

Regular Session, 2014

HOUSE BILL NO. 1230

BY REPRESENTATIVE MORENO

RACING/HORSE: Provides relative to funds distributed to the Horsemen's Benevolent and Protective Association

1 AN ACT

2 To amend and reenact R.S. 4:183.2 and to enact R.S. 27:361(B)(4)(a)(iii) and 438(B)(5),  
3 relative to funds distributed to the Horsemen's Benevolent and Protective  
4 Association; to provide relative to the deposit and disposition of accrued interest on  
5 undistributed monies at a race meeting; to provide relative to the device revenues  
6 that supplement purses for horsemen; to provide relative to slot revenue paid to  
7 supplement purses; to provide relative to the duties of persons licensed to conduct  
8 a horse race meeting or meetings and licensed eligible facilities; to provide for a  
9 security interest for the Horsemen's Benevolent and Protective Association; and to  
10 provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 4:183.2 is hereby amended and reenacted to read as follows:

13 §183.2. Disposition of accrued interest on undistributed monies at a race meeting  
14 A. Monies designated for purses under R.S. 4:183(A)~~(2)~~ shall be deposited  
15 by the licensee in a separate interest-bearing account when earned and shall remain  
16 in that account until the first day of the next race meeting of the appropriate breed.  
17 Monies earned as interest on that account shall be added to those designated for  
18 purses under R.S. 4:183(A) and shall be considered part of the gross purses as  
19 defined therein.

1           B.(1) Monies required to be deposited into the interest-bearing account  
 2           provided for in Subsection A of this Section shall be deemed earned when the race  
 3           on which the wagers are placed is run. Such monies shall be deposited into such  
 4           interest-bearing account within fifteen days of being earned; however, the amounts  
 5           earned pursuant to R.S. 4:217 shall be deposited into the account provided for in  
 6           Subsection A of this Section within fifteen days of the date on which the monies are  
 7           received by the licensee.

8           (2) Until all monies have been distributed in accordance with R.S.  
 9           4:183(A)(4), the Horsemen's Benevolent and Protective Association shall be deemed  
 10           to hold a perfected security interest in and to all funds that are deemed to have been  
 11           earned pursuant to this Section and that have not yet been distributed in accordance  
 12           with R.S. 4:183(A)(4). All earned purse money not yet distributed as purses shall  
 13           be deemed to be held in trust for the benefit of the Horsemen's Benevolent and  
 14           Protective Association by the licensee until such time as such monies are distributed  
 15           in accordance with law. A licensee shall have a fiduciary duty to the Horsemen's  
 16           Benevolent and Protective Association to preserve and account for such monies.

17           Section 2. R.S. 27:361(B)(4)(a)(iii) and 438(B)(5) are hereby enacted to read as  
 18 follows:

19           §361. Conduct of slot machine gaming; temporary conduct

20                               \*       \*       \*

21           B. As a condition of licensing and to maintain continued authority for the  
 22           conduct of slot machine gaming at the licensed eligible facility, the owner of the  
 23           licensed eligible facility shall:

24                               \*       \*       \*

25           (4) Contribute to the support of pari-mutuel wagering facilities in the state  
 26           at large and the horse breeding industry by paying annually from the annual net slot  
 27           machine proceeds received from slot machine gaming operations at the licensed  
 28           eligible facility as provided in this Paragraph:

1 (a) The licensed eligible facility shall pay a fixed percentage of fifteen  
2 percent of the annual net slot machine proceeds received from slot machine gaming  
3 operations at the licensed eligible facility to supplement purses as follows:

4 \* \* \*

5 (iii) The Horsemen's Benevolent and Protective Association shall be deemed  
6 to hold a perfected security interest in and to the fifteen percent of the annual net slot  
7 machine proceeds received from slot machine gaming operations at the licensed  
8 eligible facility that is required to supplement purses until such purse supplements  
9 have been distributed as purses or distributed to the Horsemen's Benevolent and  
10 Protective Association in accordance with law. All such purse supplements shall be  
11 deemed to be held in trust for the benefit of the Horsemen's Benevolent and  
12 Protective Association by the licensee until such time as such monies are distributed  
13 in accordance with law. A licensee shall have a fiduciary duty to the Horsemen's  
14 Benevolent and Protective Association to preserve and account for such purse  
15 supplements.

