

IN THE SENATE

SENATE BILL NO. 1374

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO HORSE RACING; AMENDING SECTION 54-2502, IDAHO CODE, TO DEFINE A TERM; AMENDING SECTION 54-2505, IDAHO CODE, TO REVISE A CODE REFERENCE; AND AMENDING SECTION 54-2512, IDAHO CODE, TO PROVIDE FOR WAGERING ON HISTORICAL HORSE RACES.

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

SECTION 1. That Section 54-2502, Idaho Code, be, and the same is hereby amended to read as follows:

54-2502. DEFINITIONS. Unless the context otherwise requires, words and phrases as used herein shall mean:

(1) "Commission" means the Idaho state racing commission, hereinafter created.

(2) "Gross daily receipts" means the total of all sums deposited in all pools for each race day.

(3) "Historical horse race" means a race involving live horses that was conducted in the past and that is rebroadcast by electronic means and shown on a delayed or replayed basis for the purposes of wagering conducted at a facility that is authorized to show simulcast and/or televised races.

(4) "Horsemen's group" means an organization composed of licensed owners and/or trainers duly registered with the secretary of state and recognized by the Idaho racing commission.

(5) "Host facility" means the racetrack at which the race is run, or the facility which is designated as the host facility if the race is run in a jurisdiction which is not participating in the interstate combined wagering pool.

(6) "Host jurisdiction" means the jurisdiction in which the host facility is located.

(7) "Interstate common wagering pool" means a pari-mutuel pool established in one (1) jurisdiction which is combined with comparable pari-mutuel pools from one (1) or more racing jurisdictions. Such pool is established for the purpose of establishing pay-off prices in the various jurisdictions.

(8) "Pari-mutuel" means any system whereby wagers with respect to the outcome of a race are placed with, or in, a wagering pool conducted by a person licensed or otherwise permitted to do so under state law, and in which the participants are wagering with each other and not against the operator.

(9) "Persons" means and includes individuals, firms, corporations and associations.

(10) "Pool" means the total sum of all moneys wagered in each race for each type of bet. Types of bets include win, place, show, quinella, daily double, exacta, trifecta, etc., and such other types as are approved by the commission from time to time.

(101) "Race meet" means and includes any exhibition of thoroughbred, purebred, and/or registered horse racing, mule racing or dog racing, where the pari-mutuel system of wagering is used. Singular includes the plural and plural includes the singular; and words importing one gender shall be regarded as including all other genders.

(112) "Racing jurisdiction" or "jurisdiction" means a governmental jurisdiction responsible for the regulation of pari-mutuel racing in that jurisdiction.

(123) "Simulcast" means the telecast or other transmission of live audio and visual signals of a race, transmitted from a sending track to a receiving location, for the purpose of wagering conducted on the race at the receiving location.

SECTION 2. That Section 54-2505, Idaho Code, be, and the same is hereby amended to read as follows:

54-2505. COMMISSION'S ANNUAL REPORT -- PUBLIC RECORD. The commission shall keep detailed records of all meetings and of the business transacted therein, and all licenses applied for and issued, reports of which shall be embodied in an annual report which the commission shall prepare and submit to the governor on or before the thirty-first day of March of each year. Said annual report shall cover the activities of the commission, including the financial report of the commission and a financial summary of licensees subject to section 54-2508, Idaho Code, and organizations of licensees defined in section 54-2502 (34), Idaho Code, for the preceding year in addition to the aforementioned.

All records of the commission shall be public records, and as such, subject to public inspection.

SECTION 3. That Section 54-2512, Idaho Code, be, and the same is hereby amended to read as follows:

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

(2) Licenses authorizing simulcast and/or televised races will be regulated by the commission, in addition to its other responsibilities, for the purpose of enhancing, promoting, and protecting the live race industry in the state of Idaho. No license authorizing simulcasting and/or televised races shall be issued to or renewed for persons that are not also licensed to conduct live race meets in the state of Idaho. Persons applying for a simulcast and/or televised race license shall have an agreement reached voluntarily or pursuant to binding arbitration in conformance with chapter 9, title 7, Idaho Code, with a horsemen's group as the term "horsemen's group" is

defined in section 54-2502, Idaho Code. The agreement shall address, but not be limited to, number of live race days and percentage of the live race and simulcast handle that is dedicated to the live horse race purse structure. In addition, the agreement shall provide that all simulcast purse moneys that are accrued as required by the horsemen's agreement be held in the simulcast purse moneys fund created pursuant to the provisions of section 54-2508, Idaho Code. Race days agreed upon shall be submitted to the Idaho racing commission for its approval.

(3) Wagering on an historical horse race is declared to be lawful and within the scope of a license that authorizes a live race meet licensee to conduct and supervise pari-mutuel wagering on simulcast and/or televised races. Wagering on an historical horse race shall be conducted in accordance with the pari-mutuel system pursuant to the provisions of this chapter and in accordance with all rules promulgated by the commission. Wagering on an historical horse race may be conducted at any facility authorized to conduct and supervise wagering on simulcast and/or televised races.

(4) Upon written application by a live horse race licensee and approval by the Idaho state racing commission, a license may be issued to conduct and supervise the use of the pari-mutuel system by patrons on the result of simulcast and/or televised races in a facility not located on the grounds of a live horse race meet facility, but within the county that the live horse race facility is located, subject to the following restrictions:

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

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

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

(d) A license to conduct and supervise the use of the pari-mutuel system by patrons on the result of simulcast and/or televised races issued pursuant to this section may be leased to another person or entity but only with the approval of the Idaho state racing commission. A lessee of such

1 a license shall be held by the Idaho state racing commission to the same
2 standards as the original licensee.

