

Date of Hearing: May 2, 2018

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Adam Gray, Chair

AB 2330 (Bigelow) – As Introduced February 13, 2018

SUBJECT: Horse racing: out-of-state thoroughbred races: Florida Derby

SUMMARY: This bill adds the “Florida Derby” to the group of stake races in Horse Racing Law which are exempt from the 50-race per day limit on imported races.

EXISTING LAW:

- 1) Grants the California Horse Racing Board (CHRB) the authority to regulate the various forms of horse racing authorized in this state.
- 2) Limits the number of races that may be imported by associations and fairs to no more than 50 races per day on days when live thoroughbred or fair racing is being conducted in this state, with specified exceptions.
- 3) Exempts from that 50-race per day limit races imported that are part of the race card of certain prominent races, including the Kentucky Derby, the Kentucky Oaks, the Preakness Stakes, the Belmont Stakes, the Jockey Club Gold Cup, the Travers Stakes, the Arlington Million, the Breeders’ Cup, the Dubai World Cup, the Arkansas Derby, the Apple Blossom Handicap, or the Haskell Invitational.
- 4) Authorizes thoroughbred racing associations or fairs to distribute the audiovisual signal and accept wagers on the results of out-of-state and international thoroughbred races during the calendar period the association or fair is conducting live racing, including days on which there is no live racing being conducted by the association or fair.

FISCAL EFFECT: This bill is keyed non-fiscal by Legislative Counsel.

COMMENTS:

Purpose of this bill. The Florida Derby is an American Thoroughbred horse race for three-year-old horses held annually in April at Gulfstream Park in Hallandale Beach, Florida. The Florida Derby was first run in 1952. The Florida Derby is biggest race day of the year in South Florida, the race is a showcase of the world's best horses and jockeys. The Florida Derby’s reputation as the most prolific prep for the spring classics was only strengthened by the 2016 and 2017 victories by Nyquist and Always Dreaming, who went on to victory in the Kentucky Derby.

AB 2330 provides that all races imported by a thoroughbred association or fair that are part of the race card of the overall Florida Derby day would be exempted from the 50-race per day limit, as defined in current law. Over the years, this law has been amended to allow specific notable races to be imported outside of this cap for promotional and financial reasons.

The author’s office notes that this measure is intended to help increase public interest and participation at California racetracks and satellite wagering facilities. The satellite importation of this historic and prestigious race will allow California racetracks to remain competitive,

increase the wagering handle on this specific race day and will lead to increased purses, racetrack revenue, and breeders' awards in this state.

Satellite Wagering. Satellite wagering via an off-track facility has been legal in California since 1985. It was authorized at a time when California racetracks were beginning to experience declining attendance and handle figures. The industry believed that making the product easier to access not only would expose and market horse racing to potential customers, but also would make it more convenient for the existing patrons to wager more often.

Simulcasting. Simulcasting is the process of transmitting the audio and video signal of a live racing performance from one facility to a satellite for re-transmission to other locations or venues where pari-mutuel wagering is permitted. Simulcasting provides racetracks with the opportunity to increase revenues by exporting their live racing content to as many wagering locations as possible, such as other racetracks, fair satellite facilities and Indian casinos. Revenues are increased because simulcasting provides racetracks that export their live content with additional customers in multiple locations who would not have otherwise been able to place wagers on the live racing event.

Racetrack Attendance. Over the past 25 years, the industry has witnessed a general decline in the number of people attending and wagering at live horse racetracks in California due to a number of factors, including increased competition from other forms of gaming, unwillingness of customers to travel a significant distance to racetracks and the availability of off-track wagering. The declining attendance at live horse racing events has prompted racetracks to rely on revenues from in-state and out-of-state satellite wagering and account wagering.

Related legislation. AB 2739 (Gray) of 2018. Would add the "Whitney Stakes" to the group of stake races in Horse Racing Law which are exempt from the 50-race per day limit on imported races.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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