

2023 Regular Session

SENATE BILL NO. 144

BY SENATOR CORTEZ

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

HORSE RACING. Provides relative to horse racing. (gov sig)

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AN ACT

To amend and reenact R.S. 4:147(1) and (3), 214.1, and 218.1 and R.S. 27:361(B)(4) and 435(D)(4), relative to horse racing; to provide for duties of the commission; to provide for the number of live horse racing dates; to decrease the license fee collected for historical horse racing; to provide for distribution of collected fees; to provide for payment of franchise fees from certain slot machine proceeds to support pari-mutuel wagering facilities; to provide for contributions from certain video draw poker devices proceeds to the support of pari-mutuel wagering facilities; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 4:147(1) and (3), 214.1, and 218.1 are hereby amended and reenacted to read as follows:

§147. Specific duties of commission

The commission shall carry out the provisions of this Part, including the following specific duties:

(1)(a) To assign the dates race meetings may be conducted in this state at a **any** particular track, including dates which limit racing at a particular track for

1 quarter horses only, provided that:

2 (i) ~~It~~ To the extent possible, it shall prohibit the conducting of any
3 thoroughbred race meetings having the same or overlapping dates for such race
4 meetings at thoroughbred race tracks within ~~a radius of one hundred miles of each~~
5 ~~other~~ the state.

6 (ii) ~~It~~ To the extent possible, it shall prohibit the conducting of any
7 exclusively quarter horse race meetings having the same or overlapping dates for
8 such race meetings at any other exclusively quarter horse track within ~~a radius of one~~
9 ~~hundred miles of each other~~ the state.

10 (b) To set the minimum number of live races required per race day at a any
11 particular track.

12 * * *

13 (3)(a) To make an annual report to the governor and the legislature of its
14 operation, its own actions and rulings, and the receipts derived under the provisions
15 of this Part; and to offer such practical suggestions as it deems proper to accomplish
16 more fully the purposes of this Part.

17 (b) To make an annual report to the governor and the legislature
18 regarding the race calendar, field size, the number of races, handle, attendance,
19 the effect of overlapping race days compared to previous years, and any other
20 relevant matters along with any recommendations to improve the racing
21 industry in the state.

22 * * *

23 §214.1. Minimum live racing dates; offtrack and other authorized wagering

24 A. An association shall not be licensed to conduct offtrack or other
25 authorized wagering in the state unless it conducts live horse racing for not less than
26 ~~one hundred thirty~~ one hundred twenty-two racing days within each fifty-two week
27 period at the facility designated in its license. Of the required ~~one hundred thirty one~~
28 hundred twenty-two racing days, not less than ~~eighty-four~~ seventy-six days shall
29 be thoroughbred horse racing days conducted during twenty-one consecutive weeks

1 and not less than forty-six days shall be quarter horse racing days conducted during
2 twelve consecutive weeks. The foregoing minimum racing requirements are
3 mandatory unless the association is prevented from live racing as a result of a natural
4 disaster, an act of God, force majeure, a catastrophe, or such other occurrence over
5 which the association has no control. When a pari-mutuel wagering facility and a
6 related offtrack betting facility are sold, the purchaser shall conduct the minimum
7 number of live racing days, including the minimum quarter horse racing days,
8 required by this Section as a condition of operating the offtrack betting facility.

9 B. Notwithstanding any provision of law to the contrary, at any facility
10 subject to the provisions of R.S. 27:372.1(A), the facility shall maintain a minimum
11 of ~~eighty~~ seventy-six thoroughbred horse racing days conducted during twenty
12 consecutive weeks and not less than fifteen days of quarter horse racing conducted
13 during five consecutive weeks. The racing days provided for in this Subsection shall
14 be conducted within a fifty-two week period. The foregoing minimum racing
15 requirements are mandatory unless the association is prevented from live racing as
16 a result of a natural disaster, an act of God, force majeure, a catastrophe, or such
17 other occurrence over which the association has no control. When a pari-mutuel
18 wagering facility and a related offtrack betting facility are sold, the purchaser shall
19 conduct the minimum number of live racing days, including the minimum quarter
20 horse racing days, required by this Section as a condition of operating the offtrack
21 betting facility.

