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DIVISION 8. SPECIAL BUSINESS REGULATIONS [18400 - 22949.92.2] (*Division 8 added by Stats. 1941, Ch. 44.*)

CHAPTER 4. Horse Racing [19400 - 19668] (*Chapter 4 repealed and added by Stats. 1959, Ch. 1828.*)

ARTICLE 9.2. Satellite Wagering [19605 - 19608.8] (*Article 9.2 added by Stats. 1990, Ch. 131, Sec. 15.*)

19605. (a) Notwithstanding any other law, the board may authorize an association licensed to conduct a racing meeting in the northern zone to operate a satellite wagering facility for wagering on races conducted in the northern zone at its racetrack inclosure subject to all of the conditions specified in Section 19605.3, and may authorize an association licensed to conduct a racing meeting in the central or southern zone to operate a satellite wagering facility for wagering on races conducted in the central or southern zone at its racetrack inclosure subject to the conditions specified in subdivisions (a) to (e), inclusive, of Section 19605.3 and the conditions and limitations set forth in Section 19605.6.

(b) Notwithstanding any other law, no satellite wagering facility, except a facility that is located at a track where live racing is conducted, shall be located within 20 miles of any existing satellite wagering facility or of any track where a racing association conducts a live racing meeting. However, in the northern zone, a racing association or any existing satellite wagering facility may waive the prohibition contained in this subdivision and may consent to the location of another satellite wagering facility within 20 miles of the facility or track.

(c) Notwithstanding subdivision (b), the Department of Food and Agriculture may approve not more than three satellite wagering facilities that are licensed jointly to the 1a District Agricultural Association and the 5th District Agricultural Association and that are located on the fairgrounds of the 1a District Agricultural Association or within the boundaries of the City and County of San Francisco. Before a satellite wagering facility may be licensed for the 1997 and subsequent calendar years under this subdivision, the department shall conduct a one-year test at the proposed site in order to determine the impact of the proposed facility on total state parimutuel revenues and on attendance and wagering at existing racetracks and fair satellite wagering facilities in the Counties of Alameda, San Mateo, Santa Clara, and Solano. Notwithstanding Section 19605.1, a satellite wagering facility may be located on property leased to one or both fairs. Notwithstanding any other law, the fairs may contract for the operation and management of a satellite wagering facility with an individual racing association or a partnership, joint venture, or other affiliation of two or more racing associations or fairs that are licensed to conduct thoroughbred meetings or simulcast wagering within the northern zone.

(d) Subdivision (b) shall not be construed to prohibit the location of satellite wagering facilities within 20 miles of any existing or proposed satellite facility established pursuant to subdivision (c).

(Amended by Stats. 2017, Ch. 817, Sec. 1. (AB 460) Effective January 1, 2018.)

19605.1. With respect to the northern zone, the board may, with the approval of the Department of Food and Agriculture, also authorize any fair, in the northern zone that is eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting or authorized pursuant to Section 19605.6, to locate a satellite wagering facility at its fairgrounds for wagering on races conducted in the northern zone if all of the conditions specified in Section 19605.3 are satisfied.

(Amended by Stats. 2000, Ch. 1082, Sec. 89. Effective January 1, 2001.)

19605.2. With respect to the central and southern zones, the board may, with the approval of the Department of Food and Agriculture, subject to the conditions and limitations set forth in Section 19605.6, also authorize any fair, which conducted general fair activities in 1986 within the central or southern zone, and which is eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting, to locate a satellite wagering facility at its fairgrounds for wagering on races conducted in the central or southern zone if all of the conditions specified in subdivisions (a) to (e), inclusive, of Section 19605.3 are satisfied.

(Amended by Stats. 2000, Ch. 1082, Sec. 90. Effective January 1, 2001.)

19605.25. (a) The California Horse Racing Board may approve an additional 15 minisatellite wagering sites in each zone, if all of the following conditions are met:

(1) No site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. If the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board.

(2) An agreement in accordance with subdivision (a) of Section 19605.3 has been executed and approved by the board. In addition to the requirements set forth in that provision, the agreement shall specify which components of its racing program, including live, out-of-zone, out-of-state, and out-of-country races, an association or fair will make available to the site. The terms and condition of the agreement, including all fees payable pursuant to paragraph (3) of that provision, a portion of which may be paid to horsemen in the form of purses, shall be subject to the approval of the horsemen's organization responsible for negotiating purse agreements with the association or fair.

(3) The site is approved by the board.

(4) The wagers are accepted in an area that is accessible only to those who are at least 21 years of age.

(5) The board has approved the accommodation, equipment used in conducting wagering at the site, communications system, technology, and method used by the site to accept wagers and transmit odds, results, and other data related to wagering.

(b) Parimutuel clerks shall be available to service the self-service tote machines at these locations, and to cash wagering vouchers on a regularly scheduled basis.

(c) Until January 1, 2013, if the proposed minisatellite wagering site is in the northern zone in a fair district where the fair has operated a satellite wagering facility for the previous five years, the approval of the fair must be obtained even if the proposed location is more than 20 miles from the existing satellite wagering facility operated by the fair.

(d) For purposes of commissions, deductions, and distribution of handle, wagers placed at minisatellite sites shall be treated as if they were placed at satellite wagering facilities authorized under Section 19605, 19605.1, or 19605.2. Section 19608.4 shall apply to minisatellite wagering facilities.

(e) The written consent of the San Mateo County Fair shall be obtained prior to the approval of any minisatellite wagering site located within a 20-mile radius of its fairground.

(f) Minisatellite wagering facilities created pursuant to this section are not eligible for satellite wagering commission distributions pursuant to Section 19604.

(g) The board, in adopting regulations to implement this section, shall minimize the expense to both the operator of the minisatellite facility and the host racetrack.

(h) If there are more than 15 applications for minisatellite wagering facilities in any zone, the board shall determine which facilities will generate the largest handle, and give priority to the approval of those facilities. The board shall license a minisatellite facility for up to five years, and then review the operation and the size of the handle, and determine if it is in the best interest of horse racing to relicense the facility or, in the alternative, license another minisatellite facility that might generate a greater handle.

(i) Except as may be provided in the agreement required pursuant to paragraph (2) of subdivision (a), no association or fair shall be required to make all or part of its racing program available to a minisatellite wagering facility. Notwithstanding subdivision (e) of Section 19608.2, all costs incurred by the organization executing that agreement in excess of the amounts distributable to the organization from wagers placed at the site on that racing program, shall be borne by the minisatellite wagering facility.

(Amended by Stats. 2011, Ch. 334, Sec. 1. (SB 305) Effective January 1, 2012.)

19605.3. (a) An organization described in Section 19608.2 has executed an agreement approved by the board with the association conducting a racing meeting and the satellite wagering facility. The agreement shall provide, among other things, for all of the following:

(1) The conditions for transmission of the signal.

(2) That the wagers made at the satellite wagering facility will be included in the appropriate conventional or exotic pool at the racetrack where the racing meeting is conducted.

(3) The agreement of the parties, if any, respecting the payment of fees or charges by one party to the other in substitution of, or in addition or supplemental to, the distributions of the amount deducted pursuant to the first paragraph of either Section 19605.7 or Section 19605.71. The agreement as to the payment of those fees or charges shall not operate to increase or reduce the amounts otherwise payable from the amount handled pursuant to this article, other than to a party to the agreement. Any dispute relating to

the amount of fees or charges to be paid by any party as a condition of receiving the live audiovisual signal from an association or fair may be appealed to the board. However, nothing in this paragraph shall be construed to require an association or fair to execute an agreement.

(b) The accommodations and equipment used in conducting wagering at the satellite wagering facility and their location have been approved by the board.

(c) The communications system, technology and method used by the satellite wagering facility to accept wagers and transmit odds, results, and other data related to wagering has been approved by the board.

(d) (1) Any association or fair that operates a satellite wagering facility shall conduct wagering on all racing that is offered to the satellite wagering facility, except as otherwise provided in Section 19607.5 with respect to the northern zone, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or night meeting, as long as the satellite wagering facility is reimbursed for that loss by either an organization described in Section 19608.2 or an association. Any association that operates a satellite wagering facility may, but is not required to, accept an audiovisual signal. Notwithstanding any other provision of this paragraph, an association that conducts a racing meeting and a fair that operates a satellite wagering facility may agree to provide an audiovisual signal and to accept wagering on less than all of the races. Acceptance of the audiovisual signal may be on such terms and conditions, including the payment of fees and charges, subject to paragraph (3) of subdivision (a), as the parties may mutually agree.

