

2020 Regular Session

HOUSE BILL NO. 738

BY REPRESENTATIVE DUSTIN MILLER

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) and to enact R.S.
3 4:147.1(E), relative to horse racing; to provide relative to monies earned for purse
4 supplements from video draw poker device revenues; to provide relative to the
5 distribution of video draw poker device revenues at licensed eligible facilities; to
6 provide relative to purse supplements for quarter horse and thoroughbred races; and
7 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 race meet transferred shall be
13 conducted and completed within one year of the commission's approval. The
14 transfer of a race meet pursuant to the provisions of this Subsection includes the
15 transfer of all applicable purse funds that would have been required to be paid at the
16 race meet. All existing statutes governing the payment of purses required at the
17 licensed eligible facility receiving the race meet shall remain in full force and effect
18 as if the race meet had not been moved to the licensed eligible facility receiving the
19 race meet.

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

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

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

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

3 (1) Monies earned for purse supplements from video draw poker devices
4 located at a racing facility currently conducting live racing shall be in addition to all
5 other monies currently provided for purses and purse supplements under other
6 provisions of law and shall be used at the current race meeting.

7 (2) Monies earned for purse supplements from video draw poker devices
8 located at an eligible racing facility not currently conducting live racing shall be
9 placed in the appropriate breed account, an interest-bearing account until the first day
10 of the next live race meeting for that breed, conducted at that facility, at which time
11 the accumulated monies derived from this Paragraph and interest earned on such
12 monies shall be added to all other monies currently provided for purses and purse
13 supplements at that race meeting under other provisions of the law and shall be used
14 at that race meeting.

15 (3) Monies earned for purse supplements from video draw poker devices
16 located at an eligible off-track wagering facility shall be used for purse supplements
17 at the racing facilities of the owners of the off-track wagering facility where the net
18 video draw poker device revenues were earned. Where such facilities are jointly
19 owned, the monies earned for purse supplements at that facility shall be divided in
20 direct proportion to ownership of the facility for use at their respective racing
21 facilities. At the licensed eligible facility subject to the provisions of R.S.
22 27:372.1(A), the net video draw poker device revenues shall be disbursed and used
23 as follows: (a) twelve and one-half percent of the net video draw poker device
24 revenues shall be used to supplement purses for quarter horse races at that licensed
25 eligible facility as authorized by R.S. 4:147.1, up to a maximum amount of one
26 million dollars per state fiscal year, of which twenty-five percent for each state fiscal
27 year shall be used to satisfy the class judgement in the case of John L. Soileau, et al.
28 v. Churchill Downs Louisiana Horseracing Company, LLC, Churchill Down
29 Louisiana Video Poker Company, LLC, and (b) the remainder of the net video draw

1 poker device revenues shall be allocated to thoroughbred horse races at that licensed
2 eligible facility as authorized by R.S. 4:147.1 per state fiscal year. For licensed
3 eligible racing facilities required by law to run more than twenty quarter horse racing
4 days, the net video draw poker device revenues shall be disbursed and used as
5 follows: (a) thirty percent of the net video draw poker device revenues shall be used
6 to supplement purses for quarter horse races at that licensed eligible facility as
7 authorized by R.S. 4:147.1 and (b) seventy percent of the net video draw poker
8 device revenues shall be used to supplement purses for thoroughbred races at that
9 licensed eligible facility as authorized by R.S. 4:147.1. Distribution of monies
10 earned for purse supplements in accordance with this Paragraph shall be distributed
11 as provided for in Paragraphs (1) and (2) of this Subsection.

12 (4) Four percent of all monies earned or authorized in accordance with the
13 provisions of this Section for purse supplements shall be paid to the authorized
14 representative of the horsemen for the use and benefit of such persons and other
15 horsemen as medical and hospital benefits. However, provisions of this Paragraph
16 shall not apply if provisions of R.S. 4:183 as currently in effect require such a
17 deduction from monies earned for purse supplements under this Section, and
18 provisions of this Paragraph would result in duplication of designated funds for
19 hospitalization for horsemen.

20 (5) The Horsemen's Benevolent and Protective Association shall be deemed
21 to hold a perfected security interest in and to all revenues earned for purse
22 supplements pursuant to Subsection A of this Section ~~until such revenues have been~~
23 ~~distributed in accordance with Paragraph (4) of this Subsection.~~ All purse
24 supplements to be distributed to the Horsemen's Benevolent and Protective
25 Association shall be deemed to be held in trust for the Horsemen's Benevolent and
26 Protective Association by the licensee until disbursed in accordance with this
27 Section. All such purse supplements shall be deemed to be held in trust for the
28 benefit of the Horsemen's Benevolent and Protective Association by the licensee
29 until disbursed pursuant to this Section. A licensee shall have a fiduciary duty to the

added to all other monies currently provided for purses and purse supplements at that race meeting under other provisions of the law and shall be used at that race meeting.

- (3) 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.
- (4) Four percent of all monies earned or authorized in accordance with present law for purse supplements shall be paid to the authorized representative of the horsemen for the use and benefit of such persons and other horsemen as medical and hospital benefits. However, provisions of present law (R.S. 27:438(B)(4)) shall not apply if provisions of present law (R.S. 4:183) requires a deduction from monies earned for purse supplements under this present law, and provisions of present law would result in duplication of designated funds for hospitalization for horsemen.
- (5) The Horsemen's Benevolent and Protective Association shall be deemed to hold a perfected security interest in and to all revenues earned for purse supplements pursuant to present law until such revenues have been distributed in accordance with present law. All purse supplements to be distributed to the Horsemen's Benevolent and Protective Association shall be deemed to be held in trust for the Horsemen's Benevolent and Protective Association by the licensee until disbursed in accordance with this Section. All such purse supplements shall be deemed to be held in trust for the benefit of the Horsemen's Benevolent and Protective Association by the licensee until disbursed pursuant to this Section. A licensee shall have a fiduciary duty to the Horsemen's Benevolent and Protective Association to preserve and account for such purse supplements.

Proposed law clarifies that such distribution of device revenues is from video draw poker devices and clarifies that monies earned from such revenues shall be placed in the appropriate breed account.

Proposed law further provides that at a 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 used to satisfy the class judgement in the case of John L. Soileau, et al. v. Churchill Downs Louisiana Horseracing Company, LLC, Churchill Down Louisiana Video Poker Company, LLC, and
- (b) The remainder of the net video draw poker device revenues shall be allocated to thoroughbred horse races at that licensed eligible facility as authorized by present law per state fiscal year.

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.

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