

ASSEMBLY BILL

No. 1416

Introduced by Assembly Member Wesson

February 26, 1999

An act to amend Section 19605.51 of the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1416, as introduced, Wesson. Horse racing: satellite wagering facilities.

(1) Existing law provides that, notwithstanding certain provisions applicable to racing conducted in the northern zone, any county fair or district agricultural association in San Joaquin, Humboldt, or Fresno counties may, with the approval of the Department of Food and Agriculture and the authorization of the California Horse Racing Board, and subject to specified conditions, operate a satellite wagering facility on leased premises within the boundaries of the fair or district agricultural association, but may only operate one such facility.

This bill would expand this authorization to all fairs and district agricultural associations, remove the requirement that the satellite wagering facility be located on leased premises, and remove the one facility limitation. This bill would also provide that satellite wagering authorized by this provision shall not be conducted within 20 miles of an existing live racing meeting or satellite wagering facility without the consent of the operator of that race track or facility and shall

be subject to the deductions and distributions from handle applicable to existing satellite wagering facilities, and that any wagering conducted within the boundaries of a fair or district agricultural association shall, with certain exceptions, be included in the parimutuel pool of that facility. This bill would also provide that, notwithstanding any other provision of law, a fair or district agricultural association that conducted satellite wagering prior to 1998 may contract for the operation of a satellite wagering facility authorized by these provisions with a joint powers authority, a partnership, a joint venture, or other licensed entities. This bill would also provide that prior to establishing a satellite wagering facility under these provisions, a fair or district agricultural association must first sign an operating agreement with any fair or association that conducted wagering in that county prior to 1998, and, if there is a licensed racing association that conducts a live racing meeting in that county, a joint venture agreement with that association.

(2) Under existing law, all revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

By authorizing the operation of additional satellite wagering facilities, this bill would authorize additional wagering, and would increase the amount of continuously appropriated license fees, thereby making an appropriation.

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

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

1 SECTION 1. Section 19605.51 of the Business and
 2 Professions Code is amended to read:
 3 19605.51. (a) Notwithstanding subdivision (a) of
 4 Section 19605, and ~~Section Sections 19605.1 and 19605.2,~~
 5 any ~~county~~ fair or district agricultural association in ~~San~~
 6 ~~Joaquin, Humboldt, or Fresno County~~ may, with the
 7 approval of the Department of Food and Agriculture and
 8 the authorization of the board, subject to the conditions



1 specified in Section 19605.3, operate a satellite wagering
2 facility on leased premises within the boundaries of that
3 fair or district agricultural association, ~~but may only~~
4 ~~operate one such facility as defined by Sections 3851 to~~
5 ~~3904, inclusive, of the Food and Agriculture Code.~~

6 (b) Satellite wagering authorized by this section shall
7 not be conducted within 20 miles of any race track where
8 a racing association conducts a live racing meeting or
9 operates a satellite wagering facility, without the consent
10 of the operator of the race track or satellite wagering.

11 (c) Satellite wagering conducted pursuant to this
12 section shall be subject to the deductions and
13 distributions from handle provided for in Sections 19605.7
14 and 19605.71. Any wagering conducted on horse racing
15 within the boundaries of a fair or district agricultural
16 association shall be considered part of the parimutuel
17 pool of the satellite wagering facility, except where the
18 fair or district association is conducting a live racing
19 meeting.

20 (d) Notwithstanding any other provision of law, a fair
21 or district agricultural association that conducted satellite
22 wagering prior to 1998 may contract with a joint powers
23 authority, a partnership, a joint venture, or any other
24 entity licensed by the board to conduct wagering on horse
25 racing, for the operation and management of satellite
26 wagering facilities authorized pursuant to this section.

27 (e) In counties where more than one fair or district
28 agricultural association exists, and one of these fair or
29 district agricultural associations conducted satellite
30 wagering prior to 1998, another fair or district agricultural
31 association may establish a satellite wagering facility
32 pursuant to this section only under the terms of an
33 operating agreement with the fair or district agricultural
34 association that conducted racing prior to 1998 within
35 that county.

36 (f) In counties where private licensed racing
37 associations conduct live racing meetings, a fair or district
38 agricultural association may establish satellite wagering
39 facilities pursuant to this section only under the terms of
40 a joint venture agreement between the racing association



1 *in that county and the fair or district agricultural*
2 *association.*

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