(2) In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of the acceptance of night wagers shall be considered, and no overhead expenses or expenses of the satellite wagering facility which would be incurred regardless of the acceptance of night wagers shall be considered.

(e) Notwithstanding any other law or any agreement under subdivision (a), for purposes of determining license fees and breakage at the racetrack where the racing meeting is conducted, wagers at a satellite wagering facility shall not be included in the conventional or exotic pools of the association conducting the racing meeting.

(f) The horsemen's organization that represents the horsemen at the association that conducts the racing meeting on which wagers are accepted consents to the acceptance of wagers at the satellite wagering facility, except that the association or fair operating the satellite wagering facility may appeal the withholding of consent to the board that may determine that consent is not required.

(Amended by Stats. 2000, Ch. 1082, Sec. 91. Effective January 1, 2001.)

19605.35. (a) Notwithstanding paragraph (3) of subdivision (a) of Section 19605.3, no fee or charge authorized under that paragraph shall be paid by the operator of a satellite wagering facility that was licensed in the northern zone at any time prior to January 1, 2000. Notwithstanding any other provision of law, total on-track license fees applicable to all wagers made within the inclosure of associations conducting thoroughbred racing meetings in the northern zone, including wagers on out-of-zone, out-of-state, and out-of-country races, shall be reduced by 0.3 percent. In addition, the total on-track license fees applicable to all wagers made within the inclosures of associations conducting thoroughbred racing meetings in the Counties of Alameda and San Mateo shall, beginning on January 1, 2001, and each year thereafter, be further reduced by an additional sum equal to the amount of impact fees respectively received by each association from the Santa Clara County Fair during the 2000 calendar year. The reduction in license fees provided by this section shall be distributed solely to the association in the form of commissions. All other distributions from handle shall be as provided elsewhere in this chapter.

(b) Notwithstanding paragraph (3) of subdivision (a) of Section 19605.3, no fee or charge authorized under that paragraph shall be paid by the operator of a satellite wagering facility that was also licensed at any time during the prior year to conduct a live thoroughbred or quarter horse racing meeting in the central or southern zones or a live fair racing meeting in Los Angeles County. Notwithstanding any other provision of law, on-track license fees applicable to all wagers made within the inclosure of an association conducting a thoroughbred meet in the central or southern zones, including wagers on out-of-zone, out-of-state, and out-of-country races, shall be reduced by 0.15 percent. The reduction in license fees provided by this section shall be distributed solely to the association in the form of commissions. All other distributions from handle shall be as provided elsewhere in this chapter.

(c) It is, and always has been, the intent of the Legislature that this section apply to impact fees charged by a thoroughbred racing association or a thoroughbred fair racing association in the northern zone, on satellite wagers accepted by satellite facilities operated by those associations.

(Amended by Stats. 2007, Ch. 72, Sec. 2. Effective July 17, 2007.)

19605.4. (a) Notwithstanding Section 19605.3, the live audiovisual signal of night harness, quarter horse, Appaloosa, or Arabian races in the central or southern zone may be offered to satellite wagering facilities in the northern zone and the signal of those races in the northern zone may be offered to satellite wagering facilities in the central or southern zone. Racing associations may agree to accept that audiovisual signal. However, satellite wagering facilities located at fairs shall not be required pursuant to that agreement to accept more than five night racing programs per week.

(b) (1) With respect to the live audiovisual signal of night harness, quarter horse, Appaloosa, or Arabian racing, any association or fair that operates a satellite wagering facility shall conduct wagering on all racing that is offered to the satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on a night meeting, as determined by the board, and if sustaining a loss on a night meeting, as long as the satellite wagering facility is reimbursed for that loss by either an organization described in Section 19608.2 or an association. Any association that operates a satellite wagering facility may, but is not required to, accept an audiovisual signal. Notwithstanding any other provision of this paragraph, an association that conducts a racing meeting and a fair that operates a satellite wagering facility may agree to provide an audiovisual signal and to accept wagering on less than all of the races.

(2) In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of the acceptance of night wagers shall be considered, and no overhead expenses or expenses of the satellite wagering facility that would be incurred regardless of the acceptance of night wagers shall be considered.

(Amended by Stats. 1994, Ch. 60, Sec. 3. Effective May 3, 1994.)

19605.45. (a) Notwithstanding Section 19605, 19605.1, 19605.35, or any other provision of this chapter, if the racing association licensed in the year 2002 to conduct thoroughbred race meetings in San Mateo County is not licensed to conduct a horse racing meeting in that county in any subsequent year, the board may authorize satellite wagering in San Mateo County only as provided in this section:

(1) The board may authorize a satellite wagering facility to be located either on the fairgrounds of the San Mateo County Fair or on leased premises within the City of San Mateo. The facility may be operated by the fair or the fair may contract for the operation and management of that satellite wagering facility with an individual racing association or fair, or a partnership, joint venture, or other affiliation of two or more racing associations or fairs. The board may license a facility to the San Mateo County Fair pursuant to this section notwithstanding the mileage restrictions contained in Section 19605 or any other provision of this chapter to the contrary.

(2) Satellite wagering facilities licensed to the fair pursuant to this section are subject to the provisions of subdivisions (a) to (e), inclusive, of Section 19605.3, except that they shall not be subject to the provisions of paragraph (3) of subdivision (a) of Section 19605.3 or any other impact fee or charge.

(3) Distributions pursuant to subdivision (d) of Section 19605.7, and Sections 19610.3 and 19610.4 made by a satellite wagering facility licensed to the fair pursuant to this section shall be to the same beneficiary that received those distributions in the year 2002 from the San Mateo County Fair and the racing association licensed in the year 2002 to conduct thoroughbred race meetings in San Mateo County.

(Added by Stats. 2002, Ch. 1063, Sec. 2. Effective January 1, 2003.)

19605.46. Notwithstanding subdivision (a) of Section 19605, and Section 19605.1, the Alameda County Fair may, with the approval of the Department of Food and Agriculture, the authorization of the board, and subject to the conditions set forth in Section 19605.3, operate two additional satellite wagering facilities within the boundaries of the fair district. However, any facility situated in the City of Oakland shall be sited only with the concurrence of the racing association in Alameda County. The racing association in Alameda County shall have the opportunity to invest in the ownership and operation of any satellite wagering facility situated in the City of Oakland or within 20 miles of the racing association's racetrack in Alameda County.

(Added by Stats. 2007, Ch. 202, Sec. 1. Effective January 1, 2008.)

19605.47. The Los Angeles County Fair may conduct satellite wagering at an additional location, situated not more than 20 miles from its fairgrounds, with the approval of the board. If the additional satellite wagering facility is within 20 miles of another racetrack, the consent of that racetrack or those racetracks shall be received as a condition precedent to approval by the board.

(Added by Stats. 2007, Ch. 202, Sec. 2. Effective January 1, 2008.)

19605.51. Notwithstanding subdivision (a) of Section 19605, and Section 19605.1, any fair that operated a satellite wagering facility on July 1, 2007, may, with the approval of the Department of Food and Agriculture and the authorization of the board, subject to the conditions specified in Section 19605.3, operate a satellite wagering facility on leased premises within the boundaries of that fair. Any fair that did not operate a satellite wagering facility on July 1, 2007, may, subject to Sections 19605 and 19605.1, operate one satellite wagering facility either on the property of the fairgrounds, or on leased premises.

(Amended by Stats. 2007, Ch. 594, Sec. 5. Effective January 1, 2008.)

19605.52. Notwithstanding subdivision (a) of Section 19605, and Section 19605.1, any fair in the Counties of Kern, Shasta, or Stanislaus may, with the approval of the Department of Food and Agriculture and the authorization of the board, subject to the

conditions specified in Section 19605.3, operate one satellite wagering facility within the boundaries of that fair.

(Amended by Stats. 2023, Ch. 275, Sec. 2. (AB 1074) Effective January 1, 2024.)

19605.53. (a) Notwithstanding subdivision (a) of Section 19605, and Section 19605.1, in lieu of a satellite wagering facility that could otherwise be authorized by the board to the Sacramento County Fair, the California Exposition and State Fair may, with the approval of the Department of Food and Agriculture and the authorization of the board, subject to the conditions specified in Section 19605.3, operate one satellite wagering facility within the boundaries of that fair in addition to any satellite wagering facility authorized at its fairgrounds under those provisions.

