

2020 Regular Session

SENATE BILL NO. 451

BY SENATOR FOIL

HORSE RACING. Provides for purse supplements from video poker devices at OTBs and live racing dates affected due to force majeure. (8/1/20)

1 AN ACT

2 To amend and reenact R.S. 4:147.1(D) and 214.1(B) and R.S. 27:438(A) and (B)(1) though

3 (3) and (5), and to enact R.S. 4:147.1(E), relative to horse racing; to provide for

4 purse supplements and additional or substitute date racing dates due to force

5 majeure; to provide for transfer of racing dates; to provide for distribution of video

6 draw poker device revenues for supplemental purses; and to provide for related

7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 4:147.1(D) and 214.1(B) are hereby amended and reenacted, and

10 R.S. 4:147.1(E) is 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

1 facility to another licensed eligible facility to supplement thoroughbred purses at a
2 thoroughbred race meet.

3 (2) Notwithstanding any provision of law to the contrary and upon
4 agreement of the Horsemen's Benevolent and Protective Association and the
5 involved licensed eligible facilities, the commission may approve the transfer of
6 slot machine proceeds received for quarter horse race purses from one licensed
7 eligible facility to another licensed eligible facility to supplement quarter horse
8 purses at a quarter horse race meet.

9 (3) Funds transferred pursuant to this Subsection shall be awarded within one
10 year of the date of transfer.

11 E. Notwithstanding any provision of law to the contrary and upon
12 agreement of the Horsemen's Benevolent and Protective Association and the
13 involved licensed eligible facilities, the commission may approve the transfer of
14 a race meet, thoroughbred or quarter horse, from one licensed eligible facility
15 to another licensed eligible facility. The race meet transferred shall be
16 conducted and completed within one year of the commission's approval. The
17 transfer of a race meet includes the transfer of all applicable purses funds that
18 would have been required to be paid at the race meet had the meet not been
19 transferred. All existing law governing payment of purses required at the
20 licensed eligible facility receiving the race meet shall remain in full force and
21 effect as if the race meet had not been moved to the licensed eligible facility
22 receiving the race meet.

23 * * *

24 §214.1. Minimum live racing dates; offtrack and other authorized wagering

25 * * *

26 B. Notwithstanding any provision of law to the contrary, at any facility
27 subject to the provisions of R.S. 27:372.1(A), such facility shall maintain a minimum
28 of eighty thoroughbred horse racing days conducted during twenty consecutive
29 weeks and not less than ~~ten~~ **fifteen** days of quarter horse racing conducted during

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

5 (3) Monies earned for purse supplements from **video draw poker** devices
6 located at an eligible off-track wagering facility shall be used for purse supplements
7 at the racing facilities of the owners of the off-track wagering facility where the net
8 **video draw poker** device revenues were earned. Where such facilities are jointly
9 owned, the monies earned for purse supplements at that facility shall be divided in
10 direct proportion to ownership of the facility for use at their respective racing
11 facilities. **At the licensed eligible facility subject to R.S. 27:372.1(A), (i) twelve**
12 **and one-half percent of the net video draw poker device revenues shall be used**
13 **to supplement purses for quarter horse races at that licensed eligible facility as**
14 **authorized by R.S. 4:147.1, up to a maximum of one million dollars per state**
15 **fiscal year of which twenty-five percent for each state fiscal year shall be used**
16 **to satisfy any judgement or settlement in the lawsuit *Soileau v. Churchill Downs***
17 ***La. Horseracing Co., 256 So. 3d283 (La. 2018), up to a total of one million***
18 **dollars is paid and (ii) the remainder of the net video draw poker device**
19 **revenues shall be allocated to thoroughbred horse races at that licensed eligible**
20 **facility as authorized by R.S. 4:147.1 per state fiscal year. For licensed eligible**
21 **racing facilities required by law to run more than twenty quarter horse racing**
22 **days, (i) thirty percent of the net video draw poker device revenues shall be used**
23 **to supplement purses for quarter horse races at that licensed eligible facility as**
24 **authorized by R.S. 4:147.1 and (ii) seventy percent of net video draw poker**
25 **device revenues shall be used to supplement purses for thoroughbred races at**
26 **that licensed eligible facility as authorized by R.S. 4:147.1.** Distribution of monies
27 earned for purse supplements in accordance with this Paragraph shall be distributed
28 as provided for in Paragraphs (1) and (2) of this Subsection.

29 * * *

racetrack dates for quarter horses from 10 days over three consecutive weeks to 15 days over five consecutive weeks.

Present law requires the owner of a race track licensed by the Louisiana State Racing Commission, a pari-mutual wagering facility, or offtrack wagering (OTB) facility to pay 20% of the net video poker device revenues earned at that facility to supplement purses for horsemen. Requires that such monies be available to use for purses monthly, prior to the 20th day of the month following the month in which the monies were earned.

Present law provides that such revenues earned for purse supplements, be disbursed, accounted for, and used as follows:

- (1) Monies earned for purse supplements from devices located at a racing facility currently conducting live racing are in addition to all other monies currently provided for purses and purse supplements under other provisions of present law and are to be used at the current race meeting.
- (2) Monies earned for purse supplements from devices located at a racing facility not currently conducting live racing are to be placed in an interest-bearing account until the first day of the next live race meeting conducted at that facility, at which time the accumulated monies and interest earned on such monies are added to all other monies currently provided for purses and purse supplements at that race meeting under other provisions of present law and are to be used at that race meeting.
- (3) Monies earned for purse supplements from devices located at an OTB facility are to be used for purse supplements at the racing facilities of the owners of the OTB facility where the net device revenues were earned. In instances where the 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. Provides that the distribution of monies earned for purse supplements are to be distributed in accordance with (1) and (2) above.
- (4) Four percent of all monies earned or authorized shall be paid the authorized representative of the horsemen for the use and benefit of such persons and other horsemen as medical and hospital benefits.
- (5) The Horsemen's Benevolent and Protective Association (HBPA) are deemed to hold a perfected security interest in and to all revenues earned for purse supplements until such revenues are distributed as provided in (4) above. All purse supplements to be distributed to the HBPA are deemed to be held in trust for the HBPA by the licensee/racetrack until disbursed. A licensee/racetrack shall have a fiduciary duty to the HBPA to preserve and account for such purse supplements.

Proposed law retains present law but provides for HBPA's security interest to extend beyond payment to the horsemen's representative for horsemen medical and hospital benefits and provides an exception for horse race distribution on purse supplements from net video draw poker device revenues earned at OTBs. For revenue earned from OTB's, provides that:

- (1) At the Fair Grounds Race Course and Slots, 12.5% of the net video draw poker device revenues are to be used to supplement purses for quarter horse races, up to a maximum of \$1M per state fiscal year of which 25% for each state fiscal year shall be used to satisfy the judgement or settlement in *Soileau v. Churchill Downs La. Horseracing Co.* until a total of \$1M is paid toward the judgement or settlement. Provides that the remainder of the net video draw poker device revenues (87.5%) are to be allocated to thoroughbred horse races.
- (2) At Delta Downs, Evangeline Downs and Louisiana Downs, 30% of the net video draw poker device revenues shall be used to supplement purses for quarter horse

races and 70% of the net video draw poker device revenues shall be used to supplement purses for thoroughbred races at that licensed eligible facility.

Effective August 1, 2020.

(Amends R.S. 4:147.1(D) and 214.1(B), R.S. 27:438(A) and (B)(1) - (3) and (5); adds R.S. 4:147.1(E))