

35 (e) The amount remaining for distribution under this
36 section, if any, after the payments are made under
37 subdivision (d) shall be paid at the end of the year on a
38 prorated percentage basis to the owners of sires of
39 Arabian horses who placed first in one or more races at a



1 fair meeting, mixed breed meeting, or other type of
2 meeting.

3 (f) If there are insufficient funds to make all of the
4 distributions in this section, there shall be no assessments
5 made against any association to fund the deficiencies.

6 (g) Any award remaining uncollected for one year
7 from the date of disbursement is null and void. The
8 official registering agency shall deposit the amount of the
9 uncollected award into the award fund existing at that
10 time.

11 SEC. 5. Sections 2, 3, and 4 of this act shall apply to any
12 horse racing meeting conducted on or after January 1,
13 1995.

14 *SEC. 6. This act is an urgency statute necessary for the*
15 *immediate preservation of the public peace, health, or*
16 *safety within the meaning of Article IV of the*
17 *Constitution and shall go into immediate effect. The facts*
18 *constituting the necessity are:*

19 *In order to clarify the meaning of "satellite wagering"*
20 *and operating a "satellite wagering facility," to ensure*
21 *viable Arabian horseracing meetings, and to maintain*
22 *and encourage the breeding of Arabian horses in*
23 *California during the 1995 racing season, it is necessary*
24 *that this act take effect immediately.*