16 \* \* \*

17 §438. Distribution of device revenues; particular licensed establishments; pari-  
18 mutuel wagering facilities

19 \* \* \*

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

22 \* \* \*

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

1 Section. All such purse supplements shall be deemed to be held in trust for the  
 2 benefit of the Horsemen's Benevolent and Protective Association by the licensee  
 3 until disbursed pursuant to this Section. A licensee shall have a fiduciary duty to the  
 4 Horsemen's Benevolent and Protective Association to preserve and account for such  
 5 purse supplements.

6 \* \* \*

#### 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)]

Moreno

HB No. 1230

**Abstract:** Provides relative to horse racing monies for purses and purse supplements disbursed to the Horsemen's Benevolent and Protective Association.

Present law provides for the distribution of monies from horse racing for purses to and benefits for the Horsemen's Benevolent and Protective Association (HBPA) to permittees licensed to race horses in the state. Provides that the distribution of those monies by HBPA be for the use and benefit of permittees, their employees, and others for hospital and medical benefits, and for the administrative expenses in providing these benefits.

Present law provides that monies designated for purses under present law shall be deposited by the licensee in a separate interest-bearing account when earned and shall remain in that account until the first day of the next race meeting of the appropriate breed. Requires that monies earned as interest on that account be added to those designated for purses under present law and shall be considered part of the gross purses as defined therein.

Proposed law retains present law and additionally provides that monies required to be deposited into the interest-bearing account shall be deemed earned when the race on which the wagers are placed is run. Provides that such monies shall be deposited into the interest-bearing account within 15 days of being earned; however, requires that the amounts earned pursuant to present law relative to purse supplements be deposited into the account provided for in present law within 15 days of the date on which the monies are received by the licensee.

Proposed law provides that until all monies have been distributed in accordance with present law, the HBPA shall be deemed to hold a perfected security interest in and to all funds that are deemed to have been earned pursuant to present law and that have not yet been distributed in accordance with present law.

Proposed law provides that all earned purse money not yet distributed as purses shall be deemed to be held in trust for the benefit of the HBPA by the licensee until such time as such monies are distributed in accordance with law. Requires a licensee to have a fiduciary duty to the HBPA to preserve and account for such monies.

Present law provides that, as a condition of licensing and to maintain continued authority for the conduct of slot machine gaming at a licensed eligible facility, a fixed percentage from the annual net slot machine proceeds received from slot machine gaming operations at that facility shall be distributed in certain percentages to specific entities, including the HBPA.

Proposed law provides that the HBPA shall be deemed to hold a perfected security interest in and to the 15% of the annual net slot machine proceeds received from slot machine gaming operations at the licensed eligible facility that is required to supplement purses until such purse supplements have been distributed as purses or distributed to the HBPA in accordance with present law.

Proposed law provides that all such purse supplements shall be deemed to be held in trust for the benefit of the HBPA by the licensee until such time as such monies are distributed in accordance with law. Requires a licensee to have a fiduciary duty to the HBPA to preserve and account for such purse supplements.

Present law provides that the owner of a licensed establishment shall pay 20% of the net device revenue derived from the operation of devices at that licensed establishment to be used to supplement purses for horsemen.

Proposed law provides that the HBPA shall be deemed to hold a perfected security interest in and to all revenues earned for purse supplements pursuant to proposed law until such revenues have been distributed in accordance with present law.

Proposed law provides that all purse supplements to be distributed to the HBPA shall be deemed to be held in trust for the HBPA by the licensee until disbursed in accordance with present law. Requires a licensee to have a fiduciary duty to the HBPA to preserve and account for such purse supplements.

(Amends R.S. 4:183.2; Adds R.S. 27:361(B)(4)(a)(iii) and 438(B)(5))

#### Summary of Amendments Adopted by House

##### House Floor Amendments to the engrossed bill.

1. Made technical change.