

Date of Hearing: May 3, 2017

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Adam Gray, Chair

AB 253 (Bigelow) – As Amended March 23, 2017

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) Provides that the California Horse Racing Board (CHRB) shall 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 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 the 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 victory by Nyquist, who went on to victory in the Kentucky Derby.

This bill 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.

Prior legislation. AB 2655 (Hall), Chapter 149, Statutes of 2014. Added the "Apple Blossom Handicap" to the group of stake races in Horse Racing Law which are exempt from the 50-race per day limit on imported races.

AB 2693 (Governmental Organization Committee), Chapter 350, Statutes of 2012. Among other things, added the "Arkansas Derby" to the group of stake races in Horse Racing Law which are exempt from the 50-race per day limit on imported races.

AB 2520 (Hall), Chapter 347, Statutes of 2012. Increased the number of races quarter or harness racing associations are allowed to import for simulcast wagering purposes from eight to 10 per day on live racing days.

AB 707 (Garrick), Chapter 84, Statutes of 2011. Increased from 32 to 50, the limitation on the total number of out-of-state thoroughbred races that may be imported per day by a thoroughbred association or fair that is conducting a live race meet with approval by the CHRB.

AB 2790 (Governmental Organization Committee), Chapter 141, Statutes of 2010. Added the "Arlington Million" to the list of imported races not subject to the limitation of 32 races per day.

SB 899 (Denham), Chapter 279, Statutes of 2010. Deleted the statewide cap on the number of out-of-country thoroughbred races that a thoroughbred racing association or fair may import, simulcast, and on which wagers may be accepted statewide in any given year.

AB 136 (Silva), Chapter 221, Statutes of 2009. Deleted the limitation on the total number of out-of-state or out-of-country harness or quarter horse races that may be imported in a calendar year by a harness or quarter horse racing association.

AB 763 (Chesbro), Chapter 122, Statutes of 2009. Authorized the Humboldt County Fair to offer satellite wagering on eight out-of-state races during the August days when the fair is offering live racing, if specified conditions are met.

AB 3074 (Governmental Organization Committee), Chapter 508, Statutes of 2008. Authorized the CHRB to allow harness racing tracks to accept wagers during the Kentucky Futurity and increased from 23 to 32 the total number of thoroughbred races that may be imported statewide for satellite wagering by associations or fairs.

SB 379 (Denham), Chapter 443, Statutes of 2007. Added the "Dubai World Cup" to a specified day of races that would be exempted from the 23-race day limit on imported races for satellite wagering.

AB 765 (Evans), Chapter 613, Statutes of 2007. Among other things, reauthorized horse racing's Advance Deposit Wagering law, which was due to "sunset" on January 1, 2008.

REGISTERED SUPPORT / OPPOSITION:**Support**

None on file

Opposition

None on file

Analysis Prepared by: Eric Johnson / G.O. / (916) 319-2531