
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)]

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.