

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 592

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO PARI-MUTUEL BETTING; AMENDING SECTION 54-2512, IDAHO CODE, TO
2 AUTHORIZE PARI-MUTUEL BETTING ON THE RESULT OF A LIVE HORSE RACE MEET AT
3 A FACILITY NOT LOCATED ON THE GROUNDS WHERE THE WAGERING OCCURS UNDER
4 CERTAIN CIRCUMSTANCES, TO PROVIDE PROCEDURES, TO PROVIDE FEES AND TO
5 PROVIDE FOR THE CREATION OF THE LIVE HORSE RACE DISTRIBUTION FUND AND TO
6 PROVIDE FOR DISTRIBUTION OF EXCESS PROCEEDS FROM THE FUND.
7

8 Be It Enacted by the Legislature of the State of Idaho:

9 SECTION 1. That Section 54-2512, Idaho Code, be, and the same is hereby
10 amended to read as follows:

11 54-2512. PARI-MUTUEL BETTING -- OTHER BETTING ILLEGAL. (1) Any
12 licensee conducting a race meet under this chapter may provide a place or
13 places in the race meet grounds or enclosure at which such licensee may
14 conduct and supervise the use of the pari-mutuel system by patrons on the
15 result of the races conducted by such licensee at such race meet and, upon
16 written application by a licensee and approval by the commission, on the
17 result of simulcast and/or televised races. The commission shall issue no
18 more than one (1) license to simulcast per live race meet licensee and there
19 shall be no more simulcasting sites in the state than there are licensed live
20 race meet sites.

21 (2) Licenses authorizing simulcast and/or televised races will be
22 regulated by the commission, in addition to its other responsibilities, for
23 the purpose of enhancing, promoting, and protecting the live race industry
24 in the state of Idaho. No license authorizing simulcasting and/or televised
25 races shall be issued to or renewed for persons that are not also licensed
26 to conduct live race meets in the state of Idaho. Persons applying for a
27 simulcast and/or televised race license shall have an agreement reached
28 voluntarily or pursuant to binding arbitration in conformance with chapter
29 9, title 7, Idaho Code, with a horsemen's group as the term "horsemen's
30 group" is defined in section 54-2502, Idaho Code. The agreement shall
31 address, but not be limited to, number of live race days and percentage of the
32 live race and simulcast handle that is dedicated to the live horse race purse
33 structure. In addition, the agreement shall provide that all simulcast
34 purse moneys that are accrued as required by the horsemen's agreement be held
35 in the simulcast purse moneys fund created pursuant to the provisions of
36 section 54-2508, Idaho Code. Race days agreed upon shall be submitted to the
37 Idaho racing commission for its approval.

38 (3) Upon written application by a live horse race licensee and approval
39 by the Idaho state racing commission, a license may be issued to conduct
40 and supervise the use of the pari-mutuel system by patrons on the result of
41 simulcast and/or televised races in a facility not located on the grounds of

1 a live horse race meet facility, but within the county that the live horse
2 race facility is located, subject to the following restrictions:

3 (a) In addition to the distribution and payment of the handle as
4 described in section 54-2513, Idaho Code, a licensee operating under
5 a license described in this subsection shall pay to the Idaho state
6 racing commission for deposit in the live horse race purse distribution
7 fund, a minimum of one percent (1%) of the gross daily receipts from
8 simulcast and/or televised races. The Idaho state racing commission
9 shall distribute the moneys from the live horse race purse distribution
10 fund to those live horse race licensees that ran less than fifteen (15)
11 live race days during the preceding calendar year. The distribution
12 shall be made by dividing the total number of live race days of all of the
13 qualified live horse race tracks combined into the moneys collected by
14 the fund in any one (1) calendar year and by multiplying the result by
15 the number of days run by each of the respective live horse race tracks
16 individually; and

17 (b) Additionally, the licensee shall pay to the Idaho state racing
18 commission a minimum of one percent (1%) of the gross daily receipts
19 from simulcast and/or televised races conducted pursuant to the race
20 purse distribution fund to the licensee whose license is being utilized
21 to conduct simulcast and/or televised races pursuant to this section.
22 These moneys shall be used by the licensee solely for live horse race
23 meet purses; and

24 (c) Approval must be obtained from the board of county commissioners;
25 and

26 (d) A license to conduct and supervise the use of the pari-mutuel system
27 by patrons on the result of simulcast and/or televised races issued
28 pursuant to this section may be leased to another person or entity but
29 only with the approval of the Idaho state racing commission. A lessee of
30 such a license shall be held by the Idaho state racing commission to the
31 same standards as the original licensee.

32 (4) Upon written application by a live horse race licensee and approval
33 by the Idaho state racing commission, a license may be issued to conduct
34 and supervise the use of the pari-mutuel system by patrons on the result of
35 simulcast and/or televised races in a facility located in another county
36 within the state other than the county where the licensee's live race track
37 facility is located subject to the following restrictions:

38 (a) In addition to the distribution and payment of the handle as
39 described in section 54-2513, Idaho Code, a licensee operating under
40 a license described in this subsection shall pay to the Idaho state
41 racing commission for deposit in the live horse race purse distribution
42 fund, a minimum of one percent (1%) of the gross daily receipts from
43 simulcast and/or televised races. The Idaho state racing commission
44 shall distribute the moneys from the live horse race purse distribution
45 fund to those live horse race licensees that ran less than fifteen (15)
46 live race days during the preceding calendar year. The distribution
47 shall be made by dividing the total number of live race days of all of the
48 qualified live horse race tracks combined into the moneys collected by
49 the fund in any one (1) calendar year and by multiplying the result by

1 the number of days run by each of the respective live horse race tracks
2 individually; and

3 (b) Additionally, the licensee shall pay to the Idaho state racing
4 commission a minimum of one percent (1%) of the gross daily receipts
5 from simulcast and/or televised races conducted pursuant to the race
6 purse distribution fund to the licensee whose license is being utilized
7 to conduct simulcast and/or televised races pursuant to this section.
8 These moneys shall be used by the licensee solely for live horse race
9 meet purses; and

10 (c) Approval must be obtained from the board of county commissioners of
11 the county in which the simulcast and/or televised race facility is to
12 be located; and

13 (d) A license to conduct and supervise the use of the pari-mutuel system
14 by patrons on the result of simulcast and/or televised races issued
15 under this section may be leased to another person or entity but only
16 with the approval of the Idaho state racing commission. A lessee of such
17 a license shall be held by the Idaho state racing commission to the same
18 standards as the original licensee.