(b) A satellite wagering facility authorized pursuant to subdivision (a) may be operated by agreement between the California Exposition and State Fair and an entity described in Section 19604, pursuant to the provisions of that section.

(Added by Stats. 2003, Ch. 556, Sec. 1. Effective January 1, 2004.)

19605.54. Any racetrack in the central zone that conducted racing in 2007 but that has since closed may continue to conduct satellite wagering. If the racetrack site is no longer available for use as a satellite wagering facility, then the owner of the racetrack may conduct satellite racing at another location within that city, subject to approval by the board. If the owners of the racetrack which last conducted racing at that facility determine that they do not wish to operate a satellite wagering facility, then any other racetrack conducting racing in that zone may instead be authorized to open a satellite wagering facility. If there is no other racing association that wishes to operate a satellite wagering facility in that city, then any other person or entity may seek the approval of the board to operate a satellite wagering facility in that city. The board, prior to granting its approval, shall conduct a hearing on the issue, and afford parties the opportunity to be heard.

(Added by Stats. 2007, Ch. 594, Sec. 6. Effective January 1, 2008.)

19605.55. (a) Notwithstanding Section 19605, 19605.1, 19605.35, or any other provision of this chapter, if the Solano County Fair ceases to conduct live horse racing at the site of its 2002 racing meeting in any subsequent year, the board may authorize satellite wagering in Solano County as provided in this section:

(1) The board may authorize a satellite wagering facility to replace its existing facility to be located on the fairgrounds of the Solano County Fair or on leased premises within the county, at the option of the fair. The facility may be operated by the fair or the fair may contract for the operation and management of the satellite wagering facility with an individual thoroughbred racing association or fair, or a partnership, joint venture, or other affiliation of one or more thoroughbred racing associations or fairs. The board may license a facility to the Solano County Fair pursuant to this section notwithstanding the mileage restrictions contained in Section 19605 or any other provision of this chapter to the contrary.

(2) A satellite wagering facility licensed to the fair pursuant to this section is subject to the provisions of subdivisions (a) to (e), inclusive, of Section 19605.3, except that such a facility shall not be subject to the provisions of paragraph (3) of subdivision (a) of Section 19605.3 or any other impact fee or charge.

(Added by Stats. 2002, Ch. 874, Sec. 3. Effective September 26, 2002.)

19605.6. (a) In addition to satellite wagering facilities authorized pursuant to Sections 19605, 19605.1, and 19605.2, the board, with the approval of the Department of Food and Agriculture, may authorize any fair, in the County of Kern or Santa Barbara, eligible for an allocation of racing days pursuant to Section 19549, to operate a satellite wagering facility at its fairgrounds even though the fair is not licensed to conduct a racing meeting, and the fair may operate the facilities except for those functions to be performed by an organization described in Section 19608.2. Except as otherwise provided in this chapter, Sections 19605, 19605.3, 19605.4, 19605.7, 19605.71, 19605.8, 19606, 19606.1, 19606.3, and 19606.4 apply to satellite wagering facilities authorized pursuant to this section.

(b) It is the intent of the Legislature that the board provide, when feasible, for periods of at least 10 minutes between post times for live races conducted within California.

(Amended by Stats. 2000, Ch. 1082, Sec. 93. Effective January 1, 2001.)

19605.61. (a) Notwithstanding any other provision of law, if the live racing or the audiovisual signals of any licensed association or fair in this state are disrupted or interrupted so as to cause the cessation of the live racing or audiovisual signals and the cause is a natural disaster outside the control of the association or fair conducting the racing or satellite wagering, as determined by the executive director of the board, the executive director may, at the request of the licensed association or fair and the organization representing horsemen at the race meeting, temporarily authorize the conduct of satellite wagering, including the transmission and reception of audiovisual signals, from any zone in the state or from any location outside this state. However, audiovisual signals emanating from within the state shall have preference over audiovisual signals from locations outside this state, and any transmission shall be subject to the conditions specified in subdivisions (a) to (e), inclusive, of Section 19605.3.

(b) As used in this section, "natural disaster" means fire, flood, storm, epidemic, riot, or earthquake.

(Amended by Stats. 2001, Ch. 936, Sec. 3. Effective January 1, 2002.)

19605.7. The total percentage deducted from wagers at satellite wagering facilities in the northern zone shall be the same as the deductions for wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted under this section shall be distributed as follows:

(a) (1) For thoroughbred meetings, 1.3 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business as a franchise, but not for the use of any real property, 0.54 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2, 0.033 percent shall be distributed to the Center for Equine Health, and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(2) (A) In addition to the distributions specified in paragraph (1), for thoroughbred meetings, an amount not to exceed 4 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to an organization described in Section 19608.2 with the mutual consent of the racing association, the organization representing the horsemen participating in the meeting, and the board from January 1, 2010, until December 31, 2016. However, the amount shall not be less than that specified in subparagraph (B), and any amount greater than the amount specified in subparagraph (B) shall be approved by the board for no more than 12 months at a time, and only upon a determination by the board that the greater amount is in the economic interest of thoroughbred racing.

(B) Commencing January 1, 2017, an amount not to exceed the amount of actual operating expenses, as determined by the board, or 2.5 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers, whichever is less, shall be distributed to an organization described in Section 19608.2.

(C) A request to the board for a distribution pursuant to subparagraph (A) shall be accompanied by a report detailing all receipts and expenditures over the two prior fiscal years of the funds affected by the request.

(D) The racing association whose request pursuant to subparagraph (A) has been approved by the board shall provide subsequent quarterly reports of receipts and expenditures of the affected funds if requested by the board.

(b) For harness, quarter horse, Appaloosa, Arabian, or mixed breed meetings, 0.4 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, for fair meetings, 1 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the fair association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business as a franchise, but not for the use of any real property, and 6 percent of the amount handled by the satellite wagering facility or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2. In addition, in the case of quarter horses, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7; in the case of Appaloosas, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9; in the case of Arabians, 0.4 percent shall be held by the association to be deposited with the official registering agency pursuant to Section 19617.8, and shall thereafter be distributed in accordance with Section 19617.8; in the case of standardbreds, 0.4 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619; in the case of thoroughbreds, 0.48 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2; 0.033 percent shall be distributed to the Center for Equine Health; and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(c) In addition to the distributions specified in subdivisions (a) and (b), for mixed breed meetings, 1 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for promotion of the program at satellite wagering facilities. For harness meetings, 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, and 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horsemen participating in the meeting. If, with respect to harness meetings, there are funds unexpended from this 1 percent, these funds may

be expended for other purposes with the consent of the horsemen and the racing association to benefit the horsemen, or the racing association, or both, pursuant to their agreement. For quarter horse meetings, 0.5 percent of the total amount handled by each satellite wagering facility on races run in California shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, 0.5 percent of the total amount handled by each satellite wagering facility on out-of-state and out-of-country imported races shall be distributed to the official quarter horse registering agency for the purposes of Section 19617.75, and 0.5 percent of the total amount handled by each satellite wagering facility on all races shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horsemen participating in the meeting.

(d) Additionally, for thoroughbred, harness, quarter horse, mixed breed, and fair meetings, 0.33 percent of the total amount handled by each satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) Notwithstanding any other law, a racing association is responsible for the payment of the state license fee as required by this section.

(Amended by Stats. 2015, Ch. 303, Sec. 21. (AB 731) Effective January 1, 2016.)

19605.71. The total percentage deducted from wagers at satellite wagering facilities in the central and southern zones shall be the same as the percentage deducted from wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted by a satellite wagering facility under this section shall be distributed as follows:

(a) (1) For thoroughbred meetings, 2 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, 0.54 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2, 0.033 percent shall be distributed to the Center for Equine Health, and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(2) (A) In addition to the distributions specified in paragraph (1), for thoroughbred meetings, an amount not to exceed 4 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to an organization described in Section 19608.2 with the mutual consent of the racing association, the organization representing the horsemen participating in the meeting, and the board from January 1, 2010, until December 31, 2013. However, the amount shall be no less than that specified in subparagraph (B), and any amount greater than the amount specified in subparagraph (B) shall be approved by the board for no more than 12 months at a time, and only upon a determination by the board that the greater amount is in the economic interest of thoroughbred racing.

