

## RÉSUMÉ DIGEST

ACT 342 (HB 738)

2020 Regular Session

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Existing 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, and provides that the funds transferred pursuant to existing law shall be awarded within one year from the date of transfer.

New 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.

New 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 new law includes the transfer of all applicable purse funds that would have been required to be paid at the racing meeting. Pursuant to new law, provisions of existing 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.

Existing law requires the owner of the licensed establishment to pay 20% of the net device revenue derived from the operation of devices at that establishment to be used to supplement purses for horsemen pursuant to existing law. New law specifies that it applies to video draw poker devices.

Existing law (R.S. 27:438) requires revenues earned to supplement purses for horsemen to be disbursed, accounted for, and used as follows:

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.

New law 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 existing 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 existing 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 existing 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 existing law.
- (3) Monies earned for purse supplements in accordance with new law shall be in addition to all other monies currently provided for purses and purse supplements under other provisions of existing 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 new law.
- (4) Monies earned for purse supplements from video draw poker devices, and the interest they create, are to be added to all other monies provided for purses and purse supplements under new law and distributed as follows:
- (a) Purses and purse supplements for thoroughbred races shall be used at the facilities current thoroughbred race, or at the next thoroughbred race, if one is not currently being conducted.
  - (b) Purses and purse supplements for quarter horse races shall be used at the facilities current quarter horse race, or at the next quarter horse race, if one is not currently being conducted.

Effective upon approval by the court of a final and non-appealable Class Action Settlement Agreement in the lawsuit Soileau v. Churchill Downs La. Horseracing Co., et al., Parish of Orleans, Civil District Court, Division G, No. 2014-3873. Contingent upon this approval, as confirmed by a final and non-appealable judgment, any amounts of purses from net video draw poker device revenue collected but not yet distributed on the date the new law is made effective shall be allocated and distributed according to the new law, using the same formula provided therein.

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