19 (e) No simulcast and/or televised race license transferred from one
20 (1) county to another shall be located in a facility within thirty (30)
21 miles of a live horse race track without the approval of that live horse
22 race track facility.

23 (f) No simulcast and/or televised race license can be transferred
24 into a county that has had a live race license within the prior five (5)
25 years.

26 (5) No more than one (1) simulcast and/or televised race facility
27 per county shall be allowed. This includes the one (1) simulcast license
28 authorized in section 54-2514A, Idaho Code.

29 (6) There is hereby created in the state treasury the live horse race
30 distribution fund, to which shall be deposited moneys received by the Idaho
31 state racing commission for the purposes described in this section. All
32 moneys in the live horse race purse distribution fund are hereby perpetually
33 appropriated to the Idaho state racing commission for payment as required
34 in this section. Payments by the Idaho state racing commission from the
35 live horse race purse distribution fund to the recipient live horse race
36 tracks shall be made no later than thirty (30) days after Idaho state
37 racing commission approval of a live race meet license application for the
38 forthcoming calendar year.

39 (7) Once a total handle exceeding fourteen million dollars
40 (\$14,000,000) is realized from simulcasting and/or televised races
41 conducted pursuant to this section in any one (1) calendar year, the Idaho
42 state racing commission shall submit to the Idaho horse board a sum of five
43 percent (5%) of the balance over fourteen million dollars (\$14,000,000),
44 but not to exceed twelve thousand five hundred dollars (\$12,500) to be used
45 by the Idaho horse board for youth programs and to the Idaho Robert R. Lee
46 Promise Scholarship Program as detailed in chapter 43, title 33, Idaho Code,
47 a sum of five percent (5%) of the balance over fourteen million dollars
48 (\$14,000,000), but not to exceed twelve thousand five hundred dollars
49 (\$12,500).

1 (8) Such pari-mutuel system conducted at such race meet shall not
2 under any circumstances, if conducted under the provisions of this chapter
3 and in conformity thereto and to the rules of the commission, be held or
4 construed to be unlawful, other statutes of this state to the contrary
5 notwithstanding.

6 (48) The participation by a licensee in an interstate combined wagering
7 pool does not cause that licensee to be considered to be doing business in any
8 jurisdiction other than the jurisdiction in which the licensee is physically
9 located.

10 (59) Advance deposit wagering on live and/or simulcast horse racing
11 conducted by licensees is hereby declared to be lawful and within the scope
12 of the licensee's license. As used in this section, "advance deposit
13 wagering" means a form of wagering in which an account holder may deposit
14 money with a licensee and then use the balance to fund wagers. The bettor can
15 then contact the licensee from a location without actually being physically
16 present at the licensee's premises in order to communicate the desired use
17 of those funds for wagering purposes. However, no wager can be accepted by
18 the licensee that exceeds the amount in the account held by the licensee for
19 the person placing the wager. Any advance deposit wagering conducted by a
20 person with a provider outside of the state by telephone or other electronic
21 means shall be illegal unless that provider is licensed by the Idaho state
22 racing commission and provides a source market fee of not less than ten
23 percent (10%) of the handle forwarded monthly to the commission. All moneys
24 in the advance deposit wagering accounts held by the commission are hereby
25 continuously appropriated to the commission for payment as required by this
26 section. Payments to recipients shall be made annually. Distribution of
27 the source market fee shall be forty percent (40%) to purses to be deposited
28 directly into the horsemen's purse account at all tracks weighted by number
29 of races ran through the year of distribution, thirty percent (30%) to the
30 simulcast sites in the state weighted by the annual simulcast handle, five
31 percent (5%) to the track distribution fund, five percent (5%) to the breed
32 distribution fund, five percent (5%) to the Idaho state racing commission,
33 five percent (5%) to the public school income fund, and ten percent (10%)
34 for track operating expenses at the live tracks with distribution weighted
35 on the number of race days. All moneys in the track operating accounts are
36 hereby continuously appropriated to the commission for payment as required
37 by this section. For purposes of this section, wagering instructions
38 concerning funds held in an advance deposit account shall be deemed to be
39 issued within the licensee's enclosure. As used in this section, "source
40 market fee" means that part of a wager, made outside of the state by an
41 Idaho resident, that is returned to the state of Idaho. The commission may
42 promulgate rules pursuant to chapter 52, title 67, Idaho Code, to implement
43 the provisions of this subsection.

44 (610) Pari-mutuel taxes or commissions may not be imposed on any
45 amounts wagered in an interstate combined wagering pool other than amounts
46 wagered within this jurisdiction.

47 (711) It shall be unlawful to conduct pool selling, bookmaking, or
48 to circulate handbooks, or to bet or wager on a race of any licensed race
49 meet, other than by the pari-mutuel system; and it shall further be unlawful
50 knowingly to permit any minor to use the pari-mutuel system.