(B) Commencing January 1, 2014, an amount not to exceed the amount of actual operating expenses, as determined by the board, or 2.5 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers, whichever is less, shall be distributed to an organization described in Section 19608.2.

(C) A request to the board for a distribution pursuant to subparagraph (A) shall be accompanied by a report detailing all receipts and expenditures over the two prior fiscal years of the funds affected by the request.

(D) The racing association whose request pursuant to subparagraph (A) has been approved by the board shall provide subsequent quarterly reports of receipts and expenditures of the affected funds if requested by the board.

(b) For harness, quarter horse, Appaloosa, Arabian, or mixed breed meetings, 0.4 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, for fair meetings, 1 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, and 6 percent of the amount handled by the satellite wagering facility or the amount of actual operating expenses, as determined by the board, whichever is less, distributed to an organization described in Section 19608.2. In addition, in the case of quarter horses, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7; in the case of Appaloosas, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9; in the case of Arabians, 0.4 percent shall be held by the association to be deposited with the official registering agency, pursuant to Section 19617.8, and thereafter shall be distributed in accordance with Section 19617.8; in the case of standardbreds, 0.4 percent shall be distributed for the California Standardbred Sires

Stakes Program pursuant to Section 19619; in the case of thoroughbreds, 0.48 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2; 0.033 percent shall be distributed to the Center for Equine Health; and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(c) In addition, for Appaloosa and mixed breed meetings, 1 percent shall be distributed to an organization described in Section 19608.2 for promotion of the program at satellite wagering facilities. Notwithstanding any other provision of law, on wagers made in the Counties of Orange and Los Angeles on thoroughbred races conducted in the County of Orange or Los Angeles, or both, excluding the 50th District Agricultural Association, the amount deducted for promotion of the satellite wagering program at satellite wagering facilities shall be 0.5 percent. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year. If promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. For harness meetings, 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, and 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horsemen participating in the meeting. For quarter horse meetings 0.5 percent of the total amount handled by satellite wagering facility on races run in California shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, 0.5 percent of the total amount handled by each satellite wagering facility on out-of-state and out-of-country imported races shall be distributed to the official quarter horse registering agency for the purposes of Section 19617.75, and 0.5 percent of the total amount handled by each satellite wagering facility on all races shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horseman participating in the meeting.

(d) Additionally, for thoroughbred, harness, quarter horse, mixed breed, and fair meetings, 0.33 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) Notwithstanding any other provision of law, a racing association is responsible for the payment of the state license fee as required by this section.

(Amended by Stats. 2009, Ch. 650, Sec. 4. (AB 1575) Effective January 1, 2011.)

19605.72. (a) In addition to the amounts deducted and distributed pursuant to Section 19605.7, an amount equal to 1.25 percent of the total amount handled on thoroughbred races conducted by, or disseminated by, a thoroughbred racing association or fair at a satellite facility that is located on the premises where, and on days when, harness races are being conducted in the northern zone, shall be paid to the harness racing association and thereafter shall be distributed as purses to the harness horsemen racing at the harness racing meeting.

(b) In addition to the amounts deducted and distributed pursuant to Section 19605.71, an amount equal to 1.25 percent of the total amount handled on thoroughbred races conducted by, or disseminated by, a thoroughbred racing association or fair at a satellite facility that is located on the premises where, and during calendar periods when, quarter horse or harness race meetings are being conducted in Orange County, shall be distributed as purses to the horsemen racing at the quarter horse or harness racing meeting.

(Amended by Stats. 2007, Ch. 613, Sec. 9. Effective January 1, 2008.)

19605.74. For every year that the organization operating the Breeders' Cup World Championship series chooses to conduct the Breeders' Cup at a race meeting in California, the following, notwithstanding any other law, shall apply to the race meeting conducting the Breeders' Cup races on days during which Breeders' Cup races are conducted:

(a) The amounts that would have otherwise been distributed to a purse account pursuant to subdivisions (a), (b), (c), and (d) of Section 19601.02 shall be made available to the organization operating the Breeders' Cup World Championship series for the purpose of promoting and supporting the Breeders' Cup, including the payment of purses in Breeders' Cup World Championship races.

(b) The thoroughbred racing association hosting the Breeders' Cup shall enter into a written agreement, in consultation and cooperation with the California Tourism Commission and the statewide marketing organization formed pursuant to Section 19605.73, with the organization that operates the Breeders' Cup regarding the manner in which the funds set aside to support and promote the Breeders' Cup are to be expended.

(c) Within 90 days after the holding of each Breeders' Cup, a written report that includes a parimutuel audit shall be made to the board detailing the manner in which the set-aside funds were utilized to promote and support the Breeders' Cup, including the payment of purses in Breeders' Cup races.

(d) Notwithstanding any other law, on days during which Breeders' Cup races are conducted in California, the board may authorize parimutuel wagering on Breeders' Cup races to be run at the host venue and on one nonthoroughbred race specified in the host venue's license application approved by the board. Amounts deducted and distributed pursuant to this chapter from wagering on the specified nonthoroughbred race shall be deducted and distributed as if the wagers were placed on a thoroughbred race.

(Amended by Stats. 2013, Ch. 438, Sec. 1. (SB 819) Effective September 30, 2013.)

19605.75. (a) The Legislature finds and declares that the existence of high caliber thoroughbred racing in California is important to this state's agricultural economy. The California horse racing industry is being threatened by the escalating costs of doing business in California, including, but not limited to, workers' compensation insurance costs, in that these costs are not only causing thoroughbred horses and trainers to leave this state, but are also discouraging owners and trainers from bringing horses into this state to compete. It is the intent of the Legislature to provide some relief from these escalating costs through the redistribution of the parimutuel handle on exotic wagers.

(b) Notwithstanding Section 19610, every thoroughbred association and fair that conducts a racing meet shall deduct an additional 0.5 percent of the total amount handled in exotic parimutuel pools of thoroughbred races.

(c) The funds collected pursuant to subdivision (b) from exotic parimutuel pools on thoroughbred races within the inclosure of a thoroughbred association or fair conducting a race meeting, 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 (f) to be used in accordance with subdivision (e).

(d) Any thoroughbred association or fair 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 or fair'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, shall deduct the amount specified in subdivision (b) in addition to any other applicable deductions specified in law. The amount deducted pursuant to this subdivision shall be distributed to the organization described in subdivision (f) to be used in accordance with subdivision (e). This additional deduction shall not be included in the amount on which license fees are determined pursuant to Section 19602.

(e) The amounts distributed to the organization described in subdivision (f) shall be deposited by that organization in a separate account to defray the costs of workers' compensation insurance incurred in connection with thoroughbred horses that race in this state at thoroughbred associations and racing fairs through the payment of supplemental premiums that reduce rates, payment to or for the benefit of trainers and owners of such thoroughbreds, based on the number of such thoroughbreds they start, in order to reimburse them for the costs of workers' compensation insurance directly or indirectly incurred by them, and other appropriate payments. Any funds that are not used for the purposes set forth in this subdivision shall, after an affirmative vote of at least 25 of the voting interests of the organization described in subdivision (f), either be carried forward to the subsequent year, or be used to reimburse racing associations for the actual cost of health and safety programs, research or safety equipment, or making capital improvements that are designed to prevent workplace accidents and increase the safety of jockeys, exercise riders, backstretch employees, and other racetrack personnel. Those capital improvements shall include, but not be limited to, safety improvements to racing and training surfaces. All requests for reimbursements shall be approved by the board. In developing proposals for approval by the board, the association shall confer with their horsemen's organizations and all affected labor organizations or associations.

(f) The thoroughbred racing associations and the owners' organization described in subdivision (b) of Section 19613 shall form an organization to which funds shall be distributed pursuant to subdivisions (c) and (d). This organization shall have a total of 34 voting interests, of which 16 shall be allocated to the organization representing thoroughbred owners pursuant to Section 19613, one shall be allocated to the official registering agency for thoroughbreds in California, and one shall be allocated to the organization representing thoroughbred trainers pursuant to Section 19613. The remaining 16 votes shall be allocated among the licensed racing associations and racing fairs in the state. Each racing association and fair shall receive the portion of these remaining votes represented by the sum of exotic wagering on its races divided by the statewide total of exotic wagering in the preceding calendar year, excluding Breeders' Cup races. Fractional voting shall be permitted. Any decision of this organization with respect to the allocation of funds pursuant to subdivisions (c) and (d) shall require the affirmative vote of 25 of these voting interests. In the event that the required number of affirmative votes cannot be obtained, the matter shall be submitted to the board for a decision consistent with subdivision (e), and the decision of the board shall be final.

