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## DIGEST

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HB 738 Original

2020 Regular Session

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**Abstract:** Authorizes the La. State Racing Commission to approve the transfer of slot machine proceeds for certain races and provides relative to the distribution of video poker device revenues to supplement purses for certain horse races.

Present law (R.S. 4:147.1) authorizes the La. State Racing Commission (commission), upon agreement of the Horsemen's Benevolent and Protective Association and the involved licensed eligible facilities, to approve the transfer of slot machine proceeds received for thoroughbred race purses from one licensed eligible facility to another licensed eligible facility to supplement thoroughbred purses at a thoroughbred race meet. Further provides that the funds transferred pursuant to present law shall be awarded within one year from the date of transfer.

Proposed law further authorizes the commission, upon agreement of the Horsemen's Benevolent and Protective Association and the involved licensed eligible facilities, to approve the transfer of slot machine proceeds received for quarter horse race purses from one licensed eligible facility to another licensed eligible facility to supplement quarter horse purses at a quarter horse race meet.

Proposed law further provides that upon agreement of the Horsemen's Benevolent and Protective Association and the involved licensed eligible facilities, the commission may approve the transfer of a race meet, for either or both thoroughbred races and quarter horse races, from one licensed eligible facility to another licensed eligible facility. The race meet transferred shall be conducted and completed within one year of the commission's approval. The transfer of a race meet pursuant to proposed law includes the transfer of all applicable purse funds that would have been required to be paid at the racing meeting. Pursuant to proposed law, provisions of present law governing the payment of purses required at the licensed eligible facility receiving the race meeting shall remain in full force and effect as if the race meeting had not been moved to the licensed eligible facility receiving the race meeting.

Present law (R.S. 27:438) requires revenues earned to supplement purses for horsemen to be disbursed, accounted for, and used as follows:

- (1) Monies earned for purse supplements from devices located at a racing facility currently conducting live racing shall be in addition to all other monies currently provided for purses and purse supplements under other provisions of law and shall be used at the current race meeting.
- (2) Monies earned for purse supplements from devices located at an eligible racing facility not

currently conducting live racing shall be placed in an interest-bearing account until the first day of the next live race meeting conducted at that facility, at which time the accumulated monies and interest earned on such monies shall be added to all other monies currently provided for purses and purse supplements at that race meeting under other provisions of the law and shall be used at that race meeting.

- (3) Monies earned for purse supplements from devices located at an eligible off-track wagering facility shall be used for purse supplements at the racing facilities of the owners of the off-track wagering facility where the net device revenues were earned. Where such facilities are jointly owned, the monies earned for purse supplements at that facility shall be divided in direct proportion to ownership of the facility for use at their respective racing facilities.
- (4) Four percent of all monies earned or authorized in accordance with present law for purse supplements shall be paid to the authorized representative of the horsemen for the use and benefit of such persons and other horsemen as medical and hospital benefits. However, provisions of present law (R.S. 27:438(B)(4)) shall not apply if provisions of present law (R.S. 4:183) requires a deduction from monies earned for purse supplements under this present law, and provisions of present law would result in duplication of designated funds for hospitalization for horsemen.
- (5) The Horsemen's Benevolent and Protective Association shall be deemed to hold a perfected security interest in and to all revenues earned for purse supplements pursuant to present law until such revenues have been distributed in accordance with present law. All purse supplements to be distributed to the Horsemen's Benevolent and Protective Association shall be deemed to be held in trust for the Horsemen's Benevolent and Protective Association by the licensee until disbursed in accordance with this Section. All such purse supplements shall be deemed to be held in trust for the benefit of the Horsemen's Benevolent and Protective Association by the licensee until disbursed pursuant to this Section. A licensee shall have a fiduciary duty to the Horsemen's Benevolent and Protective Association to preserve and account for such purse supplements.

Proposed law clarifies that such distribution of device revenues is from video draw poker devices and clarifies that monies earned from such revenues shall be placed in the appropriate breed account.

Proposed law further provides that at a licensed eligible facility in Orleans Parish, the net video draw poker device revenues shall be disbursed and used as follows:

- (a) 12.5% of the net video draw poker device revenues shall be used to supplement purses for quarter horse races at that licensed eligible facility as authorized by present law, up to a maximum amount of \$1,000,000 dollars per state fiscal year, of which 25% for each state fiscal year shall be used to satisfy the class judgement in the case of John L. Soileau, et al. v. Churchill Downs Louisiana Horseracing Company, LLC, Churchill Down Louisiana Video Poker Company, LLC, and
- (b) The remainder of the net video draw poker device revenues shall be allocated to

thoroughbred horse races at that licensed eligible facility as authorized by present law per state fiscal year.

For licensed eligible racing facilities required by law to run more than 20 quarter horse racing days, the net video draw poker device revenues shall be disbursed and used as follows:

- (a) 30% of the net video draw poker device revenues shall be used to supplement purses for quarter horse races at that licensed eligible facility as authorized by present law and

(b) 70% of the net video draw poker device revenues shall be used to supplement purses for thoroughbred races at that licensed eligible facility as authorized by present law.

(Amends R.S. 4:147.1(D) and R.S. 27:438(A) and (B); Adds R.S. 4:147.1(E))