

Assembly Bill No. 2048

Passed the Assembly August 19, 2008

Chief Clerk of the Assembly

Passed the Senate August 14, 2008

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2008, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 19596.1 and 19605.76 of the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2048, Silva. Horse racing.

Under existing law, the California Horse Racing Board is authorized to permit a harness or quarter horse association conducting a race meeting to accept wagers on the results of out-of-state, out-of-country, and sometimes other harness or quarter horse races, if specified conditions are met, including that the association conducts at least 7 live races and imports not more than 6 races on live racing days.

This bill would revise that provision to instead permit the association to import not more than 8 races on live racing days.

Existing law authorizes the operation of satellite wagering facilities.

This bill would require the board to review the regulations governing the operation of satellite wagering facilities, in an attempt to reduce the cost of operating these facilities.

Existing law authorizes a quarter horse racing association to deduct an additional 0.5% of the total amount handled in its exotic parimutuel pools, under certain conditions, to be distributed as specified. This authorization expires as of January 1, 2009.

This bill would extend that authorization to January 1, 2014.

Under existing law, 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 providing for the importation of additional out-of-state and out-of-country races, this bill would authorize additional wagering, and would increase the amount of continuously appropriated license fees, thereby making an appropriation.

Appropriation: yes.

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

SECTION 1. Section 19596.1 of the Business and Professions Code is amended to read:

19596.1. (a) Notwithstanding any other provision of law, the board may authorize a harness or quarter horse association conducting a race meeting to accept wagers on the results of out-of-state or out-of-country harness or quarter horse races and, with the board's approval and with the concurrence of the horsemen's organization contracting with the association, other designated harness or quarter horse races during the period it is conducting the racing meeting, if all of the following conditions are met:

(1) The authorization complies with federal laws, including, but not limited to, Chapter 57 (commencing with Section 3001) of Title 15 of the United States Code.

(2) Wagering is offered only within the racing inclosure and only within 36 hours of the running of the out-of-state feature race.

(3) The association conducts at least seven live races, and imports not more than eight races on those days during a racing meeting when live races are being run, except as provided in subdivision (b).

(4) If only one breed of horse specified in this section is being raced on a given day, then the association conducting the live racing may import those races which would otherwise be simulcast by the association which is not racing, provided that the total number of harness or quarter horse races imported in a calendar year does not exceed the number of night races imported in 1998 after 5:30 p.m. After the usual deductions, including the portion for the racing association, the portion remaining for purses from these races shall be distributed equally for purses for harness horsemen and quarter horse horsemen.

(5) No quarter horse or harness racing association shall accept wagers on out-of-state or out-of-country quarter horse or harness races commencing before 5:30 p.m., Pacific standard time, without the consent of any thoroughbred association or fair that is then conducting a live racing meeting in this state.

(b) An association that is authorized to import races pursuant to subdivision (a) may, at its sole discretion, import fewer than the maximum number of harness or quarter horse races authorized in

paragraph (3) of subdivision (a). For up to two races per night, for each race that is not imported under the maximum authorized by paragraph (3) of subdivision (a) on a particular night of racing, the association may add a race to the number of races allowable under the maximum authorization on another night of racing. However, no more than two races may be added under this subdivision to the number allowable on a single night, and the total number of imported races over a calendar year may not exceed the total number of imported races authorized pursuant to paragraphs (3) and (4) of subdivision (a).

SEC. 2. Section 19605.76 of the Business and Professions Code is amended to read:

19605.76. (a) Notwithstanding Section 19610, a quarter horse racing association may deduct an additional 0.5 percent of the total amount handled in its exotic parimutuel pools. This additional deduction shall only be permitted with the approval of the organization representing quarter horsemen and horsewomen at the applicable racing association meet.

(b) Any funds collected pursuant to subdivision (a) from exotic parimutuel pools on races within the inclosure of a racetrack, at satellite wagering facilities within this state, and through advance deposit wagering by residents of this state, shall be distributed to the organization described in subdivision (e) to be used in accordance with subdivision (d).

(c) Any quarter horse racing association that authorizes a betting system located outside of this state to accept exotic wagers on its races and to combine those wagers in the association's exotic parimutuel pools, including, but not limited to, a multijurisdictional wagering hub as to exotic wagers made by residents other than those of this state, may deduct the amount specified in subdivision (a) in addition to any other applicable deductions specified in law. Any amount deducted pursuant to this subdivision shall be distributed to the organization described in subdivision (e) to be used in accordance with the provisions of subdivision (d). This additional deduction shall not be included in the amount on which license fees are determined pursuant to Section 19602.

(d) The amounts distributed to the organization described in subdivision (e) shall be deposited by that organization in a separate account to defray workers' compensation insurance costs for trainers and owners who are racing horses at the applicable quarter

horse racing association meet. Any funds not expended for this purpose in the calendar year in which they are collected may either be used for the following year's workers' compensation costs, as specified above, or to benefit the purse pools at the track where the funds are generated. Funds to benefit purse pools shall be allocated by breed, in the same proportions as each breed generated in deductions under this section at the track in the year the funds were collected.

(e) The quarter horse racing association and the organization representing quarter horsemen and horsewomen shall form an organization to which any funds deducted pursuant to subdivisions (b) and (c) shall be distributed. The quarter horse associations collectively shall have representation equal to that of the organization representing quarter horsemen and horsewomen on the governing board of the organization formed pursuant to this subdivision.

(f) If the quarter horse racing association and the organization representing quarter horsemen and horsewomen cannot agree on the manner for distributing these funds to defray the costs of workers' compensation insurance, the matter shall be submitted to the California Horse Racing Board for a decision consistent with subdivision (d), and the decision of the board shall be final.

(g) This section shall remain in effect only until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

SEC. 3. Due to a decrease in handle at several satellite wagering facilities, the California Horse Racing Board shall review the regulations governing the operation of satellite wagering facilities, in an attempt to reduce the cost of operating these facilities.

Approved _____, 2008

Governor