3 (45) Upon written application by a live horse race licensee and ap-
4 proval by the Idaho state racing commission, a license may be issued to
5 conduct and supervise the use of the pari-mutuel system by patrons on the
6 result of simulcast and/or televised races in a facility located in another
7 county within the state other than the county where the licensee's live race-
8 track facility is located subject to the following restrictions:

9 (a) In addition to the distribution and payment of the handle as de-
10 scribed in section 54-2513, Idaho Code, a licensee operating under a li-
11 cense described in this subsection shall pay to the Idaho state racing
12 commission for deposit in the live horse race purse distribution fund,
13 a minimum of one percent (1%) of the gross daily receipts from simul-
14 cast and/or televised races. The Idaho state racing commission shall
15 distribute the moneys from the live horse race purse distribution fund
16 to those live horse race licensees that ran less than fifteen (15) live
17 race days during the preceding calendar year. The distribution shall be
18 made by dividing the total number of live race days of all of the qual-
19 ified live horse racetracks combined into the moneys collected by the
20 fund in any one (1) calendar year and by multiplying the result by the
21 number of days run by each of the respective live horse racetracks indi-
22 vidually; and

23 (b) Additionally, the licensee shall pay to the Idaho state racing com-
24 mission a minimum of one percent (1%) of the gross daily receipts from
25 simulcast and/or televised races conducted pursuant to the live horse
26 race purse distribution fund to the licensee whose license is being uti-
27 lized to conduct simulcast and/or televised races pursuant to this sec-
28 tion. These moneys shall be used by the licensee solely for live horse
29 race meet purses; and

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

33 (d) A license to conduct and supervise the use of the pari-mutuel sys-
34 tem by patrons on the result of simulcast and/or televised races issued
35 under this section may be leased to another person or entity, but only
36 with the approval of the Idaho state racing commission. A lessee of such
37 a license shall be held by the Idaho state racing commission to the same
38 standards as the original licensee.

39 (e) No simulcast and/or televised race license transferred from one
40 (1) county to another shall be located in a facility within thirty (30)
41 miles of a live horse racetrack without the approval of that live horse
42 racetrack facility.

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

46 (56) No more than one (1) simulcast and/or televised race facility per
47 county shall be allowed. This includes the one (1) simulcast license autho-
48 rized in section 54-2514A, Idaho Code.

49 (67) There is hereby created in the state treasury the live horse race
50 purse distribution fund, to which shall be deposited moneys received by the

Idaho state racing commission for the purposes described in this section. All moneys in the live horse race purse distribution fund are hereby perpetually appropriated to the Idaho state racing commission for payment as required in this section. Payments by the Idaho state racing commission from the live horse race purse distribution fund to the recipient live horse race tracks shall be made no later than thirty (30) days after Idaho state racing commission approval of a live race meet license application for the forthcoming calendar year.

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

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

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

(101) Advance deposit wagering on live and/or simulcast horse racing conducted by licensees is hereby declared to be lawful and within the scope of the licensee's license. As used in this section, "advance deposit wagering" means a form of wagering in which an account holder may deposit money with a licensee and then use the balance to fund wagers. The bettor can then contact the licensee from a location without actually being physically present at the licensee's premises in order to communicate the desired use of those funds for wagering purposes. However, no wager can be accepted by the licensee that exceeds the amount in the account held by the licensee for the person placing the wager. Any advance deposit wagering conducted by a person with a provider outside of the state by telephone or other electronic means shall be illegal unless that provider is licensed by the Idaho state racing commission and provides a source market fee of not less than ten percent (10%) of the handle forwarded monthly to the commission. All moneys in the advance deposit wagering accounts held by the commission are hereby continuously appropriated to the commission for payment as required by this section. Payments to recipients shall be made annually. Distribution of the source market fee shall be forty percent (40%) to purses to be deposited directly into the horsemen's purse account at all tracks weighted by number of races ran through the year of distribution, thirty percent (30%) to the simulcast sites in the state weighted by the annual simulcast handle, five percent (5%) to the track distribution fund, five percent (5%) to the breed distribution fund, five percent (5%) to the Idaho state racing commission,

1 five percent (5%) to the public school income fund, and ten percent (10%)
2 for track operating expenses at the live tracks with distribution weighted
3 on the number of race days. All moneys in the track operating accounts are
4 hereby continuously appropriated to the commission for payment as required
5 by this section. For purposes of this section, wagering instructions con-
6 cerning funds held in an advance deposit account shall be deemed to be issued
7 within the licensee's enclosure. As used in this section, "source market
8 fee" means that part of a wager, made outside of the state by an Idaho resi-
9 dent, that is returned to the state of Idaho. The commission may promulgate
10 rules pursuant to chapter 52, title 67, Idaho Code, to implement the provi-
11 sions of this subsection.

12 (11~~2~~) Pari-mutuel taxes or commissions may not be imposed on any amounts
13 wagered in an interstate combined wagering pool other than amounts wagered
14 within this jurisdiction.

15 (12~~3~~) It shall be unlawful to conduct pool selling, bookmaking, or to
16 circulate handbooks, or to bet or wager on a race of any licensed race meet,
17 other than by the pari-mutuel system; and it shall further be unlawful know-
18 ingly to permit any minor to use the pari-mutuel system.