

SENATE BILL NO. 173

BY SENATOR FOIL AND REPRESENTATIVES BRYANT, ROBBY CARTER,
FISHER, GLOVER, HUGHES, LARVADAIN, MARCELLE, MARINO,
NEWELL, SELDERS AND WILLARD

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

1 AN ACT

2 To amend and reenact R.S. 4:183(A) and (B)(2) through (4), 183.2(A) and (B)(2) and the
3 introductory paragraph of R.S. 27:361(B)(4)(a), 361(B)(4)(a)(iii), and 438(A), and
4 to enact R.S. 4:183.2(B)(3) and (4), and R.S. 27:361(B)(4)(a)(iv), relative to horse
5 racing; to provide relative to authorized representatives; to provide for disposition
6 of accrued interest on undistributed monies; to provide for the conduct of slot
7 machine gaming activity; to provide relative to purse supplements; to provide for
8 distribution of device revenues; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 4:183(A) and (B)(2) through (4), 183.2(A) and (B)(2) are hereby
11 amended and reenacted and R.S. 4:183.2(B)(3) and (4) are hereby enacted to read as follows:

12 §183. Contracts between licensees and permittees licensed to race horses at race
13 meetings conducted in the state

14 A. The monies to be distributed ~~by a licensee~~ as purses to permittees licensed
15 to race horses in Louisiana and the monies to be distributed ~~by a licensee~~ to the
16 Horsemen's Benevolent and Protective Association for the use and benefit of such
17 permittees, their employees, and others, for hospital and medical benefits and for the
18 administrative expenses in providing these benefits shall be and include:

19 * * *

20 B.

21 * * *

1 (2) In the event the amount distributed as purses is more than the amount
2 required by Subsection A of this Section, the overpayment shall be carried forward
3 to the next race meeting conducted by the same association. It shall be carried on the
4 association books as an asset: unless and until the overpayment is remitted to the
5 Horsemen's Benevolent and Protective Association pursuant to R.S. 4:183.2. If
6 remitted to the Horsemen's Benevolent and Protective Association, the
7 overpayment shall be carried on the Horsemen's Benevolent and Protective
8 Association books as an asset.

9 (3) In the event the amount distributed as purses to persons licensed to race
10 horses at thoroughbred race meetings conducted in the state is less than the amount
11 required by this Section, and more than an amount equal to two times the average
12 daily purse distribution at the thoroughbred race meeting at which generated, it shall
13 be delivered to the Horsemen's Benevolent and Protective Association for further
14 distribution to persons having earned monies during the meeting, in the direct
15 proportion that the underpayment is to the monies earned by that person at that
16 meeting. In the event the underpayment is less than an amount equal to two times the
17 average daily purse distribution at that meeting, it shall be retained by the association
18 or the Horsemen's Benevolent and Protective Association in an interest bearing
19 account to be used for purses at the next thoroughbred meeting conducted by that
20 association. Interest earned on the account shall be added to the purse paid over and
21 above the amount required to be paid as purses by this Section.

22 (4) In the event the amount distributed as purses to persons licensed to race
23 horses at quarter horse race meetings conducted in the state is less than the amount
24 required by this Section and more than an amount equal to two times the average
25 daily purse distribution at the quarter horse race meeting at which generated, it shall
26 be delivered to the Horsemen's Benevolent and Protective Association for further
27 distribution to persons having earned monies during the meeting, in the direct
28 proportion that the underpayment is to the monies earned by that person at that
29 meeting. In the event the underpayment is less than an amount equal to two times the
30 average daily purse distribution at that meeting, it shall be retained by the association

or the Horsemen's Benevolent and Protective Association in an interest bearing account to be used for purses at the next quarter horse meeting conducted by that association. Interest earned on the account shall be added to the purse paid over and above the amount required to be paid as purses by this Section.

* * *

§183.2. Disposition of accrued interest on undistributed monies at a race meeting

A. Monies designated for purses under R.S. 4:183(A) shall be remitted to the Horsemen's Benevolent and Protective Association within ten business days to be deposited by the licensee in a separate interest-bearing account when earned and shall remain in that account until the first day of the next race meeting of the appropriate breed. Monies earned as interest on that account shall be added to those designated for purses under R.S. 4:183(A) and shall be considered part of the gross purses as defined therein.

B.

* * *

(2) Until all monies have been distributed in accordance with R.S. 4:183(A)(4), the Horsemen's Benevolent and Protective Association or all member and other horsemen in the state and all other persons or entities that receive purse or purse supplement funds shall be deemed to hold a perfected security interest in and to all funds that are deemed to have been earned pursuant to this Section and that have not yet been distributed in accordance with R.S. 4:183(A)(4). All earned purse money not yet distributed as purses shall be deemed to be held in trust for the benefit of the Horsemen's Benevolent and Protective Association by the licensee until such time as such monies are distributed in accordance with law. ~~A licensee shall have a fiduciary duty to the Horsemen's Benevolent and Protective Association to preserve and account for such monies.~~ or remitted to the Horsemen's Benevolent and Protective Association pursuant to Subsection A of this Section. Following the remittance to the Horsemen's Benevolent and Protective Association by the licensee, all earned purse money not yet distributed shall be deemed to be held in trust for the benefit of all member and

1 other horsemen in the state and all other persons or entities that receive purse
2 funds by the Horsemen's Benevolent and Protective Association until such time
3 as the monies are distributed in accordance with the law.