22 **C. Notwithstanding Subsections A and B of this Section, the commission**
23 **may reduce the number of race days by up to twenty-one upon a showing by the**
24 **association and the Horsemen's Benevolent and Protection Association that the**
25 **reduction would be in the best interests of the industry.**

26 **D. If the association and the Horsemen's Benevolent and Protection**
27 **Association cannot reach an agreement pursuant to Subsection C of this**
28 **Section, the commission may, by a two-thirds vote of the membership, reduce**
29 **the number of race days by up to twenty-one upon a showing by the association**

1 that without the reduction of race days the association would experience
 2 imminent financial distress. The commission shall examine all financial records
 3 of the association and any relevant financial records of any affiliates for the
 4 purpose of determining equitable cost allocation. Any examination of financial
 5 records shall be confidential. After the examination, the commission shall
 6 release a summary of relevant facts, but any proprietary information or trade
 7 secrets shall remain confidential.

8 * * *

9 §218.1. Historical horse racing fee authorization

10 The commission ~~may~~ **shall** collect a license fee ~~not to exceed four~~ **of one and**
 11 **one-half** percent of the total amount wagered at each offtrack wagering facility on
 12 historical horse racing ~~to cover administrative costs.~~ **The fee shall be allocated as**
 13 **follows:**

14 **(1) Sixty-six percent to the commission.**

15 **(2) Fourteen percent to the Louisiana Thoroughbred Breeders**
 16 **Association for promotion of the appropriate breeding industry and for breeder**
 17 **awards.**

18 **(3) Seven percent to the Louisiana Quarterhorse Breeders Association**
 19 **for promotion of the appropriate breeding industry and for breeder awards.**

20 **(4) Six percent to the local governing authority where the offtrack**
 21 **wagering facilities are located.**

22 **(5) Six percent to the local law enforcement agency with primary**
 23 **jurisdiction where the offtrack wagering facilities are located.**

24 Section 2. R.S. 27:361(B)(4) and 435(D)(4) are hereby amended and reenacted to
 25 read as follows:

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

27 * * *

28 B. As a condition of licensing and to maintain continued authority for the
 29 conduct of slot machine gaming at the licensed eligible facility, the owner of the

1 licensed eligible facility shall:

2 * * *

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

7 * * *

8 §435. Licensing by division; fees; franchise payments; enforcement activities

9 * * *

10 D.(1) * * *

11 (4) Of the amount attributable to the payment of franchise fees as required
12 in this Section, an amount equal to the avails of one-half of one percent of the
13 franchise fee rate shall be allocated as provided in R.S. ~~27:437~~ **27:437(C)** and
14 appropriated by the legislature as provided in R.S. ~~27:439~~ **27:439(B)**.

15 * * *

16 Section 3. This Act shall become effective upon signature by the governor or, if not
17 signed by the governor, upon expiration of the time for bills to become law without signature
18 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
19 vetoed by the governor and subsequently approved by the legislature, this Act shall become
20 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Alan Miller.

DIGEST

SB 144 Reengrossed

2023 Regular Session

Cortez

Present law provides for the specific duty of the Louisiana State Racing Commission (LSRC) to assign the dates race meetings are authorized to be conducted in this state at a particular track, including dates which limit racing at a particular track for quarter horses only.

Proposed law makes technical changes.

Present law prohibits the conducting of any thoroughbred race meetings having the same or overlapping dates for such race meetings at thoroughbred race tracks within a radius of 100 miles of each other.

Proposed law prohibits, to the extent possible, the conducting of any thoroughbred race meetings having the same or overlapping dates for such race meetings at thoroughbred race tracks within the state.

Present law prohibits the conducting of any quarter horse race meetings having the same or overlapping dates for such race meetings at quarter horse race tracks within a radius of 100 miles of each other.

Proposed law prohibits, to the extent possible, the conducting of any quarter horse race meetings having the same or overlapping dates for such race meetings at quarter horse race tracks within the state.

Present law provides for the specific duty of the LSRC to set the minimum number of live races per race day at a particular track.

Proposed law makes technical changes.

Proposed law requires the LSRC to make an annual report to the governor and the legislature regarding the race calendar, field size, the number of races, handle, attendance, the effect of overlapping race days compared to previous years, and any other relevant matters along with any recommendations to improve the racing industry in the state.

Present law sets the minimum number of live racing days at not less than 130 at each race track.

Proposed law reduces the number of live racing days from not less than 130 to not less than 122 at each race track.

Present law sets the minimum number of thoroughbred racing days at not less than 84 at each race track.

