

Assembly Bill No. 1083

CHAPTER 57

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

[Approved by Governor June 4, 1998. Filed with
Secretary of State June 5, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1083, Committee on Governmental Organization. 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 1 $\frac{1}{2}$ % of this portion be deducted with reference to thoroughbred races held by any association other than a fair, with $\frac{2}{3}$ of that amount going to the owners' association for administrative expenses and the other $\frac{1}{3}$ 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 1 $\frac{1}{2}$ %, 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.

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

SECTION 1. Section 19601.2 of the Business and Professions Code is amended to read:

19601.2. 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 if it complies with the conditions specified in subdivision (a) of Section 19601. The amounts deducted from out-of-zone wagering shall be distributed as provided in subdivisions (b) and (d) of Section 19601, except that from license fees to be distributed pursuant to this section, the San Mateo County Fair shall retain an amount equal to three-fourths of 1 percent of the out-of-zone wagering handle and shall distribute that amount to the Humboldt County Fair not less than seven days after the close of the racing meeting.

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

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

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

(c) Any other association may pay to the horsemen's organization contracting with the association with respect to the conduct of racing meetings for administrative expenses and services rendered to horsemen an amount out of the portion as may be determined by the association by agreement or otherwise, but, in all events, shall include, relative to a thoroughbred horsemen's organization racing, 1 percent of the portion for a pension plan for backstretch personnel



to be administered by the trainers' organization. The remainder of the portion shall be distributed as purses.

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

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

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

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

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

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

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



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

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

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

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

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

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

19619.6. Every association or fair that provides a live audiovisual signal of its program to a satellite wagering facility pursuant to Sections 19608 and 19608.1 shall 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.

