

Senate Bill No. 103

CHAPTER 10

An act to add and repeal Section 19613.05 of the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 25, 1998. Filed with Secretary of State March 26, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

SB 103, Maddy. Horse racing: thoroughbred racing.

Under existing law, the organization representing the horsemen at a horse racing event receives distributions of funds for purses to be paid to or for the benefit of the horsemen at the racing meeting. Of the portion of the takeout to be paid as purses, the horsemen's organization representing the horsemen receives a percentage for administrative expenses and services rendered to the horsemen. Depending upon the type of racing meeting involved, the amount to be paid to the organization for administrative fees is specified by statute, by contract, or by the California Horse Racing Board.

This bill would require any association, including a fair, that conducts thoroughbred racing to pay to the owners' organization contracting with the association an additional percentage for a national marketing program, as specified, to promote thoroughbred racing unless the owners' organization chooses not to contribute to the program. The bill would require the owners' association annually to file a report with the board and the Legislature, as specified, accounting for the receipt and expenditures of these funds.

The bill would repeal that requirement as of January 1, 2004.

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

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

SECTION 1. Section 19613.05 is added to the Business and Professions Code, to read:

19613.05. (a) Any association, including a fair, that conducts thoroughbred racing shall pay to the owners' organization, contracting with the association with respect to the conduct of thoroughbred racing, an additional $1\frac{3}{4}$ percent of the portion required by Section 19613 for a national marketing program. These funds shall be used exclusively for the promotion of thoroughbred racing in conjunction with a national thoroughbred racing marketing program. Funds that may not be needed for this effort shall be



returned to the purse pool at the racing associations where these funds were raised in direct proportion to the amount in which they were initially raised. The owners' organization shall file a report with the board and the respective Committees on Governmental Organization of the Senate and Assembly, accounting for the receipt and expenditure of these funds on an annual basis. The board of directors of the owners' organization shall have the discretion to select the national marketing organization that shall be the recipient of these funds. If the board of directors of the owners' organization decides at any time not to contribute to the national marketing organization, notice shall be given promptly to the respective racing association or associations and the $1\frac{3}{4}$ percent deduction shall cease until the owners' organization decides otherwise.

(b) This section shall remain in effect only until January 1, 2004, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2004, deletes or extends that date.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the funding of the national thoroughbred racing marketing program established by this act to commence at the earliest possible time, it is necessary that this act take effect immediately.

