

2020 Regular Session

HOUSE BILL NO. 738

BY REPRESENTATIVES DUSTIN MILLER AND SCHEXNAYDER

RACING/HORSE: Provides relative to horse racing

1 AN ACT

2 To amend and reenact R.S. 4:147.1(D) and R.S. 27:438(A) and (B)(1) through (3) and to  
3 enact R.S. 4:147.1(E), relative to horse racing; to provide relative to monies earned  
4 for purse supplements from video draw poker device revenues; to provide relative  
5 to the distribution of video draw poker device revenues at licensed eligible facilities;  
6 to provide relative to purse supplements for quarter horse and thoroughbred races;  
7 to provide for a contingent effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 4:147.1(D) is hereby amended and reenacted and R.S. 4:147.1(E) is  
10 hereby enacted to read as follows:

11 §147.1. Commission; purse supplements; additional or substitute races and race  
12 days; force majeure

13 \* \* \*

14 D.(1) Notwithstanding any provision of law to the contrary and upon  
15 agreement of the Horsemen's Benevolent and Protective Association and the  
16 involved licensed eligible facilities, the commission may approve the transfer of slot  
17 machine proceeds received for thoroughbred race purses from one licensed eligible  
18 facility to another licensed eligible facility to supplement thoroughbred purses at a  
19 thoroughbred race meet. Funds transferred pursuant to this ~~Subsection~~ Paragraph  
20 shall be awarded within one year of the date of transfer.

1           (2) Notwithstanding any provision of law to the contrary and upon  
 2           agreement of the Horsemen's Benevolent and Protective Association and the  
 3           involved licensed eligible facilities, the commission may approve the transfer of slot  
 4           machine proceeds received for quarter horse race purses from one licensed eligible  
 5           facility to another licensed eligible facility to supplement quarter horse purses at a  
 6           quarter horse race meet. Funds transferred pursuant to this Paragraph shall be  
 7           awarded within one year of the date of transfer.

8           E. Notwithstanding any provision of law to the contrary and upon agreement  
 9           of the Horsemen's Benevolent and Protective Association and the involved licensed  
 10           eligible facilities, the commission may approve the transfer of a race meet, for either  
 11           or both thoroughbred races and quarter horse races, from one licensed eligible  
 12           facility to another licensed eligible facility. The transfer of a race meet pursuant to  
 13           the provisions of this Subsection includes the transfer of all applicable purse funds  
 14           that would have been required to be paid at the race meet. All existing statutes  
 15           governing the payment of purses required at the licensed eligible facility receiving  
 16           the race meet shall remain in full force and effect as if the race meet had not been  
 17           moved to the licensed eligible facility receiving the race meet.

18           Section 2. R.S. 27:438(A) and (B)(1) through (3) are hereby amended and reenacted  
 19 to read as follows:

20           §438. Distribution of video draw poker device revenues; particular licensed  
 21           establishments; pari-mutuel wagering facilities

22           A. The owner of the licensed establishment shall pay twenty percent of the  
 23           net video draw poker device revenue derived from the operation of video draw poker  
 24           devices at that licensed establishment and at its eligible off-track wagering facilities  
 25           to be used to supplement purses for horsemen as provided in Subsection B of this  
 26           Section. Such monies shall be made available for use as purses monthly, prior to the  
 27           twentieth day of the month following the month in which they are earned.

28           B. Revenues earned for purse supplements under Subsection A shall be  
 29           disbursed, accounted for, and used as follows:

1           ~~(3)~~(1) Monies earned for purse supplements from video draw poker devices  
2           located at an eligible racing facility or at an eligible off-track wagering facility shall  
3           be used for purse supplements at the racing facilities of the owners of ~~the off-track~~  
4           ~~wagering~~ such facility where the net video draw poker device revenues were earned.  
5           Where ~~such facilities are~~ an eligible off-track wagering facility is jointly owned, the  
6           monies earned for purse supplements at that facility shall be divided in direct  
7           proportion to ownership of the facility for use at their respective racing facilities.

8           (2) At the licensed eligible facility located in Orleans Parish:

9           (a) Twelve and one-half percent of the monies earned for such purse  
10          supplements shall be used to supplement purses for quarter horse races at that  
11          licensed eligible facility, or as authorized by R.S. 4:147.1, up to a maximum of one  
12          million dollars per state fiscal year, of which twenty-five percent for each state fiscal  
13          year shall be distributed to the Horsemen's Benevolent and Protective Association,  
14          1993 Inc., to be used to satisfy the 'Settlement Amount' of \$1,000,000, as defined in  
15          and pursuant to the Class Action Settlement Agreement approved by the court in the  
16          lawsuit Soileau v. Churchill Downs La. Horseracing Co., et al, Parish of Orleans,  
17          Civil District Court, Division G, No. 2014-3873.

