

## Senate Bill No. 2000

### CHAPTER 1121

An act to add Sections 19612.9 and 19616.51 to the Business and Professions Code, relating to horseracing.

[Approved by Governor September 29, 1996. Filed  
with Secretary of State September 30, 1996.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 2000, Maddy. Horseracing: license fees.

(1) Existing law requires a certain percent of the portion of the takeout from the parimutuel handle of horseraces paid as purses to be paid to the organization representing the horsemen and horsewomen participating in those meetings as welfare funds. Also,  $\frac{1}{2}$  of the redistributable money resulting from a thoroughbred meeting, excluding the meetings of the California Exposition and State Fair or county, district agricultural association, or citrus fruit fair meetings, and  $\frac{1}{2}$  of the redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility, is required to be distributed to a welfare fund established by the organization representing horsemen and horsewomen.

This bill would require up to \$450,000 of unclaimed refunds to be distributed to the organization that is responsible for negotiating specified types of agreements on behalf of the horsemen and horsewomen participating in the racing meeting for the purpose of negotiating, in good faith, an agreement of at least 3 years' duration with a jockeys' organization certified by the California Horse Racing Board, to be held in trust for the purpose of providing health and welfare benefits to California licensed jockeys and their dependents if those persons contribute to the plan and do not receive benefits pursuant to the programs established under existing law.

(2) Existing law provides for the payment of a daily state license fee by a fair or association conducting horseracing at varying rates depending on the amount handled in its parimutuel pool and the type of racing.

The bill would provide for a reduction in the license fee rate for wagers made in the state on horseraces conducted by, or disseminated by, a thoroughbred racing association or fair, of  $\frac{1}{2}$  of 1% on January 1, 1997.

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

SECTION 1. Section 19612.9 is added to the Business and Professions Code, to read:

19612.9. (a) (1) Except as provided in subdivision (d) of Section 19601, unclaimed refunds shall be distributed to the organization that is responsible for negotiating purse agreements, satellite wagering agreements, and all other business agreements on behalf of the horsemen participating in the racing meeting for the purpose of negotiating, in good faith, an agreement of at least three years' duration with a jockeys' organization to provide health and welfare benefits to California licensed jockeys, former California licensed jockeys, and their dependents if those persons contribute to the plan and do not receive welfare benefits pursuant to Section 19613.

(2) The amount of money distributed annually pursuant to this section shall be held in trust solely for the purpose described in this section and shall not exceed four hundred fifty thousand dollars (\$450,000), adjusted annually for inflation. The board shall determine the inflation adjustment based on an index quantifying changes in the cost of health insurance benefits.

(3) If an agreement is not reached before the regular meeting of the board in November of any calendar year, the board, on its own motion, shall provide that the provisions of the existing agreement, if any, shall remain in effect until a subsequent agreement is reached.

(b) The jockeys' organization referred to in subdivision (a) shall represent a majority of the jockeys licensed by the board, and the board shall initially certify that the organization represents the majority of those licensed jockeys. The organization shall maintain an office in this state. The organization certified by the board shall provide an annual audit of the health and welfare fund established pursuant to this section. The organization shall make available to the board all records and documents necessary for the performance of its duties.

(c) The jockeys' organization certified by the board shall develop reasonable nondiscriminatory criteria for eligibility for health and welfare benefits.

(d) (1) The agreement shall be approved by the board and, if approved, no other entity licensed in this state shall be required to enter into an agreement for the purposes of this section.

(2) The board shall ensure that the initial agreement described in subdivision (a) is in effect prior to July 1, 1997.

SEC. 2. Section 19616.51 is added to the Business and Professions Code, to read:

19616.51. (a) Notwithstanding any other provision of law, the state license fee rate on all wagers made in the state on horseraces conducted by, or disseminated by, a thoroughbred racing association or fair shall be reduced from the license fee rate in effect for each type of wager for the majority of 1996 by one-half of 1 percent on January 1, 1997.

(b) All other distributions from handle shall be as provided elsewhere in this chapter. Additionally, any reduction in license fees



resulting from compliance with this section shall be distributed 40 percent as commissions, 55 percent as purses, and 5 percent to the official registering agency for thoroughbreds to be distributed pursuant to Section 19617.2.

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