



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

## AB-1723 Horse Racing Law. (2017-2018)

SHARE THIS:  

Date Published: 10/02/2017 09:00 PM

### Assembly Bill No. 1723

#### CHAPTER 420

An act to amend Sections 19613.05, 19640, and 19641 of the Business and Professions Code, relating to horse racing.

[ Approved by Governor October 02, 2017. Filed with Secretary of State October 02, 2017. ]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1723, Committee on Governmental Organization. Horse Racing Law.

Existing law, the Horse Racing Law, generally regulates horse racing and vests the administration and enforcement of the Horse Racing Law in the California Horse Racing Board. Existing law, until January 1, 2018, requires any racing association, including a fair, that conducts thoroughbred racing to pay to the owners' organization contracting with the association with respect to the conduct of thoroughbred racing an additional  $1\frac{3}{4}\%$  of the portion required to be deducted for purses for a national marketing program, as specified. Existing law requires an owners' organization to annually file a report with the board and specified committees of the Legislature accounting for the receipt and expenditure of these funds. A violation of the Horse Racing Law is a crime.

This bill would extend the requirement to pay the additional percentage until January 1, 2022, and would eliminate the requirement for the owners' organization to file the report with the legislative committees. By extending the duration of a crime, this bill would impose a state-mandated local program.

Existing law requires that all money representing penalties or fines imposed by the stewards of a horse race meeting be collected by the licensee of the meeting and paid to the board within 10 days after its close.

This bill would clarify that these moneys are required to be paid to the board within 10 business days after the close.

Existing law prescribes the method for redistributing money in a parimutuel pool subject to payment to a claimant, but not successfully claimed. Existing law requires that  $\frac{1}{2}$  of the redistributable money resulting from the thoroughbred, harness, or quarter horse meetings, but excluding the meetings of the California Exposition and State Fair or county, district agricultural association, or citrus fruit fair meetings, be distributed to a welfare fund established for the benefit of horsemen and backstretch personnel.

This bill would authorize, upon approval of the board, moneys in the welfare fund to be used to provide treatment for, and support the health care needs of, licensees under the Horse Racing Law, employees of racing associations, and members of horsemen's and horsewomen's organizations and other racing-related charitable organizations representing or assisting backstretch personnel, if the need for the treatment and support is related to the person's participation in the horse racing industry.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

---

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 19613.05 of the Business and Professions Code is amended to read:

**19613.05.** (a) Any association, including a fair, that conducts thoroughbred racing shall pay to the owners' organization, contracting with the association with respect to the conduct of thoroughbred racing, an additional  $1\frac{3}{4}$  percent of the portion deducted for purses, required by Section 19613, for a national marketing program. These funds shall be used exclusively for the promotion of thoroughbred racing in conjunction with a national thoroughbred racing marketing program. Funds that may not be needed for this effort shall be returned to the purse pool at the racing associations where these funds were raised in direct proportion to the amount in which they were initially raised. The owners' organization shall file a report with the board accounting for the receipt and expenditure of these funds on an annual basis. The board of directors of the owners' organization shall have the discretion to select the national marketing organization that shall be the recipient of these funds. If the board of directors of the owners' organization decides at any time not to contribute to the national marketing organization, notice shall be given promptly to the respective racing association or associations and the  $1\frac{3}{4}$  percent deduction shall cease until the owners' organization decides otherwise.

(b) This section shall remain in effect only until January 1, 2022, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2022, deletes or extends that date.

**SEC. 2.** Section 19640 of the Business and Professions Code is amended to read:

**19640.** All money representing penalties or fines imposed by the stewards of a horse race meeting shall be collected by the licensee of the meeting and paid to the board within 10 business days after its close, and the board shall deposit all those moneys in the State Treasury to the credit of the General Fund.

**SEC. 3.** Section 19641 of the Business and Professions Code is amended to read:

**19641.** (a) (1) Except as provided in subdivision (b), any redistributable money in a parimutuel pool subject to payment to a claimant pursuant to Section 19598, but not successfully claimed within that period, shall be paid to the board, as follows:

(A) An estimated payment equal to 20 percent of the preceding year's unclaimed redistributable money paid pursuant to this paragraph shall be paid to the board on July 1, October 1, January 1, and April 1, or the next business day thereafter.

(B) On May 30, or the next business day thereafter, of the year following the close of a horse racing meeting, the association shall pay to the board all of the redistributable funds that are owed it pursuant to this paragraph, less estimated payments made pursuant to subparagraph (A).

(2) The money received by the board under this subdivision resulting from thoroughbred, harness, or quarter horse meetings, but excluding the meetings of the California Exposition and State Fair or of a county, district agricultural association, or citrus fruit fair, shall be used by the board to support research on matters pertaining to horse racing and racetrack security, but the money shall be subject to annual budgetary review by the Legislature. All of the redistributable money received by the board from other meetings shall be paid immediately into the State Treasury to the credit of the General Fund.

(b) (1) One-half of the redistributable money resulting from the thoroughbred, harness, or quarter horse meetings, but excluding the meetings of the California Exposition and State Fair or county, district agricultural association, or citrus fruit fair meetings, shall be distributed to a welfare fund established for the benefit of horsemen and horsewomen and backstretch personnel, as follows:

(A) An estimated payment equal to 20 percent of the preceding year's unclaimed redistributable money distributed pursuant to this paragraph shall be distributed to the welfare fund on July 1, October 1, January 1, and April 1, or the next business day thereafter.

(B) On May 30, or the next business day thereafter, of the year following the close of a horse racing meeting, the association shall pay to the welfare fund all of the redistributable funds that are owed it pursuant to this paragraph, less estimated payments made pursuant to subparagraph (A).

(2) The welfare fund shall make an accounting to the board within one calendar year of the receipt of the payment.

(3) Upon approval of the board, moneys under this subdivision may be used to provide treatment for, and support the health care needs of, licensees under this chapter, employees of racing associations, and members of horsemen's and horsewomen's organizations and other racing-related charitable organizations representing or assisting backstretch personnel, if the need for the treatment and support is related to the person's participation in the horse racing industry.

(c) Except as provided in subdivision (a) or (b), any remaining redistributable money in a parimutuel pool subject to payment to a claimant pursuant to Section 19598, but not successfully claimed within the period specified in that section, shall be distributed one-half to the board, for the purposes specified and in the manner specified in subdivision (a), and one-half to the welfare fund established by the horsemen's and horsewomen's organization described in subdivision (b) in the manner specified in subdivision (b).

**SEC. 4.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.