

AMENDED IN SENATE APRIL 1, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1083**

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**Introduced by Committee on Governmental Organization  
(Brown (Chair), Baca, Bordonaro, Floyd, Hertzberg,  
Honda, Margett, Perata, Vincent, Wayne, and Wright)**

February 27, 1997

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An act to amend ~~Section~~ *Sections 19601.2, 19613, and 19619.6* of the Business and Professions Code, relating to ~~horseracing~~ *horse racing*.

LEGISLATIVE COUNSEL'S DIGEST

AB 1083, as amended, Committee on Governmental Organization. ~~Horseracing; satellite wagering~~ *Horse racing*.

*Existing law provides that when both the Humboldt County Fair and the San Mateo County Fair conduct racing meetings, the San Mateo County Fair is the association authorized to distribute the signal and accept wagers on out-of-zone races. Existing law requires that association to comply with specified provisions, and provides for distribution of the out-of-zone handle to the 2 fairs. Existing law also provides that this authorization shall automatically expire on January 1, 1999, unless subsequent legislation extends or deletes this date.*

*This bill would delete the automatic expiration of this authority.*

*Existing law provides for the deduction of a portion of the proceeds of horse races as purses for the benefit of horsemen at the racing meeting, and provides for specific deductions*

from this portion for the benefit of owners' organizations, administrative expenses, and for other purposes as specified, depending on the type of horse race involved. In this connection, existing law provides that 1½% of this portion be deducted with reference to thoroughbred races held by any association other than a fair, with ⅔ of that amount going to the owners' association for administrative expenses and the other ⅓ going to the trainers' organization for administrative expenses. Existing law automatically repeals these provisions as of a specified date, however, and replaces these provisions with alternate language that is identical except that only 1%, rather than 1½%, shall be divided between the owners' and trainers' organizations in connection with thoroughbred races held by any association other than a fair.

This bill would delete the provision in existing law causing this automatic repeal, and would repeal the alternate section of law which would otherwise take effect on the specified date.

Existing law requires every association or fair that provides a live audiovisual signal of its program to a satellite wagering facility pursuant to a specified provision to cooperate with the operator of the satellite wagering facility with respect to arrangements with the ontrack totalizator company for access to its ontrack totalizator system for purposes of combining parimutuel pools.

This bill would correct an obsolete cross-reference in that provision.

Vote: majority. 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 19601.2 of the Business and*
- 2 *Professions Code is amended to read:*
- 3 19601.2. ~~(a)~~—During calendar periods when the San
- 4 Mateo County Fair and the Humboldt County Fair both
- 5 conduct race meetings, the San Mateo County Fair shall
- 6 be the association authorized to distribute the signal and
- 7 accept wagers on out-of-zone races if it complies with the
- 8 conditions specified in subdivision (a) of Section 19601.



1 The amounts deducted from out-of-zone wagering shall  
2 be distributed as provided in subdivisions (b) and (d) of  
3 Section 19601, except that from license fees to be  
4 distributed pursuant to this section, the San Mateo  
5 County Fair shall retain an amount equal to three-fourths  
6 of 1 percent of the out-of-zone wagering handle and shall  
7 distribute that amount to the Humboldt County Fair not  
8 less than seven days after the close of the racing meeting.

9 ~~(b) This section shall remain in effect until January 1,~~  
10 ~~1999, and as of that date is repealed unless a later enacted~~  
11 ~~statute, which is enacted prior to January 1, 1999, deletes~~  
12 ~~or extends that date.~~

13 *SEC. 2. Section 19613 of the Business and Professions*  
14 *Code, as added by Section 5 of Chapter 595 of the Statutes*  
15 *of 1996, is amended to read:*

16 19613. (a) Except as provided in subdivisions (b),  
17 (c), (d), (e), and (f), the portion deducted for purses  
18 pursuant to this chapter shall be paid to or for the benefit  
19 of the horsemen at the racing meeting.

20 (b) Any association other than a fair that conducts a  
21 thoroughbred racing meeting shall pay to the owners'  
22 organization contracting with the association with  
23 respect to the conduct of racing meetings for  
24 administrative expenses and services rendered to owners,  
25 an amount not to exceed two-thirds of 1<sup>1</sup>/<sub>2</sub> percent of the  
26 portion, and to a trainers' organization for administrative  
27 expenses and services rendered to trainers and  
28 backstretch employees an amount equivalent to  
29 one-third of 1<sup>1</sup>/<sub>2</sub> percent of the portion. That association  
30 shall also pay an amount for a pension plan for backstretch  
31 personnel to be administered by the trainers'  
32 organization equivalent to an additional 1 percent of the  
33 portion. The remainder of the portion shall be distributed  
34 as purses.

