

2023 Regular Session

SENATE BILL NO. 173

BY SENATOR FOIL

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

HORSE RACING. Provides for the disposition of monies designated for horse racing purses. (8/1/23)

AN ACT

To amend and reenact R.S. 4:179.1 and 183.2(A), and the introductory paragraph of R.S. 27:361(B)(4)(a), 361(B)(4)(a)(iii), and 438(A), relative to horse racing; to provide relative to authorized representatives; to provide for disposition of accrued interest on undistributed monies; to provide for the conduct of slot machine gaming activity; to provide relative to purse supplements; to provide for distribution of device revenues; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 4:179.1 and 183.2(A) are hereby amended and reenacted to read as follows:

§179.1. Authorized representative of persons licensed to race horses at race meetings conducted in the state

The Horsemen's Benevolent and Protective Association is hereby designated and recognized as an authorized representative that shall represent member and other horsemen racing at licensed race meetings held in the state of Louisiana for the purpose of but not limited to negotiating contracts for such horsemen with all racing associations licensed by the state of Louisiana, relative to purses, hospitalization,

1 medical benefits, conditions, and all other matters of interest and concern to such
2 horsemen.

3 * * *

4 §183.2. Disposition of accrued interest on undistributed monies at a race meeting

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

11 * * *

12 Section 2. The introductory paragraph of R.S. 27:361(B)(4)(a), 361(B)(4)(a)(iii), and
13 438(A) are hereby amended and reenacted to read as follows:

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

15 * * *

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

19 * * *

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

24 (a) The licensed eligible facility shall pay ~~a fixed percentage of fifteen~~
25 ~~percent of the annual net slot machine proceeds received from slot machine gaming~~
26 ~~operations at the licensed eligible facility to supplement purses as follows:~~ to the
27 Horseman's Benevolent and Protective Association by the twentieth day of each
28 month a fixed percentage of fifteen percent of the previous month's net slot
29 machine proceeds received from slot machine gaming operators at the licensed

1 eligible facility to supplement purses including any interest earned as follows:

2 * * *

3 (iii) The Horsemen's Benevolent and Protective Association, designated and
4 recognized as an authorized representative of the Louisiana horsemen, shall be
5 deemed to hold a perfected security interest in and to the fifteen percent of the annual
6 net slot machine proceeds received from slot machine gaming operations at the
7 licensed eligible facility that is required to supplement purses until such purse
8 supplements have been distributed as purses or distributed to the Horsemen's
9 Benevolent and Protective Association in accordance with law. All such purse
10 supplements shall be deemed to be held in trust for the benefit of the Horsemen's
11 Benevolent and Protective Association by the licensee until such time as such monies
12 are distributed in accordance with law. A licensee shall have a fiduciary duty to the
13 Horsemen's Benevolent and Protective Association to preserve and account for such
14 purse supplements.

15 * * *

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

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

25 * * *

The original instrument was prepared by Michelle D. Ridge. The following digest, which does not constitute a part of the legislative instrument, was prepared by Alan Miller.

DIGEST

SB 173 Reengrossed 2023 Regular Session Foil

Present law provides relative to the conduct of slot machine gaming at race tracks.

Present law designates and recognizes the Horsemen's Benevolent and Protective Association (HBPA) as an authorized representative that shall represent member and other horsemen.

Present law requires monies designated for purses under present law be deposited by the race track association 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, with monies earned as interest being designated for purses.

Proposed law requires monies designated for purses be remitted from the race tracks to the HBPA within 10 business days to be deposited 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, with monies earned as interest being designated for purses.

Present law provides that as a condition of licensing and to maintain continued authority for the conduct of the slot machine gaming at a race track, the owner of the track must comply with certain requirements, including the requirement that the owner contribute to the support of pari-mutuel wagering activities and the horse breeding industry by paying a fixed percentage of 15% of the annual net slot machine proceeds received to supplement horse race purses. Provides that 4% of that fixed amount shall go to the HBPA.

Proposed law requires the race tracks to pay the HBPA by the 20th day of each month a fixed percentage of 15% 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.

Effective August 1, 2023.

(Amends R.S. 4:179.1 and 183.2(A), R.S. 27:361(B)(4)(a)(intro para), 361(B)(4)(a)(iii), and 438(A))

Summary of Amendments Adopted by Senate

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

1. Makes technical changes.
2. Designates and recognizes the Horsemen's Benevolent and Protective Association (HBPA) as the authorized representative that shall represent member and other horsemen.
3. Requires monies designated for purses be remitted from the race tracks to the HBPA within 10 business days for deposit in a separate interest-bearing account when earned and the monies shall remain in that account until the first day of the next race meeting of the appropriate breed.
4. Requires the race tracks to pay the HBPA by the 20th day of each month a

fixed percentage of 15% 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.

Senate Floor Amendments to engrossed bill

1. Changes designation and recognition of the HBPA from the authorized representative that shall represent member and other horsemen ~~to an authorized representative that shall represent member and other horsemen~~ resulting in no change from present law.