

ACT No. 342

2020 Regular Session

HOUSE BILL NO. 738

BY REPRESENTATIVES DUSTIN MILLER AND SCHEXNAYDER AND SENATOR FOIL

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AN ACT

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

Be it enacted by the Legislature of Louisiana:

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

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

* * *

D.(1) Notwithstanding any provision of law to the contrary and upon agreement of the Horsemen's Benevolent and Protective Association and the involved licensed eligible facilities, the commission may 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. Funds transferred pursuant to this ~~Subsection~~ Paragraph shall be awarded within one year of the date of transfer.

(2) Notwithstanding any provision of law to the contrary and upon agreement of the Horsemen's Benevolent and Protective Association and the involved licensed eligible facilities, the commission may approve the transfer of slot machine proceeds received for quarter horse race purses from one licensed eligible

1 facility to another licensed eligible facility to supplement quarter horse purses at a
 2 quarter horse race meet. Funds transferred pursuant to this Paragraph shall be
 3 awarded within one year of the date of transfer.

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

14 Section 2. R.S. 27:438(A) and (B) are hereby amended and reenacted to read as
 15 follows:

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

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

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

26 (1) ~~Monies earned for purse supplements from devices located at a racing~~
 27 ~~facility currently conducting live racing shall be in addition to all other monies~~
 28 ~~currently provided for purses and purse supplements under other provisions of law~~
 29 ~~and shall be used at the current race meeting.~~

30 (2) ~~Monies earned for purse supplements from devices located at an eligible~~
 31 ~~racing facility not currently conducting live racing shall be placed in an interest-~~
 32 ~~bearing account until the first day of the next live race meeting conducted at that~~

1 facility, at which time the accumulated monies derived from this Paragraph and
2 interest earned on such monies shall be added to all other monies currently provided
3 for purses and purse supplements at that race meeting under other provisions of the
4 law and shall be used at that race meeting.

5 (3) Monies earned for purse supplements from video draw poker devices
6 located at an eligible racing facility or at an eligible off-track wagering facility shall
7 be used for purse supplements at the racing facilities of the owners of ~~the off-track~~
8 ~~wagering~~ such facility where the net video draw poker device revenues were earned.
9 Where ~~such facilities are~~ an eligible off-track wagering facility is jointly owned, the
10 monies earned for purse supplements at that facility shall be divided in direct
11 proportion to ownership of the facility for use at their respective racing facilities.
12 ~~Distribution of monies earned for purse supplements in accordance with this~~
13 ~~Paragraph shall be distributed as provided for in Paragraphs (1) and (2) of this~~
14 ~~Subsection.~~

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

16 (a) Twelve and one-half percent of the monies earned for such purse
17 supplements shall be used to supplement purses for quarter horse races at that
18 licensed eligible facility, or as authorized by R.S. 4:147.1, up to a maximum of one
19 million dollars per state fiscal year, of which twenty-five percent for each state fiscal
20 year shall be distributed to the Horsemen's Benevolent and Protective Association,
21 1993 Inc., to be used to satisfy the 'Settlement Amount' of \$1,000,000, as defined in
22 and pursuant to the Class Action Settlement Agreement approved by the court in the
23 lawsuit Soileau v. Churchill Downs La. Horseracing Co., et al, Parish of Orleans,
24 Civil District Court, Division G, No. 2014-3873.

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

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

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

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

4 ~~(4) Four percent of all monies earned or authorized in accordance with the~~
 5 ~~provisions of this Section for purse supplements shall be paid the authorized~~
 6 ~~representative of the horsemen for the use and benefit of such persons and other~~
 7 ~~horsemen as medical and hospital benefits. However, provisions of this Paragraph~~
 8 ~~shall not apply if provisions of R.S. 4:183 as currently in effect require such a~~
 9 ~~deduction from monies earned for purse supplements under this Section, and~~
 10 ~~provisions of this Paragraph would result in duplication of designated funds for~~
 11 ~~hospitalization for horsemen. Monies earned for purse supplements in accordance~~
 12 ~~with this Subsection shall be in addition to all other monies currently provided for~~
 13 ~~purses and purse supplements under other provisions of law, shall be the net of sums~~
 14 ~~payable to the Horsemen's Benevolent and Protective Association, 1993 Inc., from~~
 15 ~~purses and purse supplements in accordance with the law, and shall be placed in the~~
 16 ~~appropriate breed account, an interest bearing account, until distributed in~~
 17 ~~accordance with this Section.~~

18 ~~(5) The Horsemen's Benevolent and Protective Association shall be deemed~~
 19 ~~to hold a perfected security interest in and to all revenues earned for purse~~
 20 ~~supplements pursuant to Subsection A of this Section until such revenues have been~~
 21 ~~distributed in accordance with Paragraph (4) of this Subsection. All purse~~
 22 ~~supplements to be distributed to the Horsemen's Benevolent and Protective~~
 23 ~~Association shall be deemed to be held in trust for the Horsemen's Benevolent and~~
 24 ~~Protective Association by the licensee until disbursed in accordance with this~~
 25 ~~Section. All such purse supplements shall be deemed to be held in trust for the~~
 26 ~~benefit of the Horsemen's Benevolent and Protective Association by the licensee~~
 27 ~~until disbursed pursuant to this Section. A licensee shall have a fiduciary duty to the~~
 28 ~~Horsemen's Benevolent and Protective Association to preserve and account for such~~
 29 ~~purse supplements. Monies earned for purse supplements from video draw poker~~
 30 ~~devices, and interest earned on such monies, shall be added to all other monies~~
 31 ~~currently provided for purses and purse supplements under other provisions of law,~~
 32 ~~and distributed as follows:~~