35 (c) Any other association may pay to the horsemen's  
36 organization contracting with the association with  
37 respect to the conduct of racing meetings for  
38 administrative expenses and services rendered to  
39 horsemen an amount out of the portion as may be  
40 determined by the association by agreement or



1 otherwise, but, in all events, shall include, relative to a  
2 thoroughbred horsemen's organization racing, 1 percent  
3 of the portion for a pension plan for backstretch  
4 personnel to be administered by the trainers'  
5 organization. The remainder of the portion shall be  
6 distributed as purses.

7 (d) Notwithstanding subdivisions (b) and (c), any  
8 association conducting a fair racing meeting or  
9 conducting a mixed breed racing meeting shall pay to the  
10 horsemen's organizations contracting with the  
11 association with respect to the conduct of races for their  
12 respective breeds of horses at the meetings for  
13 administrative expenses and services rendered to their  
14 respective horsemen those amounts out of the portion as  
15 determined by the horsemen's organization for the  
16 respective breeds with the approval of the board.

17 Pursuant to this subdivision, amounts not to exceed 3  
18 percent of the portion for the owners' and trainers'  
19 organizations shall be distributed to any thoroughbred  
20 owners' and trainers' organizations contracting with an  
21 association for a fair racing meeting or participating in  
22 mixed breed racing meetings as follows: two-thirds of 1  
23 percent to the owners' organization and one-third of 1  
24 percent to the trainers' organization for administrative  
25 expenses and services rendered to both owners and  
26 trainers, 1 percent for welfare funds, and 1 percent for a  
27 pension program for backstretch personnel, to be  
28 administered by the thoroughbred trainers' organization.

29 (e) Any association other than a fair that conducts a  
30 quarter horse racing meeting, except a mixed breed  
31 meeting, shall pay to the horsemen's organization  
32 contracting with the association with respect to the  
33 conduct of racing meetings for administrative expenses  
34 and services rendered to horsemen, an amount not to  
35 exceed 3 percent of the portion. The remainder of the  
36 portion shall be distributed as purses.

37 (f) For racing meetings other than thoroughbred  
38 meetings, if no contract has been signed between the  
39 association conducting the racing meeting and the  
40 organization representing the horsemen by the time the



1 racing meeting commences, the distribution of purses  
2 shall be governed by the following:

3 (1) If the association conducted a racing meeting  
4 within the past 15 months and a contract was in existence  
5 for that meeting with the horsemen's organization and  
6 the association is conducting a subsequent meeting for  
7 the same breed or mixed breeds, the amounts payable to  
8 the horsemen's organization under subdivision (c) shall  
9 be computed under the provisions of the last signed  
10 contract between the parties.

11 (2) This subdivision applies regardless of the cause of  
12 the failure to execute a contract, whether that failure is  
13 a result of inadvertence or otherwise.

14 (3) For racing meetings that do not come within  
15 paragraph (1), the board shall, within 15 days after the  
16 commencement of the racing meeting, determine the  
17 amounts payable to the horsemen's organization for  
18 administrative expenses and services, and provide for the  
19 direct payment of those amounts.

20 (g) Amounts distributed pursuant to this section are  
21 derived from owners' purses.

22 (h) For the purposes of this section, the following  
23 definitions shall apply:

24 (1) "Owner" means a person currently licensed by the  
25 board as an owner of a thoroughbred racehorse.

26 (2) "Trainer" means a person currently licensed by  
27 the board as an owner and trainer or as a trainer of a  
28 thoroughbred racehorse.

29 ~~(i) This section shall remain in effect only until~~  
30 ~~January 1, 1999, and as of that date is repealed, unless a~~  
31 ~~later enacted statute, that is enacted before January 1,~~  
32 ~~1999, deletes or extends that date.~~

33 *SEC. 3. Section 19613 of the Business and Professions*  
34 *Code, as added by Section 6 of Chapter 595 of the Statutes*  
35 *of 1996, is repealed.*

36 ~~19613. (a) Except as provided in subdivisions (b),~~  
37 ~~(e), (d), (e), and (f), the portion deducted for purses~~  
38 ~~pursuant to this chapter shall be paid to or for the benefit~~  
39 ~~of the horsemen at the racing meeting.~~



1 ~~(b) Any association other than a fair that conducts a~~  
2 ~~thoroughbred racing meeting shall pay to the owners'~~  
3 ~~organization contracting with the association with~~  
4 ~~respect to the conduct of racing meetings for~~  
5 ~~administrative expenses and services rendered to owners;~~  
6 ~~an amount not to exceed two-thirds of 1 percent of the~~  
7 ~~portion, and to a trainers' organization for administrative~~  
8 ~~expenses and services rendered to trainers and~~  
9 ~~backstretch employees an amount equivalent to~~  
10 ~~one-third of 1 percent of the portion. That association~~  
11 ~~shall also pay an amount for a pension plan for backstretch~~  
12 ~~personnel to be administered by the trainers'~~  
13 ~~organization equivalent to an additional 1 percent of the~~  
14 ~~portion. The remainder of the portion shall be distributed~~  
15 ~~as purses.~~