18          (b) The remainder of the monies earned for such purse supplements shall be  
19          allocated to purse supplements for thoroughbred horse races at that licensed eligible  
20          facility, or as authorized by R.S. 4:147.1 per state fiscal year.

21          (3) For licensed eligible racing facilities required by law to run more than  
22          twenty quarter horse racing days:

23          (a) Thirty percent of the monies earned for such purse supplements shall be  
24          used to supplement purses for quarter horse races at that licensed eligible facility, or  
25          as authorized by R.S. 4:147.1.

26          (b) Seventy percent of the monies earned for such purse supplements shall  
27          be used to supplement purses for thoroughbred races as that licensed eligible facility,  
28          or as authorized by R.S. 4:147.1.



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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 738 Reengrossed

2020 Regular Session

Dustin Miller

**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 draw 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 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 requires the owner of the licensed establishment to pay 20% of the net device revenue derived from the operation of devices at that establishment to be used to supplement purses for horsemen pursuant to present law. Proposed law retains present law and specifies that it applies to video draw poker devices.

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 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.

Proposed law retains present law and adds the following parameters:

(2) At the 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 distributed to the Horsemen's Benevolent and Protective Association, 1993 Inc., to be used to satisfy the Settlement Amount of \$1,000,000 as defined in and pursuant to the class action settlement agreement approved by the court in the lawsuit Soileau v. Churchill Downs La. Horseracing Co., et al, Parish of Orleans, Civil District Court, Division G, No. 2014-3873.
- (b) The remainder of the net video draw poker device revenues shall be allocated to purse supplements for thoroughbred horse races at that licensed eligible facility as authorized by present law per state fiscal year.
- (3) 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.
- (4) Monies earned for purse supplements in accordance with proposed law shall be in addition to all other monies currently provided for purses and purse supplements under other provisions of present law, shall be the net of sums payable to the Horsemen's Benevolent and Protective Association, 1993 Inc. from purses and purse supplements in accordance with the law, and shall be placed in the appropriate breed account, an interest bearing account, until distributed in accordance with proposed law.
- (5) Monies earned for purse supplements from video draw poker devices, and the interest they create, are to be added to all other monies provided for purses and purse supplements under present law and distributed as follows:
- (a) Purses and purse supplements for thoroughbred races shall be used at the facilities current thoroughbred race, or at the next thoroughbred race, if one is not currently being conducted.
- (b) Purses and purse supplements for quarter horse races shall be used at the facilities current quarter horse race, or at the next quarter horse race, if one is not currently being conducted.

Proposed law provides a contingent effective date.

(Amends R.S. 4:147.1(D) and R.S. 27:438(A) and (B)(1)-(3); Adds R.S. 4:147.1(E))

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Remove the requirement that the race meet transferred be conducted and completed within one year of the commission's approval.
2. Specify that references to "breed" means either quarter horse or thoroughbred.

3. Change the allocation of monies earned from purse supplements from video draw poker devices located at an eligible racing facility not currently conducting live racing to follow guidelines in proposed law.
4. Redesignate provisions of proposed law outlining allocation of certain monies.
5. Add the requirement that monies earned for purse supplements in accordance with proposed law be in addition to all other monies currently provided for purses and purse supplements under other provisions of present law, shall be the net of sums payable to the Horsemen's Benevolent and Protective Association, 1993 Inc., from purses and purse supplements in accordance with the law, and be placed in the appropriate breed account, an interest bearing account, until distributed in accordance with proposed law.
6. Restore present law which requires distribution of funds pursuant to present law.
7. Provide an effective date contingent on a class action settlement agreement being approved by the court and becoming final and non-appealable.
8. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Indicate that revenue and interest derived from the operation of video draw poker devices can come from not only the licensed establishment but also from the eligible off-track wagering facilities of that establishment.
2. Redesignate provisions of proposed law outlining allocation of certain monies.
3. Allow for the appropriate monies to be used at the next live thoroughbred or quarter horse race, if a race of that type is not currently being conducted at the facility.
4. Make technical changes.