

Date of Hearing: April 6, 2016

**ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION**

Adam Gray, Chair

AB 2619 (Gray) – As Introduced February 19, 2016

**SUBJECT:** Horse racing: quarter horse races

**SUMMARY:** Allows the California Horse Racing Board (CHRB) to authorize a licensed quarter horse racing association that is conducting a live racing meeting in this state to accept wagers on a quarter horse stakes race with a purse equal to or greater than \$100,000.

**EXISTING LAW:**

- 1) Provides that California Horse Racing Board (CHRB) shall regulate the various forms of horse racing authorized in this state.
- 2) Provides that CHRB shall have all powers necessary to carry out the purposes of the Horse Racing Law, such as adopting rules and regulations to protect the public, allocating dates for and controlling horse racing and pari-mutuel wagering, and enforcing all rules and regulations.
- 3) Authorizes a licensed quarter horse racing association that is conducting a live racing meeting in this state to accept wagers on races conducted by the racing association that conducts the American Quarter Horse Racing Challenge, if the races are conducted on the same day as the American Quarter Horse Racing Challenge.
- 4) Permits a harness or Quarter Horse association conducting a race meeting to accept wagers on the results of out-of-state, out-of-country, and sometimes other harness or Quarter Horse races, if specified conditions are met, including that the association conducts at least seven live races and imports not more than eight races on live racing days, as specified.
- 5) Authorizes the inclusion of wagers in the pari-mutuel pools of the out-of-state association that conducts the races on which the wagers are placed.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

Purpose of the bill: The author's office notes that over the years existing law has been amended to allow specific notable races to be imported outside of an eight-race per day limit, as defined in current law. This has been done for scheduling, promotional and financial reasons.

Additionally, the author's office points out that there has been a general decline in the number of people attending and wagering at live horse tracks 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. This decline in 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.

This measure would allow a quarter horse racing association in California to import and accept wagers on a quarter horse stakes race from across the country with a purse equal to or greater than \$100,000.

The author's office believes this measure will give California's quarter horse racing industry a marketing tool to increase on-track and off-track attendance on a specific day and provide the industry with a mechanism to increase track commissions, purses, and breeder's awards. Purses provide revenues directly to horsemen (owners and trainers) through winnings of their horses; purses also indirectly provide revenues to breeders. Statistical data analysis has shown that as purses increase the expected price of a buying a horse increases leading to an increase in the supply of foals, yearlings and associated bloodstock (mares and stallions).

Prior legislation: AB 897 (Hall), Chapter 225, Statutes of 2011. Authorized the CHRB to permit a licensed California quarter horse racing association that is conducting a live racing meeting to accept wagers on the full card of races conducted by another racing association on the date that other association conducts the Texas Classic Futurity and Remington Park Futurity.

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 2201 (Coto) Chapter 253, Statutes of 2010. Authorized the CHRB to permit a California harness racing association to accept wagers on the full card of races conducted by another racing association on the date of the "Cane Pace."

AB 2790 (Committee on Governmental Organization) Chapter 141, Statutes of 2010. Added the Arlington Million to the group of specific stake races which are exempt from the 32-race per day limit on imported races.

AB 3074 (Committee on Governmental Organization) Chapter 510, Statutes of 2008. Among other things, increased from 23 to 32, 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. Also, allowed a harness racing association in California to import all of the races conducted on Kentucky Futurity day.

AB 2048 (Silva) Chapter 439, Statutes of 2008. Among other things, allowed harness and quarter horse racing associations and fairs to offer wagering on eight harness or quarter horse races broadcast by satellite on each day live races are run.

SB 1183 (Margett) Chapter 232, Statutes of 2004. Authorized a harness association to import the full cards of races held by the association hosting the Breeder's Crown Stakes, the Meadowlands Pace, the Hambletonian, or the North American Cup on the days that those races are being run.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

None on file

**Opposition**

None on file

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