Proposed law reduces the number of thoroughbred racing days from not less than 84 to not less than 76 at each race track.

Proposed law authorizes the LSRC to reduce the number of race days by up to 21 upon a showing by the race track and the HBPA that the reduction would be in the best interests of the industry.

Proposed law provides that if the race track and the HBPA cannot reach an agreement pursuant to proposed law, the LSRC may, by a two-thirds vote of the membership, reduce the number of race days by up to 21 upon a showing by the race track that without the reduction of race days the association would experience imminent financial distress.

Proposed law requires the LSRC to examine all financial records of the race track and any relevant financial records of any affiliates for the purpose of determining equitable cost allocation. Proposed law requires any examination of financial records remain confidential. Proposed law requires the LSRC to release a summary of relevant facts, with any proprietary information or trade secrets remaining confidential.

Present law authorizes the LSRC to collect a license fee not to exceed 4% of the total amount wagered at each offtrack wagering facility (OTB) on historic horse racing (HHR) machines to cover administrative costs.

Proposed law reduces the fee on HHR machines to 1 & ½% to be distributed as follows:

1. 67% to the LSRC.
2. 14% to the Louisiana Thoroughbred Breeders Association for promotion of the

appropriate breeding industry and for breeder awards.

3. 7% to the Louisiana Quarterhorse Breeders Association for promotion of the appropriate breeding industry and for breeder awards.
4. 6% to the local governing authority where the OTBs are located.
5. 6% to the local law enforcement agency with primary jurisdiction where the OTBs are located.

Present law, regarding slot machine gaming at race tracks, requires that, as a condition of licensing for the conduct of slot machine gaming at race tracks, the owner of the race track shall contribute to the support of pari-mutuel wagering facilities and the horse breeding industry. Provides that the contribution be in the form of a fixed percentage of net slot machine proceeds received from slot machine gaming operations at the race track.

Proposed law makes technical changes.

Present law, regarding video draw poker gaming, provides for franchise fees to be paid by the device owner in an amount equal to a percentage of the net device revenue derived from the operation of each video draw poker device. Provides that the amount of the percentage is based on the type of licensed establishment. Provides that .5% of the avails shall be allocated to the La. State Racing Commission for purse supplements and support of certain horsemen's associations.

Proposed law makes technical changes.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 4:147(1) and (3), 214.1, and 218.1 and R.S. 27:361(B)(4) and 435(D)(4))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary B to the original bill

1. Makes technical changes.
2. Adds provision that prohibits, to the extent possible, the conducting of any thoroughbred race meetings having the same or overlapping dates for such race meetings at thoroughbred race tracks within the state.
3. Adds provision that prohibits, to the extent possible, the conducting of any quarter horse race meetings having the same or overlapping dates for such race meetings at quarter horse race tracks within the state.
4. Reduces the number of thoroughbred racing days from not less than 84 to not less than 60, nor more than 70 at each race track.
5. Reduces the number of quarter horse racing days from not less than 46 to not less than 40, nor more than 46 at each race track.

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Changes the required number of live horse racing days a race track must

operate in order to conduct offtrack or other authorized wagering from not less than 130 days to not less than 122 days.

2. Changes the required number of live thoroughbred horse racing days a race track must operate in order to conduct offtrack or other authorized wagering from not less than 84 days to not less than 76 days.
3. Adds requirement that the LSRC make an annual report to the governor and the legislature regarding the race calendar, field size, the number of races, handle, attendance, the effect of overlapping race days compared to previous years, and any other relevant matters along with any recommendations to improve the racing industry in the state.
4. Adds provision that if the race track and the HBPA cannot reach an agreement pursuant to proposed law, the LSRC may, by a two-thirds vote of the membership, reduce the number of race days by up to 21 upon a showing by the race track that without the reduction of race days the association would experience imminent financial distress.
5. Reduces the fee on HHR machines to 1 & ½% to be distributed as follows:
 - (a) 67% to the LSRC.
 - (b) 14% to the Louisiana Thoroughbred Breeders Association for promotion of the appropriate breeding industry and for breeder awards.
 - (c) 7% to the Louisiana Quarterhorse Breeders Association for promotion of the appropriate breeding industry and for breeder awards.
 - (d) 6% to the local governing authority where the OTBs are located.
 - (e) 6% to the local law enforcement agency with primary jurisdiction where the OTBs are located.