(g) The organization formed pursuant to this section shall account annually to the board with respect to the expenditure and distribution of funds received by the organization pursuant to subdivisions (c) and (d), and shall obtain an independent audit of fund generation and distribution. A copy of the completed audit shall be forwarded to the board within 45 days of its receipt by the organization.

(Amended by Stats. 2014, Ch. 6, Sec. 1. (SB 777) Effective March 28, 2014.)

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 horse 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 horse 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 horse 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 horse 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 board for a decision consistent with subdivision (d), and the decision of the board shall be final.

(Added by Stats. 2014, Ch. 6, Sec. 2. (SB 777) Effective March 28, 2014.)

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

(b) Any funds collected pursuant to subdivision (a) from conventional parimutuel pools on harness 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 harness racing association that authorizes a betting system located outside of this state to accept conventional wagers on its races and to combine those wagers in the association's conventional parimutuel pools, including, but not limited to, a multijurisdictional wagering hub as to conventional 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 and used to reduce the workers' compensation insurance costs for trainers who are racing horses at the applicable harness 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 harness purse pool at the track where the funds are generated.

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

(f) If the harness racing association and the organization representing harness 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 board for a decision consistent with subdivision (d), and the decision of the board shall be final.

(Added by Stats. 2014, Ch. 6, Sec. 3. (SB 777) Effective March 28, 2014.)

19605.78. (a) Notwithstanding Section 19610 and in addition to the deduction specified in subdivision (b) of Section 19605.75, a fair may deduct an additional 0.5 percent of the total amount handled in exotic parimutuel pools of races for any breed, other than races solely for thoroughbreds. This additional deduction shall only be permitted for a breed's races with the approval of the organization representing the horsemen and horsewomen of that breed at the fair.

(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 fair 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 breeds other than thoroughbreds at the applicable fair. 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 pool of each breed at the particular fair where the funds are generated in the same proportions as each breed generated at that fair in the year the funds are collected.

(e) The fairs and the organizations representing the horsemen and horsewomen of each breed for which deductions have been approved under subdivision (a) shall form an organization to which any funds deducted pursuant to subdivisions (b) and (c) shall be distributed. The fairs collectively shall have representation equal to the collective representation of the organizations representing horsemen and horsewomen on the governing board of the organization formed pursuant to this subdivision.

(f) If the fairs and the organizations representing 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 board for a decision consistent with subdivision (d), and the decision of the board shall be final.

(Added by Stats. 2014, Ch. 6, Sec. 4. (SB 777) Effective March 28, 2014.)

19605.79. (a) Notwithstanding any other provision of law, in the event there are at any time uncommitted surplus funds in accounts created pursuant to Sections 19605.73 and 19605.75, those unexpended funds may, at the written request of the organization governing those funds and with the approval of the board, be reallocated to any other fund or account created pursuant to this chapter.

(b) Requests to the board to reallocate funds pursuant to subdivision (a) shall be accompanied by a report detailing all receipts and expenditures over the two prior fiscal years of the funds affected by the request.

(c) Initial board approval of a request to reallocate funds pursuant to subdivision (a) shall be limited to a one-year period. Approval of a reallocation may be extended beyond one year upon a determination by the board that the extension is in the economic interest of thoroughbred racing.

(d) The organization whose written request pursuant to subdivision (a) has been approved by the board shall provide subsequent quarterly reports of receipts and expenditures of the affected funds if requested by the board.

(e) The organization whose written request pursuant to subdivision (a) has been approved by the board shall file a report with the board and the respective fiscal committees and committees on governmental organization of the Senate and the Assembly accounting for all receipts and expenditures in any of the affected funds. This report shall be filed within one year of initial board approval and annually thereafter if the approval is extended by the board.

(Added by renumbering Section 19605.10 by Stats. 2010, Ch. 328, Sec. 23. (SB 1330) Effective January 1, 2011.)

19605.8. For thoroughbred meetings, the funds remaining after distribution of the amounts set forth in Sections 19605.7, 19605.71, and 19605.72 shall be distributed 50 percent as commissions to the association that conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting. From the amount distributed as purses, a sum equal to 0.07 percent of the handle shall be held by the association to be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2.

(Amended by Stats. 1998, Ch. 335, Sec. 15. Effective January 1, 1999.)

19605.9. (a) Except as provided in subdivision (b), in the central and southern zones, all of the funds distributed for purses from satellite wagering facilities shall go to the purse program of the association conducting the racing meeting.

(b) Notwithstanding subdivision (a), all funds for distribution as purses at satellite wagering facilities which are racing fairs in the County of Los Angeles from wagering on thoroughbred horse racing conducted at the 22nd District Agricultural Association Fairgrounds shall be paid to a racing fair in the County of Los Angeles for supplementing purses at the fair meeting. Commencing January 1, 1992, the funds distributed for purses from satellite wagering facilities pursuant to this subdivision shall not exceed the amount distributed during the 1990 calendar year. Any funds in excess of this amount shall be distributed as purses at the racing meeting conducted by the association.

19606. (a) For harness, quarter horse, Appaloosa, Arabian, mixed breed, and fair meetings, the funds remaining after the distribution of the amounts set forth in Sections 19605.7 and 19605.71 shall be distributed 50 percent as commissions to the association that conducts the racing meeting and 50 percent to the horsemen participating in the racing meeting in the form of purses. However, owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting, except that for thoroughbred races the owners' premiums shall be as provided in subdivision (a) of Section 19605.8.

(b) In addition to funds distributed under Sections 19605.7 and 19605.71, from the amount that would be distributed to harness racing horsemen in the form of purses under this section, an amount equal to 0.1 percent of the amount handled on conventional and exotic wagers on standardbreds at satellite wagering facilities in California shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619.

(Amended by Stats. 2004, Ch. 122, Sec. 1. Effective January 1, 2005.)

19606.1. (a) All license fees from satellite wagering that are deposited into the Fair and Exposition Fund shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, are continuously appropriated from that account to the Department of Food and Agriculture, for allocation by the Secretary of Food and Agriculture, at the secretary's discretion, for the purposes set forth in paragraphs (1) to (6), inclusive. The concurrence of the Director of Finance shall be required for allocations pursuant to paragraphs (1) and (2). Allocations pursuant to paragraphs (3) to (6), inclusive, shall be made with the concurrence of the Joint Committee on Fairs Allocation and Classification.

(1) For the repayment of the principal of, interest on, and costs of issuance of, and as security, including any coverage factor, pledged to the payment of, bonds issued or to be issued by a joint powers agency or other debt service or expense, including repayment of any advances made or security required by any provider of credit enhancement or liquidity for those bonds or other indebtedness or expenses of maintaining that credit enhancement or liquidity, incurred for the purpose of constructing or acquiring improvements at a fair's racetrack inclosure, satellite wagering facilities at fairs, health and safety repair projects, or handicapped access compliance projects at fairs or for the purpose of refunding bonds or other indebtedness incurred for those purposes. As used in this paragraph, "coverage factor" means revenues in excess of the amount necessary to pay debt service on the bonds or other indebtedness, up to an amount equal to 100 percent more than the amount of that debt service, which a joint powers agency, pursuant to the resolution or indenture under which the bonds or other indebtedness are or will be issued, pledges as additional security for the payment of that debt service or is required to have or maintain as a condition to the issuance of additional bonds or other indebtedness. Notwithstanding any other law, at the discretion of the Secretary of Food and Agriculture, the department may also commit any funds available for allocation under Chapter 3 (commencing with Section 3200) of Part 1 of Division 3 of the Food and Agricultural Code to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For payment to the State Race Track Leasing Commission to be pledged for the repayment of debt necessary to construct a racetrack grandstand at the 22nd District Agricultural Association fairgrounds. This payment shall be made only if the Secretary of Food and Agriculture determines, annually, that all other pledged revenues have been applied to the repayment of that debt and have been determined by the secretary to be inadequate for that purpose.

(3) For the payment of expenses incurred in establishing and operating satellite wagering facilities at fairs.

(4) For the support of an equipment and operating fund to produce and display a consolidated California signal at satellite wagering facilities and fairs.

(5) For health and safety repair projects at fairs, which includes fire and life safety improvement projects, California Code of Regulations compliance projects, and long-term deferred maintenance projects.

