

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

18 Section 2. R.S. 27:438(A) and (B)(1) through (3) are hereby amended and reenacted
19 to read as follows:

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

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

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

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

6 (2) Monies earned for purse supplements from video draw poker devices
7 located at an eligible racing facility not currently conducting live racing shall be
8 placed in the appropriate quarter horse and thoroughbred accounts, an interest-
9 bearing account until the first day of the next live race meeting for either quarter
10 horse or thoroughbred, conducted at that facility, at which time the accumulated
11 monies derived from this Paragraph and interest earned on such monies shall be
12 treated and distributed in accordance with Paragraph (3) of this Subsection, and
13 interest earned on the monies shall be added to all other monies currently provided
14 for purses and purse supplements at ~~that~~ the quarter horse or thoroughbred race
15 meeting under other provisions of the law and shall be used at ~~that~~ the quarter horse
16 or thoroughbred race meeting.

17 (3)(a) Monies earned for purse supplements from video draw poker devices
18 located at an eligible off-track wagering facility shall be used for purse supplements
19 at the racing facilities of the owners of the off-track wagering facility where the net
20 video draw poker device revenues were earned. Where such facilities are jointly
21 owned, the monies earned for purse supplements at that facility shall be divided in
22 direct proportion to ownership of the facility for use at their respective racing
23 facilities.

24 (b) At the licensed eligible facility located in Orleans Parish:

25 (i) Twelve and one half percent of the monies earned for such purse
26 supplements shall be used to supplement purses for quarter horse races at that
27 licensed eligible facility, or as authorized by R.S. 4:147.1, up to a maximum of one
28 million dollars per state fiscal year, of which twenty-five percent for each state fiscal
29 year shall be distributed to the Horsemen's Benevolent and Protective Association,

1 and non-appealable judgment, any amounts of purses from net video draw poker device
 2 revenue collected but not yet distributed on the date the amended statute is made effective
 3 shall be allocated and distributed according to the amended statute, using the same formula
 4 provided therein.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 738 Engrossed

2020 Regular Session

Dustin Miller

Abstract: Authorizes the La. State Racing Commission to approve the transfer of slot machine proceeds for certain races and provides relative to the distribution of video draw poker device revenues to supplement purses for certain horse races.

Present law (R.S. 4:147.1) authorizes the La. State Racing Commission (commission), upon agreement of the Horsemen's Benevolent and Protective Association and the involved licensed eligible facilities, to 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. Further provides that the funds transferred pursuant to present law shall be awarded within one year from the date of transfer.

Proposed law further authorizes the commission, upon agreement of the Horsemen's Benevolent and Protective Association and the involved licensed eligible facilities, to approve the transfer of slot machine proceeds received for quarter horse race purses from one licensed eligible facility to another licensed eligible facility to supplement quarter horse purses at a quarter horse race meet.

Proposed law further provides that upon agreement of the Horsemen's Benevolent and Protective Association and the involved licensed eligible facilities, the commission may approve the transfer of a race meet, for either or both thoroughbred races and quarter horse races, from one licensed eligible facility to another licensed eligible facility. The transfer of a race meet pursuant to proposed law includes the transfer of all applicable purse funds that would have been required to be paid at the racing meeting. Pursuant to proposed law, provisions of present law governing the payment of purses required at the licensed eligible facility receiving the race meeting shall remain in full force and effect as if the race meeting had not been moved to the licensed eligible facility receiving the race meeting.

Present law (R.S. 27:438) requires revenues earned to supplement purses for horsemen to 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 shall be in addition to all other monies currently provided for purses and purse supplements under other provisions of law and shall be used at the current race meeting.

Proposed law retains present law.

- (2) Monies earned for purse supplements from devices located at an eligible racing facility not currently conducting live racing shall 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 shall be 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.

Proposed law retains present law in part, but changes the way that accumulated monies are to be handled, as outlined in proposed law.

- (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.

Proposed law retains present law and adds the following parameters:

1. At the 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 distributed to the Horsemen's Benevolent and Protective Association, 1993 Inc., to be used to satisfy the Settlement Amount of \$1,000,000 as defined in and pursuant to the class action settlement agreement approved by the court in the lawsuit Soileau v. Churchill Downs La. Horseracing Co., et al, Parish of Orleans, Civil District Court, Division G, No. 2014-3873.
- (b) The remainder of the net video draw poker device revenues shall be allocated to purse supplements for thoroughbred horse races at that licensed eligible facility as authorized by present law per state fiscal year.

2. 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.

3. Monies earned for purse supplements in accordance with proposed law shall be in addition to all other monies currently provided for purses and purse supplements under other provisions of present law, shall be the net of sums payable to the Horsemen's Benevolent and Protective Association, 1993 Inc. from purses and purse supplements in accordance with the law, and shall be placed in the appropriate breed account, an interest bearing account, until distributed in accordance with proposed law.

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

Proposed law provides a contingent effective date.

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Remove the requirement that the race meet transferred be conducted and completed within one year of the commission's approval.
2. Specify that references to "breed" means either quarter horse or thoroughbred.
3. Change the allocation of monies earned from purse supplements from video draw poker devices located at an eligible racing facility not currently conducting live racing to follow guidelines in proposed law.
4. Redesignate provisions of proposed law outlining allocation of certain monies.
5. Add the requirement that monies earned for purse supplements in accordance with proposed law be in addition to all other monies currently provided for purses and purse supplements under other provisions of present law, shall be the net of sums payable to the Horsemen's Benevolent and Protective Association, 1993 Inc., from purses and purse supplements in accordance with the law, and be placed in the appropriate breed account, an interest bearing account, until distributed in accordance with proposed law.
6. Restore present law which requires distribution of funds pursuant to present law.
7. Provide an effective date contingent on a class action settlement agreement being approved by the court and becoming final and non-appealable.
8. Make technical changes.