

Date of Hearing: May 10, 2018

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Adam Gray, Chair

AB 3263 (Committee on Governmental Organization) – As Introduced April 5, 2018

SUBJECT: Horse racing: minisatellite wagering facilities

SUMMARY: Makes various technical and non-substantive changes to provisions of law related to horse racing.

- 1) Deletes an obsolete provision in the Horse Racing Law and makes relating technical amendments.
- 2) Clarifies that live also includes live in-state races as part of the organization's racing program.

EXISTING LAW:

- 1) Provides for the California Horse Racing Board (CHRB) that regulates the various forms of horse racing authorized in this state.
- 2) Authorizes the CHRB to approve an additional 15 mini-satellite wagering sites in each zone under certain conditions, including that no site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility.
- 3) Provides that if the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the CHRB.
- 4) Provides that until January 1, 2013, if the proposed mini-satellite wagering site is in the northern zone in a fair district where the fair has operated a satellite wagering facility for the previous 5 years, the approval of the fair must be obtained even if the proposed location is more than 20 miles from the existing satellite wagering facility operated by the fair.
- 5) Requires that the organization that will operate the mini-satellite wagering facility execute a specified agreement approved by the CHRB with the association conducting a racing meeting and the mini-satellite wagering facility that specifies, among other things, the components of its racing program, including live, out-of-zone, out-of-state, and out-of-country races, that an association or fair will make available to the site.

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

COMMENTS:

Simulcasting is the process of transmitting the audio and video signal of a live racing performance from one facility to a satellite for retransmission 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 satellite wagering locations as possible, such as other racetracks, fairs, and Indian casinos. Satellite wagering facilities

accept wagers on races broadcast via simulcast from in-state and out-of-state racetracks. These locations in turn also receive a great deal of revenue from satellite wagering. In some cases, facilities are simulcast-only facilities that do not have live racing.

California has allowed off-track betting in satellite wagering facilities throughout the state for over 30 years. Satellite wagering was authorized at a time when California racetracks were beginning to experience declining attendance and handle figures. At the time, it was believed that making the product easier to access would expose and market horse racing to additional customers and make it more convenient for existing patrons to wager more often. Currently, there are 25 satellite-wagering facilities in California.

In 2007, AB 241 (Price), Chapter 594, Statutes of 2007, was enacted to authorize the creation of 15 additional "mini-satellites" in each racing zone for a total of 45. The stated intent of this legislation was to make the sport of horse racing even more accessible to potential California bettors and to increase the handle - the amount wagered on horse races. To date, ten mini-satellites have been opened statewide.

Purpose of the bill. The Assembly Committee on Governmental Organization is authoring this year's omnibus bill as a way of making a number of minor, non-controversial changes to statute at one time. There is no known opposition to any of the items in this bill. If issues arise that cannot be resolved, the provision of concern will be deleted from the bill.

Prior legislation. SB 1439 (Price) of 2010. Would have decreased the exclusion zone in which a "mini-satellite" horse racing wagering facility can be situated in proximity to an existing horse racing satellite wagering facility or live horse racing racetrack from a 20 to 15 mile radius. (Failed passage on Senate Floor)

AB 2215 (Fuentes), Chapter 255, Statutes of 2010. Among other things, authorized a mini-satellite wagering facility to enter into an agreement with an advance deposit wagering (ADW) provider to accept and facilitate the placement of any wager at its facility that a California resident could make through that ADW provider.

AB 241 (Price), Chapter 594, Statutes of 2007. Increased up to 45 mini-satellite wagering sites throughout the State, as defined, that would be able to offer wagering on horse racing via satellite wagering in the northern, central and southern racing zones, as specified. This bill authorized any fair to operate a satellite wagering facility on leased premises within the boundaries of that fair, as specified.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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