(6) For the development and payment of revenue generating projects, the establishment of pilot projects to restructure the current fair system, and for projects realizing a cost savings for more efficient use of existing fair resources.

(b) The Secretary of Food and Agriculture shall not make an allocation for purposes of paragraphs (2) to (6), inclusive, of subdivision (a) until the payments required in any fiscal year pursuant to paragraph (1) of subdivision (a) have been funded.

(c) Pursuant to subdivision (a), the Joint Committee on Fairs Allocation and Classification shall review and concur, or not concur, with the secretary's determination of the allocations to be made pursuant to paragraphs (3) to (6), inclusive, of subdivision (a) in total, and the committee shall not add to, or delete projects or line items from, the proposed allocations.

(d) Approval of the Joint Committee on Fairs Allocation and Classification is deemed complete when one of the following conditions is met:

(1) The annual Budget Act is enacted.

(2) If the secretary's recommendations are received by the Joint Committee on Fairs Allocation and Classification after the enactment of the annual Budget Act, the recommendations shall be deemed approved 30 days after they are received unless they are rejected by the committee.

(e) If the Joint Committee on Fairs Allocation and Classification does not concur with the secretary's recommendations, the secretary may resubmit another set of recommendations pursuant to this section that considers the committee's review and suggestions. The resubmitted recommendations shall be deemed approved 30 days after they are received by the committee.

(f) The payments required in any fiscal year for the purposes of paragraphs (1) to (3), inclusive, of subdivision (a) shall be made before any transfer is made pursuant to subdivision (g).

(g) Except as otherwise provided in subdivision (f), if the revenues deposited into the separate account exceed eleven million dollars (\$11,000,000) in any fiscal year, the amount in excess of eleven million dollars (\$11,000,000) shall be transferred to the Fair and Exposition Fund for allocation in accordance with Section 3204 of the Food and Agricultural Code.

(h) All of the costs of administering the account created by subdivision (a) shall be charged to the account.

(Amended by Stats. 2024, Ch. 559, Sec. 10. (AB 2143) Effective January 1, 2025.)

19606.5. Notwithstanding subdivision (b) of Section 19641, the state shall receive as additional license fees 50 percent of any redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility in the central or southern zone, subject to payment to a claimant pursuant to Section 19598, but not successfully claimed within that period, and the funds shall be deposited in the General Fund. The remaining 50 percent of redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility shall be paid to a welfare fund established by the horsemen's organization contracting with the association conducting the racing meeting for the benefit of horsemen, and that organization shall make an accounting to the board within one calendar year of the receipt of the payment.

(Amended by Stats. 1991, Ch. 1113, Sec. 1. Effective October 14, 1991.)

19606.6. Of the total breakage arising in a parimutuel pool which includes wagers at satellite wagering facilities in the central or southern zone, that percentage of breakage equal to the percentage that wagers placed at satellite wagering facilities constitute of the total parimutuel pool shall be distributed equally among the state as an additional license fee deposited in the General Fund, the track conducting the racing meeting as a commission, and the horsemen participating in the racing meeting in the form of purses. The remainder of the breakage shall be distributed in the same manner as breakage arising from wagers at the track conducting the racing meeting.

(Added by Stats. 1990, Ch. 131, Sec. 15. Effective June 11, 1990.)

19607. (a) Notwithstanding Sections 19605.8 and 19605.9, when satellite wagering is conducted on thoroughbred races at associations or fairs in the central or southern zone, an amount not to exceed 2 percent of the total amount handled by all of those satellite wagering facilities shall be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by one licensed association from each facility in the central and southern zones at which a thoroughbred or fair racing meeting is conducted, and the organization representing thoroughbred horsemen and horsewomen, for use in accordance with Section 19607.1.

(b) A vote of the organization representing thoroughbred horsemen and horsewomen shall constitute 50 percent of all voting interests on the board of the organization formed and operated to administer the fund. The other 50 percent of all voting interests shall be allocated equally among the other members of the organization. Any use of funds by the organization shall be approved by the affirmative vote of both (1) the organization representing thoroughbred horsemen and horsewomen, and (2) at least two of the licensed thoroughbred racing associations that are part of the organization formed pursuant to this section, provided, however, that, if there are only two licensed thoroughbred racing associations that are part of the organization formed pursuant to this section, the vote of at least one of those two licensed thoroughbred racing associations shall be sufficient.

(Amended by Stats. 2016, Ch. 562, Sec. 1. (AB 2011) Effective September 24, 2016.)

19607.1. (a) Notwithstanding Section 19535, the funds distributed to the organization formed pursuant to Section 19607 shall be used to pay the expenses of the organization and compensate the provider of a board-approved auxiliary facility for offsite stabling and training of thoroughbred horses in the central or southern zone. The organization administering the offsite stabling and vanning program shall submit its proposed financial and operational plans for the upcoming calendar year to the board for review no later than November 1 of the preceding year. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except an entity operating the auxiliary offsite stabling facility where the injury

occurred, shall be liable for any injury to any jockey, exercise person, owner, trainer, or any employee or agent thereof, or any horse occurring at any offsite stabling facility.

(b) The funds shall also be used to cover all or part of the cost of vanning thoroughbred horses from a board-approved auxiliary offsite stabling and training facility to start in a thoroughbred race at a thoroughbred or fair racing meeting in the central or southern zone. The organization shall determine the extent of and manner in which compensation will be paid for thoroughbred horses that are vanned from the auxiliary facility to the track conducting the thoroughbred or fair racing meeting, but the vanning shall be made available on a consistent and uniform basis for all thoroughbred and fair racing meetings in a given year. Neither the organization administering the offsite stabling and vanning program nor any of the entities that form and operate the organization, except an entity actually engaged in vanning horses, is liable for any injury occurring to any individual or horse during vanning from an offsite stabling facility.

(c) The auxiliary offsite stabling facilities and amenities provided for offsite stabling and training purposes shall be substantially equivalent in character to those provided by the thoroughbred racing association or fair conducting the racing meeting.

(d) In order to ensure the long-term availability of facilities for offsite stabling and training, the organization may enter into multiyear contracts for auxiliary facilities in either the central or southern zone. The organization shall submit to the board for its approval multiyear contracts it enters into with providers of auxiliary facilities for the offsite stabling and training. Contracts not disapproved by the board within 60 days of submittal to the board shall be deemed to have been approved by the board. Once a multiyear contract has been approved by the board, it shall be considered to have been approved for its duration.

(e) At the request of the board, the organization shall submit a report detailing all of its receipts and expenditures over the prior two fiscal years and, upon request of any party within the organization, those receipts and expenditures shall be audited by an independent third party selected by the board at the expense of the organization.

(f) In addition to the uses of funds described in subdivisions (a) and (b), the organization may use those funds to do both of the following:

(1) Maintain a reserve fund of up to 10 percent of the total estimated annual vanning and auxiliary offsite stabling costs. In addition to the reserve fund, if the funds generated for the auxiliary offsite stabling facilities and vanning are insufficient to fully cover the expenses incurred, the organization may, in the future, accumulate sufficient funds to fully cover those expenses.

(2) Pay back commissions, purses, and owners' premiums to the extent the deductions made pursuant to Section 19607 exceed in any year the amount of funds necessary to achieve the objectives of the organization.

(g) The amount initially deducted and distributed to the organization shall be 2 percent of the total amount handled by satellite wagering facilities authorized under this article in the central or southern zone on thoroughbred racing, but that allocation may be adjusted by the board, in its discretion. However, the adjusted amount may not exceed 2 percent of the total amount handled by satellite wagering facilities.

(h) The board shall reserve the right to adjudicate any disputes that arise regarding costs or other matters relating to the furnishing of offsite stabling or vanning. Notwithstanding any other law, the board shall maintain all powers necessary and proper to ensure that offsite stabling and vanning, as provided for in this chapter, is conducted in a manner that protects the public and serves the best interests of horse racing.

(Amended by Stats. 2016, Ch. 562, Sec. 2. (AB 2011) Effective September 24, 2016.)