16 ~~(c) Any other association may pay to the horsemen's~~  
17 ~~organization contracting with the association with~~  
18 ~~respect to the conduct of racing meetings for~~  
19 ~~administrative expenses and services rendered to~~  
20 ~~horsemen an amount out of the portion as may be~~  
21 ~~determined by the association by agreement or~~  
22 ~~otherwise, but, in all events, shall include, relative to a~~  
23 ~~thoroughbred horsemen's organization racing, 1 percent~~  
24 ~~of the portion for a pension plan for backstretch~~  
25 ~~personnel to be administered by the trainers'~~  
26 ~~organization. The remainder of the portion shall be~~  
27 ~~distributed as purses.~~

28 ~~(d) Notwithstanding subdivisions (b) and (c), any~~  
29 ~~association conducting a fair racing meeting or~~  
30 ~~conducting a mixed breed racing meeting shall pay to the~~  
31 ~~horsemen's organizations contracting with the~~  
32 ~~association with respect to the conduct of races for their~~  
33 ~~respective breeds of horses at the meetings for~~  
34 ~~administrative expenses and services rendered to their~~  
35 ~~respective horsemen those amounts out of the portion as~~  
36 ~~determined by the horsemen's organization for the~~  
37 ~~respective breeds with the approval of the board.~~

38 ~~Pursuant to this subdivision, amounts not to exceed 3~~  
39 ~~percent of the portion for the owners' and trainers'~~  
40 ~~organizations shall be distributed to any thoroughbred~~



1 owners' and trainers' organizations contracting with an  
2 association for a fair racing meeting or participating in  
3 mixed breed racing meetings as follows: two-thirds of 1  
4 percent to the owners' organization and one-third of 1  
5 percent to the trainers' organization for administrative  
6 expenses and services rendered to both owners and  
7 trainers, 1 percent for welfare funds, and 1 percent for a  
8 pension program for backstretch personnel, to be  
9 administered by the thoroughbred trainers' organization.

10 (e) Any association other than a fair that conducts a  
11 quarter horse racing meeting, except a mixed breed  
12 meeting, shall pay to the horsemen's organization  
13 contracting with the association with respect to the  
14 conduct of racing meetings for administrative expenses  
15 and services rendered to horsemen, an amount not to  
16 exceed 3 percent of the portion. The remainder of the  
17 portion shall be distributed as purses:

18 (f) For racing meetings other than thoroughbred  
19 meetings, if no contract has been signed between the  
20 association conducting the racing meeting and the  
21 organization representing the horsemen by the time the  
22 racing meeting commences, the distribution of purses  
23 shall be governed by the following:

24 (1) If the association conducted a racing meeting  
25 within the past 15 months and a contract was in existence  
26 for that meeting with the horsemen's organization and  
27 the association is conducting a subsequent meeting for  
28 the same breed or mixed breeds, the amounts payable to  
29 the horsemen's organization under subdivision (e) shall  
30 be computed under the provisions of the last signed  
31 contract between the parties.

32 (2) This subdivision applies regardless of the cause of  
33 the failure to execute a contract, whether that failure is  
34 a result of inadvertence or otherwise.

35 (3) For racing meetings that do not come within  
36 paragraph (1), the board shall, within 15 days after the  
37 commencement of the racing meeting, determine the  
38 amounts payable to the horsemen's organization for  
39 administrative expenses and services, and provide for the  
40 direct payment of those amounts.



1 ~~(g) Amounts distributed pursuant to this section are~~  
2 ~~derived from owners' purses.~~

3 ~~(h) For the purposes of this section, the following~~  
4 ~~definitions shall apply:~~

5 ~~(1) "Owner" means a person currently licensed by the~~  
6 ~~board as an owner of a thoroughbred racehorse.~~

7 ~~(2) "Trainer" means a person currently licensed by~~  
8 ~~the board as an owner and trainer or as a trainer of a~~  
9 ~~thoroughbred racehorse.~~

10 ~~(i) This section shall become operative on January 1,~~  
11 ~~1999.~~

12 *SEC. 4.* Section 19619.6 of the Business and  
13 Professions Code is amended to read:

14 19619.6. Every association or fair that provides a live  
15 audiovisual signal of its program to a satellite wagering  
16 facility pursuant to Sections 19608 and 19608.1 shall  
17 cooperate with the operator of the satellite wagering  
18 facility with respect to arrangements with the ontrack  
19 totalizator company for access to its ontrack totalizator  
20 system for purposes of combining parimutuel pools.

