

ASSEMBLY BILL

No. 1421

Introduced by Committee on Governmental Organization (Assembly Members Hall (Chair), Nestande (Vice Chair), Blumenfield, Chesbro, Cook, Gatto, Hill, Jeffries, Ma, V. Manuel Pérez, Silva, and Torres)

March 21, 2011

An act to amend Section 19605.77 of the Business and Professions Code, relating to harness racing organizations.

LEGISLATIVE COUNSEL'S DIGEST

AB 1421, as introduced, Committee on Governmental Organization. Harness racing organizations.

Existing law, the Horse Racing Law, governs, among other types of horse races, harness horse racing, in which horses that meet specified criteria are harnessed to a sulky or similar vehicle and raced at either the trotting or pacing gait. Existing law vests jurisdiction and supervision over all horse racing meetings, including harness races, in this state in the California Horse Racing Board. Existing law requires, until January 1, 2014, the harness racing association and the organization representing harness horsemen and horsewomen to form an organization to which certain funds, that may be deducted from the total amount handled in conventional parimutuel pools of harness races, are distributed for purposes of reducing the workers' compensation insurance costs for trainers who are racing horses at the applicable harness racing association meet, as specified.

This bill would additionally require that organization to account to the California Horse Racing Board on or before August 1 of each year with respect to the distribution of funds received pursuant to those

provisions during the immediately preceding fiscal year and to obtain an independent audit of those distributions. The bill would also require that a copy of the completed audit be forwarded to the board within 45 days of its receipt by the organization.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 19605.77 of the Business and Professions
2 Code is amended to read:

3 19605.77. (a) Notwithstanding Section 19610, a harness racing
4 association may deduct an additional 1 percent of the total amount
5 handled in conventional parimutuel pools of harness races. This
6 additional deduction shall only be permitted with the approval of
7 the organization representing harness horsemen and horsewomen
8 at the applicable racing association meeting.

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

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

28 (d) The amounts distributed to the organization described in
29 subdivision (e) shall be deposited by that organization in a separate
30 account and used to reduce the workers' compensation insurance
31 costs for trainers who are racing horses at the applicable harness

1 racing association meet. Any funds not expended for this purpose
2 in the calendar year in which they are collected may either be used
3 for the following year's workers' compensation costs, as specified
4 above, or to benefit the harness purse pool at the track where the
5 funds are generated.

6 (e) (1) The harness racing association and the organization
7 representing harness horsemen and horsewomen shall form an
8 organization to which any funds deducted pursuant to subdivisions
9 (b) and (c) shall be distributed. The harness associations
10 collectively shall have representation equal to that of the
11 organization representing harness horsemen and horsewomen on
12 the governing board of the organization formed pursuant to this
13 subdivision.

14 (2) *The organization formed pursuant to paragraph (1) shall*
15 *account to the board, on or before August 1 of each year, with*
16 *respect to the distribution of funds received pursuant to*
17 *subdivisions (c) and (d) during the immediately preceding fiscal*
18 *year, and shall obtain an independent audit of those distributions.*
19 *A copy of the completed audit shall be forwarded to the board*
20 *within 45 days of its receipt by the organization.*

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

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