19607.2. Notwithstanding Section 19605.8, when satellite wagering is conducted on thoroughbred races at associations or fairs in the northern zone, an amount not to exceed 2 percent of the total amount handled by all of those satellite wagering facilities shall be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead be distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen and horsewomen, for use pursuant to Section 19607.3. A vote of the organization representing thoroughbred horsemen and horsewomen shall constitute 50 percent of all voting interests on the board of the organization formed and operated to administer the fund. The other 50 percent of all voting interests shall be allocated among thoroughbred racing associations and fairs conducting thoroughbred racing in a manner that provides meaningful representation on the governing board of the organization for thoroughbred racing associations and fairs conducting thoroughbred racing, except as provided in subdivision (h) of Section 19607.3.

(Amended by Stats. 2016, Ch. 562, Sec. 3. (AB 2011) Effective September 24, 2016.)

19607.3. (a) Notwithstanding Section 19535, the funds distributed to the organization formed pursuant to Section 19607.2 shall be used to pay the expenses of the organization and compensate the provider of a board-approved auxiliary facility for offsite stabling and training of thoroughbred horses in the northern zone. The organization administering the offsite stabling and vanning program shall submit its proposed financial and operational plans for the upcoming calendar year to the board for review no later than November 1 of the preceding year. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except an entity operating the auxiliary offsite stabling facility where the injury

occurred, shall be liable for any injury to any jockey, exercise person, owner, trainer, or any employee or agent thereof, or any horse occurring at any offsite stabling facility.

(b) The funds shall also be used to cover all or part of the cost of vanning thoroughbred horses from a board-approved auxiliary offsite stabling and training facility to start in a thoroughbred race at a thoroughbred or fair racing meeting in the northern zone. The organization shall determine the extent of and manner in which compensation will be paid for thoroughbred horses that are vanned from the auxiliary facility to the track or fair conducting the thoroughbred or fair racing meeting. Neither the organization administering the offsite stabling and vanning program nor any of the entities that form and operate the organization, except an entity actually engaged in vanning horses, is liable for any injury occurring to any individual or horse during vanning from an offsite stabling facility.

(c) The auxiliary offsite stabling facilities and amenities provided for offsite stabling and training purposes shall be substantially equivalent in character to those provided by the thoroughbred racing association or fair conducting the racing meeting.

(d) In order to ensure the long-term availability of facilities for offsite stabling and training, the organization may enter into multiyear contracts for auxiliary facilities in the northern zone. The organization shall submit to the board for its approval multiyear contracts it enters into with providers of auxiliary facilities for the offsite stabling and training. Contracts not disapproved by the board within 60 days of submittal to the board shall be deemed to have been approved by the board. Once a multiyear contract has been approved by the board, it shall be considered to have been approved for its duration.

(e) At the request of the board, the organization shall submit a report detailing all of its receipts and expenditures over the prior two fiscal years and, upon request of any party within the organization, those receipts and expenditures shall be audited by an independent third party selected by the board at the expense of the organization.

(f) In addition to the uses of the funds described in subdivisions (a) and (b), the organization may use those funds to do both of the following:

(1) Maintain a reserve fund of up to 10 percent of the total estimated annual vanning and auxiliary offsite stabling costs. In addition to the reserve fund, if the funds generated for the auxiliary offsite stabling facilities and vanning are insufficient to fully cover the expenses incurred, the organization may, in the future, accumulate sufficient funds to fully cover those expenses.

(2) Pay back commissions, purses, and owners' premiums to the extent the deductions made pursuant to Section 19607.2 exceed in any year the amount of funds necessary to achieve the objectives of the organization.

(g) The amount initially deducted and distributed to the organization pursuant to Section 19607.2 may be adjusted by the board, in its discretion. However, the adjusted amount shall not exceed 2 percent of the total amount handled by satellite wagering facilities. The amount deducted and distributed to the organization as adjusted by the board may be a different percentage of the handle for different associations and fairs conducting thoroughbred racing meetings in the northern zone, but only if all the associations and fairs agree to the differing percentages.

(h) A thoroughbred racing association or fair in the northern zone that the board determines is able to provide the minimum number of stalls required by its racing meeting license without the use of any auxiliary offsite stabling and training facility and vanning program may opt out of that program, in which case the deduction described in Section 19607.2 shall not apply during the live racing meeting conducted by the association or fair until such time as the association or fair opts back into the auxiliary offsite stabling and training facility and vanning program. Any thoroughbred racing association or fair in the northern zone that opts out of the auxiliary offsite stabling and training facility and vanning program shall not have any voting interest therein until such time as the association or fair opts back into the program. The organization shall establish reasonable procedures and timelines for the giving of notice to the organization by a thoroughbred racing association or fair that elects to opt out of the auxiliary offsite stabling and training facility and vanning program.

(i) The board shall reserve the right to adjudicate any disputes that arise regarding costs, or other matters, relating to the furnishing of offsite stabling or vanning. Notwithstanding any other law, the board shall maintain all powers necessary and proper to ensure that offsite stabling and vanning, as provided for in this chapter is conducted in a manner that protects the public and serves the best interests of horse racing.

(Amended by Stats. 2016, Ch. 562, Sec. 4. (AB 2011) Effective September 24, 2016.)

19607.4. (a) Notwithstanding any other provision of law, any amount up to an amount equal to the difference between the maximum deduction authorized pursuant to Sections 19607 and 19607.2 and the amount actually deducted, not to exceed four million dollars (\$4,000,000) statewide annually, may be utilized to obtain, provide, or defray the cost of workers' compensation coverage for licensed thoroughbred stable employees and jockeys, and an amount not to exceed one million dollars (\$1,000,000) statewide annually, may be paid to the thoroughbred welfare fund described in subdivision (b) of Section 19641 from the funds described in Sections 19607 and 19607.2, provided (1) there is a written agreement between the owners' organization described in subdivision (a) of Section 19613 and those racing associations and fairs that annually conduct in California at least 75 percent of the thoroughbred races regarding the utilization of those funds; and (2) the agreement is filed with the board.

(b) The agreement shall be binding upon the owners' organization and all of the racing associations and fairs that conduct thoroughbred races in California and the board shall have the authority to enforce the terms of the agreement. The board shall not, however, have the authority to impose an agreement upon the owners' organization or the group of racing associations or fairs described herein.

(Added by Stats. 2002, Ch. 922, Sec. 2. Effective September 26, 2002.)

19607.5. (a) Notwithstanding any other provision of law, if both a fair and a thoroughbred association are licensed by the board to conduct live racing meetings within the northern zone during the same calendar period, signals of both racing programs shall be accepted at each live racing meeting within the northern zone and at all satellite wagering facilities eligible to receive these programs.

(b) Notwithstanding any other provision of law, in order to ensure that fairs which previously had an exclusive right to send their signals to satellite wagering facilities in the northern zone during periods of overlap do not lose commission revenues from satellite wagering, each fair that conducts its meeting during the period described in subdivision (a) shall receive the following satellite wagering commissions:

(1) With respect to the 2nd District Agricultural Association in Stockton, the commissions payable to the fair from satellite wagering during the period described in subdivision (a) shall be the greater of any of the following:

(A) The actual commission earned by the fair from satellite wagering on its live races during that period.

(B) Fifty percent of the total combined satellite wagering commissions payable to the thoroughbred association and the fair during that period.

(C) One hundred ten percent of the satellite wagering commissions paid to the fair during its live racing meeting in 1990.

If the satellite wagering commissions received by the 2nd District Agricultural Association are less than the greater of the amounts specified in subparagraph (B) or (C), the thoroughbred association shall pay to the fair from amounts deducted from satellite wagering on its meeting and before distribution of any satellite wagering commissions and purses on its meeting, an amount equal to the difference between the actual satellite wagering commissions received by the fair in that year and the applicable amount from subparagraph (B) or (C). No additional satellite wagering commission shall be paid to the fair by an association unless the fair conducts live racing during the period described in subdivision (a).

(2) With respect to the California Exposition and State Fair in Sacramento, the commissions payable to the fair from satellite wagering during the period described in subdivision (a) shall be the greater of either of the following:

(A) The actual commission earned by the fair from satellite wagering on its live races during that period.

(B) Sixty percent of the total combined satellite wagering commissions payable to the thoroughbred association and the fair during that period.

If the satellite wagering commissions received by the California Exposition and State Fair are less than the amount described in subparagraph (B), the thoroughbred association shall pay to the fair from amounts deducted from satellite wagering on its meeting and before distribution of any satellite wagering commissions and purses on its meeting, an amount equal to the difference between the actual satellite wagering commissions received by the fair in that year and the amount described in subparagraph (B). No additional satellite wagering commission shall be paid to the fair by an association unless the fair conducts live racing during the period described in subdivision (a).