4 (3) A licensee shall have a fiduciary duty to the Horsemen's Benevolent
5 and Protective Association to preserve and account for such monies until such
6 monies are remitted to the Horsemen's Benevolent and Protective Association.
7 Once the licensee remits the monies designated for purses in accordance with
8 R.S. 4:183(A) to the Horsemen's Benevolent and Protective Association
9 pursuant to Subsection A of this Section, it shall have no fiduciary duty to the
10 Horsemen's Benevolent and Protective Association, any member or other
11 horsemen, or any person or entity that receives purse funds to preserve and
12 account for such monies and shall be indemnified against any loss of monies or
13 other circumstance causing the amount of funds to be less than what the licensee
14 remitted to the Horsemen's Benevolent and Protective Association. The
15 Horsemen's Benevolent and Protective Association shall have a fiduciary duty
16 to all member and other horsemen in the state and all other persons or entities
17 that receive purse funds to preserve and account for such monies.

18 (4) The account containing the monies remit to the Horsemen's
19 Benevolent and Protective Association pursuant to Subsection A of this Section
20 shall be subject to audit at all times by the legislative auditor and shall be
21 included in the annual audit required by R.S. 4:185.1.

22 Section 2. The introductory paragraph of R.S. 27:361(B)(4)(a), 361(B)(4)(a)(iii), and
23 438(A) are hereby amended and reenacted and R.S. 27:361(B)(4)(a)(iv) is hereby enacted
24 to read as follows:

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

26 * * *

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

30 * * *

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

(a) The licensed eligible facility shall ~~pay a fixed percentage of fifteen percent of the annual net slot machine proceeds received from slot machine gaming operations at the licensed eligible facility to supplement purses as follows:~~ **transfer to the Horseman's Benevolent and Protective Association by the twentieth day of each month a fixed percentage of fifteen percent of the previous month's net slot machine proceeds received from slot machine gaming operators at the licensed eligible facility to supplement purses including any interest earned as follows:**

* * *

(iii) The Horsemen's Benevolent and Protective Association, **designated and recognized as an authorized representative of the Louisiana horsemen,** shall be deemed to hold a perfected security interest in and to the fifteen percent of the annual net slot machine proceeds received from slot machine gaming operations at the licensed eligible facility that is required to supplement purses until such purse supplements have been distributed as purses or distributed to the Horsemen's Benevolent and Protective Association in accordance with law. All such purse supplements shall be deemed to be held in trust for the benefit of the Horsemen's Benevolent and Protective Association by the licensee until such time as such monies are distributed in accordance with law. ~~A licensee shall have a fiduciary duty to the Horsemen's Benevolent and Protective Association to preserve and account for such purse supplements.~~ **or transferred to the Horsemen's Benevolent and Protective Association pursuant to this Paragraph. The purse supplements transferred by the licensee to the Horsemen's Benevolent and Protective Association as required in this Subparagraph and not yet distributed shall be deemed to be held in trust for the benefit of all members and other horsemen in the state and all other persons or entities that receive purse supplements by the Horsemen's**

1 Benevolent and Protective Association until such time as the monies are
2 distributed in accordance with the law.

3 (iv) A licensee shall have a fiduciary duty to the Horsemen's Benevolent
4 and Protective Association to preserve and account for only the purse
5 supplements in its control. Once the licensee transfers purse supplements to the
6 Horsemen's Benevolent and Protective Association, it shall have no fiduciary
7 duty to Horsemen's Benevolent and Protective Association, any member or
8 other horsemen, or any person or entity that receive purse supplements to
9 preserve and account for the transferred purse supplements and shall be
10 indemnified against any loss or other circumstance causing the amount of purse
11 supplements to be less than what the licensee transferred to the Horsemen's
12 Benevolent and Protective Association and the Horsemen's Benevolent and
13 Protective Association shall have a fiduciary duty to all member and other
14 horsemen in the state and all other persons or entities that receive purse
15 supplements to preserve and account for such purse supplements. The account
16 containing the purse supplements transferred to the Horsemen's Benevolent and
17 Protective Association pursuant to this Paragraph shall be subject to audit at
18 all times by the legislative auditor and shall be included in the annual audit
19 required by R.S. 4:185.1.

20 * * *

21 §438. Distribution of device revenues; particular licensed establishments;
22 pari-mutuel wagering facilities

23 A.(1) The owner of the licensed establishment shall pay twenty percent of the
24 net video draw poker device revenue derived from the operation of video draw poker
25 devices at that licensed establishment and at its eligible off-track wagering facilities
26 to the Horsemen's Benevolent and Protective Association to be used to
27 supplement purses for horsemen as provided in Subsection B of this Section. Such
28 monies shall be ~~made available~~ remitted to the Horsemen's Benevolent and
29 Protective Association for use as purses monthly, prior to the twentieth day of the
30 month following the month in which they are earned.

1 **(2) The Horsemen's Benevolent and Protective Association shall have a**
2 **fiduciary duty to all members and other horsemen in the state and all persons**
3 **or entities that receive purse supplements to preserve and account for such**
4 **purse supplements. The account containing the purse supplements transferred**
5 **to the Horsemen's Benevolent and Protective Association pursuant to this**
6 **Subsection shall be subject to audit at all times by the legislative auditor and**
7 **shall be included in the annual audit required by R.S. 4:185.1. The licensee shall**
8 **have no fiduciary duty to the Horsemen's Benevolent and Protective**
9 **Association, any member or other horsemen, or any person or entity that**
10 **receives purse supplements to preserve and account for the transferred purse**
11 **supplements and shall be indemnified against any loss or other circumstance**
12 **causing the amount of purse supplements to be less than what the licensee**
13 **transferred to the Horsemen's Benevolent and Protective Association.**

14 * * *

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____