
DIGEST

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HB 596 Original

2015 Regular Session

Harrison

Abstract: Requires all gaming proceeds dedicated to the Horsemen's Benevolent and Protective Association, the La. Thoroughbred Breeders Association, and the La. Quarter Horse Breeders Association be sent to the state treasurer for deposit in the newly created Horse Industry Economic Sustainability Fund, but otherwise retains the dedications and uses of these proceeds.

Present law provides for the direct payment of the following gaming proceeds to the Horsemen's Benevolent and Protective Association, the La. Thoroughbred Breeders Association, and the La. Quarter Horse Breeders Association:

HORSE RACING

- (1) Four percent (4%) of 50% of a licensee's commission of the gross parimutuel handle retained by the licensee from each race at a licensed race meeting (minus all fees) plus the total amount earned by a licensee for purse supplements under R.S. 4:217 payable directly to the Horsemen's Benevolent and Protective Association for the use and benefit of such permittees, their employees, and others as medical and hospital benefits with an amount not to exceed 30% to be used for administrative expenses and other costs of the association necessary to provide such benefits. (R.S. 4:183(A)(4)(b)).

OFFTRACK WAGERING

- (2) Fifteen and ten hundredths percent (15.10%) of the monies designated for purses from wagers placed at offtrack wagering facilities on special accredited La. bred maiden races payable directly to the La. Thoroughbred Breeders Association for breeder awards in accordance with a formula established by the executive committee of that association. (R.S. 4:217(D)(1)(a)).
- (3) Two percent (2%) of the monies designated for purses from wagers placed at offtrack wagering facilities on special accredited La. bred maiden races payable directly to the Horsemen's Benevolent and Protective Association for the use and benefit of such persons and other horsemen as medical and hospital benefits with an amount not to exceed 30% to be used for administrative expenses and other costs of the association necessary to provide such benefits. (R.S. 4:217(D)(1)(d)).
- (4) Fourteen percent (14%) of the license fee not to exceed one and one-half percent (1.50%) of

the total amount wagered at each offtrack wagering facility payable directly to the La. Thoroughbred Breeders Association or the La. Quarter Horse Breeders Association for promotion of the appropriate breeding industry and for breeders' awards with distribution being in direct proportion to the monies wagered on each breed. (R.S. 4:218(A)(1)).

SLOTS AT THE TRACK

- (5) Four percent (4%) of 70% of 15% and four percent (4%) of 60% of 30% of the annual net slot machine proceeds received from slot machine gaming operations at the licensed eligible facility payable directly to the Horsemen's Benevolent and Protective Association. (R.S. 27:361(B)(4)(a)(i) and (ii)).
- (6) Two percent (2%) of the annual net slot machine proceeds received from slot machine gaming operations at the licensed eligible facility payable directly to the Executive Committee of the La. Thoroughbred Breeders Association for distribution by the committee in accordance with a schedule or formula for special breeder awards to the breeders of accredited La.-bred horses. (R.S. 27:361(B)(4)(b)).
- (7) One percent (1%) of the annual net slot machine proceeds received from slot machine gaming operations at the licensed eligible facility payable directly to the Executive Committee of the La. Quarter Horse Breeders Association for distribution by the committee in accordance with a schedule or formula for special breeder awards to the breeders of accredited La.-bred quarter horses. (R.S. 27:361(B)(4)(c)).

VIDEO DRAW POKER AT OTB

- (8) Four percent (4%) of 20% of the net device revenue derived from the operation of video draw poker devices at parimutuel wagering facilities (OTBs) to the authorized representative of the horsemen (HBPA) for the use and benefit of such persons and horsemen as medical and hospital benefits. (R.S. 27:438(B)(4)).

AN ADDITIONAL TWO PERCENT (2%)

- (9) Of the purses and purse supplements authorized for use by the Horsemen's Benevolent and Protective Association for its workers compensation insurance program, the HBPA is authorized to use up to one-half percent (1%) of the two percent (2%) of the total amount of purses and purse supplements for the improvement and administration of the Horsemen's Self-Help Pension Program. R.S. 4:251.1(B)(1)). Additionally, the total amount of purses and purse supplements authorized for use by the HBPA for establishment, operation, and administration of the workers compensation insurance program shall not exceed two percent (2%) of the total amount of purses and purse supplements available for purses for any race meet. (R.S. 4:252(C)(5)). A regulatory agency has interpreted the provisions of R.S. 4:251.1(B)(1) and 252(C)(5) to mean that the HBPA receives an additional two percent (1% for workers comp and 1% for its pension program) as follows:

- (a) Increases the 4% (listed in #1, above, under Horse Racing) to 6%.
- (b) Increases the 4% (listed in #5, above, under Slots at the Track) to 6%.
- (c) Increases the 4% (listed in # 8, above, under Video Draw Poker at OTB) to 6%.

Proposed law retains present law but requires that all such proceeds be first deposited into the state treasury, credited to the Bond Security and Redemption Fund, annually credited to the newly created Horse Industry Economic Sustainability Fund, and appropriated by the legislature in the same amounts and for the same purposes provided in present law as set forth in (1)-(9), above. Proposed law also requires that the use of any funds appropriated to the HBPA, the La. Thoroughbred Breeders Association, or the La. Quarter Horse Breeders Association out of the Horse Industry Economic Sustainability Fund are subject to state laws and regulations governing appropriate expenditures, specifically including PPM 47 which establishes travel policies for all state travel. Additionally, such funds are subject to audit by the legislative auditor.

VIDEO DRAW POKER (NOT AT OTB)

Present law provides for the payment of the following after deposit with the state treasury into the Video Draw Poker Device Purse Supplement Fund:

- (11) Of one-half of one percent (0.50%) of certain video draw poker franchise fees as purse supplements, with two-thirds (2/3) appropriated to the licensed live horse racing associations in the state and one-third (1/3) appropriated to the La. Quarter Horse Breeders Association. (R.S. 27:435(D)(4) and 439(B)(1) and (2)).

Proposed law retains present law but substitutes the Horse Industry Economic Sustainability Fund for the Video Draw Poker Device Purse Supplement Fund.

(Amends R.S. 4:183(A) and (4)(b) and (B), 217(B)(intro. para.) and (D)(1)(intro. para.), (a), and (d), and 218(A)(intro. para.) and (1) and R.S. 27:361(B)(4)(b) and (c), 438(B)(4), and 439(A) and (B)(intro. para.); Adds R.S. 4:251.1(C), 252(D), and 280, and R.S. 27:361(B)(4)(a)(iv))