(c) During any periods described in subdivision (a), including periods of overlap for fairs not specified in subdivision (b), the thoroughbred association shall deduct the same percentage from the total amount wagered in its daily conventional and exotic parimutuel pools as the percentage deducted by the fair meeting. The amounts deducted shall be distributed as otherwise provided in this article, with the following exceptions:

(1) If the percentages deducted from the conventional and exotic parimutuel pools of the thoroughbred association under this subdivision exceed the percentages deducted from the association's pools during periods other than those described under subdivision (a), the amount deducted which is equivalent to the difference between those percentages shall be distributed by the thoroughbred association equally between commissions and purses.

(2) If a thoroughbred association and the 2nd District Agricultural Association in Stockton or the California Exposition and State Fair in Sacramento both conduct live racing meetings during any period described in subdivision (a), the total amount deducted shall be distributed by both the association and fair in the percentages specified for fair meetings in subdivision (b) of Section 19605.7.

This subdivision does not require any portion of the additional deduction to be distributed pursuant to subdivision (c) of Section 19614.

(d) Notwithstanding any other provision of law, an association and fair that conduct their meeting pursuant to subdivision (b) shall combine the operating expenses incurred at satellite wagering facilities during the period described in subdivision (a). For purposes of this subdivision only, the combined satellite wagering operating expenses of the association and the fair during the period described in subdivision (a) shall not exceed the actual expenses, or 6 percent of the combined parimutuel pool at satellite wagering facilities, whichever amount is less.

(Amended by Stats. 2012, Ch. 162, Sec. 4. (SB 1171) Effective January 1, 2013.)

19608. An association other than a fair that conducts a horseracing meeting with an average daily handle of one million five hundred thousand dollars (\$1,500,000) or more shall produce a live audiovisual signal of its racing program and shall make this signal available, in accordance with subdivision (a) of Section 19605.3 to any satellite wagering facility authorized to conduct wagering pursuant to Section 19605, 19605.1, 19605.2, or 19605.6.

(Amended by Stats. 1994, Ch. 671, Sec. 7. Effective January 1, 1995.)

19608.1. Unless the board finds it impractical to do so, any fair or any association with an average daily handle of less than one million five hundred thousand dollars (\$1,500,000) may produce, at its option, a live audiovisual signal of its racing program. If the fair or association produces a signal of its program, the signal shall be made available, in accordance with subdivision (a) of Section 19605.3 to any satellite wagering facility authorized to conduct wagering pursuant to Section 19605, 19605.1, 19605.2, or 19605.3.

(Added by Stats. 1990, Ch. 131, Sec. 15. Effective June 11, 1990.)

19608.2. (a) In order to permit associations providing audiovisual signals the ability to do so without undue burden and expense, to avoid unnecessary duplication of facilities, to permit the associations to protect the security of their signals, and to permit the associations to protect the integrity of their parimutuel pools and to account for wagering proceeds included in those parimutuel pools, associations and fairs providing audiovisual signals pursuant to Section 19608 or 19608.1 may form an organization to operate, pursuant to board supervision, the audiovisual signal system.

(b) An organization operating under board supervision pursuant to this section may consist of any combination of associations and fairs.

(c) Nothing in this section precludes any other person or business entity from participating in, or holding a financial interest in, an organization formed by associations or fairs to operate satellite wagering, except that the person or business entity shall be approved by the board.

(d) Any organization formed shall provide horsemen's organizations contracting with associations and fairs for racing meetings and nonracing fairs operating satellite wagering facilities meaningful representation on its governing board, and shall administer the audiovisual signal and parimutuel operations at satellite wagering facilities.

(e) (1) An organization shall bear the costs of operating the audiovisual signal system, including the costs of leasing or purchasing and operation of equipment for transmission and decoding of audiovisual signals and wagering data, the costs of totalisator equipment, mutuel department labor and equipment charges, and the costs, including labor, and overhead of the organization administering the satellite wagering program.

(2) A satellite wagering facility shall bear the costs of satellite receiving dishes, head-end assemblies, television monitors or screens, facility buildings, labor at the satellite wagering facility other than mutuel department labor, and any and all other costs at the satellite wagering facility not specifically referred to in paragraph (1).

(3) The board shall approve all costs and resolve any differences between an organization and a satellite wagering facility as to which party is required to bear the costs for a disputed item.

(Added by Stats. 1990, Ch. 131, Sec. 15. Effective June 11, 1990.)

19608.3. (a) Funds allocated by the Secretary of Food and Agriculture pursuant to paragraph (5) of subdivision (a) of Section 19606.1 for fire and life safety improvement projects, California Code of Regulations compliance projects, and long-term deferred maintenance projects at fairs in the northern zone shall be allocated in accordance with a project schedule determined by the Department of Food and Agriculture in compliance with this section.

(b) The department shall prepare a three-year schedule of these projects which commences July 1, 1987, and shall annually update the schedule. The schedule shall list individual project costs, contain a project description, and specify estimated project completion dates.

(Amended by Stats. 2011, Ch. 2, Sec. 5. (AB 95) Effective March 24, 2011.)

19608.4. A satellite wagering facility, an organization established pursuant to Section 19608.2 or any of their subcontractors or entities under contract to perform any of the functions specified in this article shall, as a condition of operating, enter into a written contractual agreement with the bona fide labor organization which has historically represented the same or similar classifications of employees at the nearest horseracing meeting. Permanent state or county employees and nonprofit organizations who have historically performed certain services at county, state, or agricultural district fairs may continue to provide those services notwithstanding this section.

(Added by Stats. 1990, Ch. 131, Sec. 15. Effective June 11, 1990.)

19608.5. All revenues payable to the state and deposited in a separate account in the fund pursuant to Section 19606.1 that are allocated by the Secretary of Food and Agriculture for the purposes of paragraph (1) of subdivision (a) of Section 19606.1 are hereby pledged for the repayment of the principal of, and interest on, bonds issued by a joint powers agency, or of other debt service or expense incurred for the purposes described in that paragraph (1).

(Amended by Stats. 2000, Ch. 1082, Sec. 96. Effective January 1, 2001.)

19608.6. (a) Any joint powers agency requesting money in connection with the issuance of bonds for the purposes described in paragraph (1) of subdivision (a) of Section 19606.1 shall file an application with the Secretary of Food and Agriculture, in the form required by the secretary.

(b) The secretary shall, upon review of the applications, prepare a statement of allocation of money to the joint powers agency, in the priority the director deems appropriate.

(c) The secretary shall adopt regulations governing the allocation procedures to be followed in implementing this section.

(Amended by Stats. 2000, Ch. 1082, Sec. 97. Effective January 1, 2001.)

19608.7. It is the intent of the Legislature in enacting Sections 19608.5, 19608.6, and 19608.8 to provide the revenues necessary for the financing by joint powers agencies of the described facilities and projects which shall be deemed to be public capital improvements within the meaning of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code. Deposits into the account in the fund in accordance with paragraph (1) of subdivision (a) of Section 19606.1 shall continue through and including either the 20th year after the initial calendar year in which the revenues are collected, or whatever period of time is necessary to repay any borrowings of joint powers funding mechanism, including, but not limited to, retirement of bonded indebtedness, loan repayments, and monthly payments involving lease-purchase programs made by a joint powers agency to finance described facilities and projects, whichever time is longer.

(Added by Stats. 1990, Ch. 131, Sec. 15. Effective June 11, 1990.)

19608.8. The State of California does hereby pledge to and agree with the holders of any bonds or other indebtedness issued, and with those joint powers agencies which may enter into project agreements with fairs or other third parties or authorize bonds or other indebtedness to be issued, in reliance on the allocations set forth in subdivision (a) of Section 19606.1, that the state will not alter or change the structure of funding and deposits set forth in, or the pledge of funds for debt service, security, including any coverage factors, and expenses, pursuant to that section until the bonds and other indebtedness are fully paid or discharged and the project is fully performed or discharged. However, nothing precludes any alteration or change, if and when, adequate provision has been made by law for the protection from impairment of the contracts represented by the bonds, other indebtedness and projects, and the right to so alter or change is hereby reserved. Joint powers agencies may include this pledge and undertaking of the state in the bonds, agreements evidencing other indebtedness, and project agreements.

(Added by Stats. 1990, Ch. 131, Sec. 15. Effective June 11, 1990.)