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

DIGEST 2020 Regular Session

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<u>Present law</u> authorizes the La. Racing Commission 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, upon agreement of the Horsemen's Benevolent and Protective Association (HBPA) and the involved licensed eligible facilities.

Proposed law extends present law to quarter horse race purses.

SB 451 Original

<u>Proposed law</u> authorizes the commission to approve the transfer of a race meet, thoroughbred or quarter horse, from one licensed eligible facility to another licensed eligible facility, upon agreement of the HBPA and the involved licensed eligible facilities.

<u>Proposed law</u> requires that the race meet transferred be conducted and completed within one year of the commission's approval. <u>Proposed law</u> provides that the transfer of a race meet includes the transfer of all applicable purses funds that would have been required to be paid at the race meet had the meet not been transferred. <u>Proposed law</u> requires all existing law governing payment of purses required at the licensed eligible facility receiving the race meet remain in full force and effect as if the race meet had not been moved to the licensed eligible facility receiving the race meet.

<u>Present law</u> requires the licensed eligible facility to maintain a minimum of 80 thoroughbred horse racing days conducted during 20 consecutive weeks and not less than 10 days of quarter horse racing conducted during three consecutive weeks.

<u>Proposed law</u> retains <u>present law</u> relative to racing dates for thoroughbreds, and increases racing dates for quarter horses <u>from</u> 10 days over three consecutive weeks <u>to</u> 15 days over five consecutive weeks.

<u>Present law</u> requires the owner of a race track licensed by the Louisiana State Racing Commission, a pari-mutual wagering facility, or offtrack wagering (OTB) facility to pay 20% of the net video poker device revenues earned at that facility to supplement purses for horsemen. Requires that such monies be available to use for purses monthly, prior to the 20th day of the month following the month in which the monies were earned.

<u>Present law</u> provides that such revenues earned for purse supplements, 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 are in addition to all other monies currently provided for purses and

purse supplements under other provisions of <u>present law</u> and are to be used at the current race meeting.

- (2) Monies earned for purse supplements from devices located at a racing facility not currently conducting live racing are to 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 are added to all other monies currently provided for purses and purse supplements at that race meeting under other provisions of <u>present law</u> and are to be used at that race meeting.
- (3) Monies earned for purse supplements from devices located at an OTB facility are to be used for purse supplements at the racing facilities of the owners of the OTB facility where the net device revenues were earned. In instances where the 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. Provides that the distribution of monies earned for purse supplements are to be distributed in accordance with (1) and (2) above.
- (4) Four percent of all monies earned or authorized shall be paid the authorized representative of the horsemen for the use and benefit of such persons and other horsemen as medical and hospital benefits.
- (5) The Horsemen's Benevolent and Protective Association (HBPA) are deemed to hold a perfected security interest in and to all revenues earned for purse supplements until such revenues are distributed as provided in (4) above. All purse supplements to be distributed to the HBPA are deemed to be held in trust for the HBPA by the licensee/racetrack until disbursed. A licensee/racetrack shall have a fiduciary duty to the HBPA to preserve and account for such purse supplements.

<u>Proposed law</u> retains <u>present law</u> but provides for HBPA's security interest to extend beyond payment to the horsemen's representative for horsemen medical and hospital benefits and provides an exception for horse race distribution on purse supplements from net video draw poker devices revenues earned at OTBs. For revenue earned from OTB's, provides that:

- (1) At the Fair Grounds Race Course and Slots, 12.5% of the net video draw poker device revenues are to be used to supplement purses for quarter horse races, up to a maximum of \$1M per state fiscal year of which 25% for each state fiscal year shall be used to satisfy the judgement or settlement in *Soileau v. Churchill Downs La. Horseracing Co.* until a total of \$1M is paid toward the judgement or settlement. Provides that the remainder of the net video draw poker device revenues (87.5%) are to be allocated to thoroughbred horse races.
- (2) At Delta Downs, Evangeline Downs and Louisiana Downs, 30% of the net video draw poker device revenues shall be used to supplement purses for quarter horse races and 70% of the net video draw poker device revenues shall be used to supplement purses for thoroughbred races at that licensed eligible facility.

Effective August 1, 2020.

(Amends R.S. 4:147.1(D) and 214.1(B), R.S. 27:438(A) and (B)(1) - (3) and (5); adds R.S. 4:147.1(E))