
DIGEST

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HB 738 Engrossed

2020 Regular Session

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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.