

RÉSUMÉ DIGEST

ACT 261 (SB 173)

2023 Regular Session

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Existing law provides relative to the conduct of slot machine gaming at race tracks.

Existing law designates and recognizes the Horsemen's Benevolent and Protective Association (HBPA) as an authorized representative that shall represent member and other horsemen.

Prior law stated that the monies to be distributed by a licensee as purses to permittees licensed to race horses in Louisiana and the monies to be distributed by a licensee to the HBPA for the use and benefit of such groups.

New law removes that monies be distributed by a licensee.

Existing law provides that in the event the amount distributed as purses is more than the amount required, the overpayment shall be carried forward to the next race meeting conducted by the same association and shall be carried on the association's books as an asset.

New law retains existing law and adds that monies shall be carried on the association books as an asset unless and until the overpayment is remitted to the HBPA. Provides that if remitted to the HBPA, the overpayment shall be carried on the HBPA books as an asset.

Existing law requires that in the event the amount distributed as purses to persons licensed to race horses at quarter horse and thoroughbred race meetings conducted in the state is less than the amount required and more than a certain amount it shall be delivered to the HBPA for further distribution to certain persons. Provides that in the event the underpayment is less than a certain amount, it shall be retained by the association in an interest bearing account to be used for purses at the next quarter horse or thoroughbred race meeting conducted by that association. Provides that interest earned on the account shall be added to the purse paid over and above the amount required to be paid.

New law retains existing law and adds in the event the underpayment is less than a certain amount, certain monies shall also be retained by the HBPA.

Prior law required monies designated for purses under prior law be deposited by the race track association in a separate interest-bearing account when earned and shall remain in that account until the first day of the next race meeting of the appropriate breed, with monies earned as interest being designated for purses.

New law requires monies designated for purses be remitted from the race tracks to the HBPA within 10 business days to be deposited in a separate interest-bearing account when earned and shall remain in that account until the first day of the next race meeting of the appropriate breed, with monies earned as interest being designated for purses.

Existing law states that until all monies have been distributed, the HBPA shall be deemed to hold a perfected security interest in and to all funds that are deemed to have been earned and that have not yet been distributed.

New law retains existing law and adds all members and other horsemen in the state and all other persons or entities that receive purse or purse supplement funds shall be deemed to hold a perfected security interest.

Existing law requires that all earned purse money not yet distributed as purses shall be deemed to be held in trust for the benefit of the HBPA by the licensee until such time as such monies are distributed in accordance with existing law. Provides that a licensee shall have a fiduciary duty to the HBPA to preserve and account for such monies.

New law retains existing law and includes following the remittance to the HBPA by the licensee, all earned purse money not yet distributed shall be deemed to be held in trust for the benefit of certain groups that receive purse funds by the HBPA until such time as the monies are distributed. Adds that once the licensee remits the monies designated to the HBPA pursuant to existing law, it shall have no fiduciary duty to the HBPA or certain groups that receives purse funds. Provides that the HBPA shall have a fiduciary duty to certain groups that receive purse funds to preserve and account for such monies.

New law requires that the account containing the monies remitted to the HBPA be subject to audit at all times by the legislative auditor and shall be included in the annual audit.

Prior law provided that as a condition of licensing and to maintain continued authority for the conduct of the slot machine gaming at a race track, the owner of the track must comply with certain requirements, including the requirement that the owner contribute to the support of pari-mutuel wagering activities and the horse breeding industry by paying a fixed percentage of 15% of the annual net slot machine proceeds received to supplement horse race purses. Prior law provided that 4% of that fixed amount shall go to the HBPA.

New law requires the race tracks to transfer to the HBPA by the 20th day of each month a fixed percentage of 15% of the previous month's net slot machine proceeds received from slot machine gaming operators at the licensed eligible facility to supplement purses including any interest earned.

Existing law provides that the HBPA shall be deemed to hold a perfected security interest in and to the 15% of the annual net slot machine proceeds received from slot machine gaming operations at the licensed eligible facility that is required to supplement purses until such purse supplements have been distributed as purses or distributed to the HBPA. Provides that all such supplements shall be held in trust for the benefit of HBPA by a licensee until monies are distributed. Provides that a licensee shall have a fiduciary duty to the HBPA to preserve and account for such purse supplements.

New law retains existing law and adds that all purse supplements shall be held in trust for the benefit of HBPA until distributed or transferred to HBPA. The supplements transferred but not distributed shall be held in trust until distributed. Provides that a licensee shall have fiduciary duty to the HBPA to account for only purse supplements in its control and once the licensee transfers the supplements to the HBPA, it shall have no fiduciary duty to HBPA or certain groups. Provides that an account containing purse supplements transferred to HBPA shall be subject to legislative audit.

Existing law states that the owner of the licensed establishment shall pay 20% of the net video draw poker device revenue derived from the operation of video draw poker devices at that licensed establishment and at its eligible off-track wagering facilities to be used to supplement purses for horsemen. Provides that such monies shall be made available for use as purses monthly, prior to the twentieth day of the month following the month in which they are earned.

New law retains existing law and adds that the fixed percentage be paid to the HBPA and that such monies shall be remitted to the HBPA for use as purses monthly.

New law adds that the HBPA shall have a fiduciary duty to certain groups that receive purse supplements and that the account containing such supplements shall be subject to legislative audits. Provides that a licensee shall have no fiduciary duty to the HBPA or certain groups that received purse supplements.

Effective August 1, 2023.

(Amends R.S. 4:183(A) and (B)(2)-(4), 183.2(A) and (B)(2), R.S. 27:361(B)(4)(a)(intro para), 361(B)(4)(a)(iii), and 438(A); adds R.S. 4:183.2(B)(3) and (4), and R.S. 27:361(B)(4)(a)(iv))