First Extraordinary Session, 2000

HOUSE BILL NO. 85

BY REPRESENTATIVES DEWITT, FRITH, LAFLEUR, MORRELL, AND MURRAY

RACING/HORSE: Provides for "account wagering" at certain race tracks (Item No. 134)

AN ACT

To enact R.S. 4:149.5, relative to horse racing; to provide for the definition of "account wagering"; to authorize the commission to promulgate rules regulating account wagering; to provide for eligibility; to provide relative to revenues derived from account wagering; to authorize a licensee to conduct account wagering; to provide for the deduction of fees; to provide for the applicability of certain laws; to provide relative to the distribution of shares of the takeout; to prohibit certain wagers; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 4:149.5 is hereby enacted to read as follows:

§149.5. Account wagering

A. As used in this Chapter, "account wagering" means a form of pari-mutuel wagering in which an individual may deposit money in an account with an authorized licensee and then use the account balance to pay for pari-mutuel wagers made in person, by telephone call, or by communication through other electronic means.

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B.(1) Notwithstanding any other provisions of law to the contrary, the commission shall adopt rules regulating account wagering and shall authorize account wagering to be conducted by a licensee operating a pari-mutuel live horse racing facility located in any municipality having a population in excess of four hundred fifty thousand persons as of the most recent federal decennial census. However, if any licensee eligible to conduct account wagering, as provided for in this Paragraph, obtains a license to conduct slot machine gaming in his racing facility, in accordance with R.S. 27:351 et seq., any other existing licensee in this state shall also be eligible to conduct account wagering at his facility.

(2) Notwithstanding any other provision of law to the contrary, a facility authorized to conduct account wagering shall pay to the licensed racing facilities in the state located within the same area as provided for in R.S. 4:214(A)(3) the highest source market percentage paid to the licensee by any other account wagering carrier located outside of the state.

(3) Any source market commission outside of the area provided for in R.S. 4:214(A)(3) shall be divided equally among active account operators residing in the state of Louisiana.

C. Subject to applicable federal laws, including but not limited to the Wire Communications Act (18 USCA §§1081 and 1084), the commission shall permit an authorized licensee to conduct account wagering on any live horse races conducted at his facility and races conducted at other facilities upon which the licensee of said facility is lawfully authorized to accept offtrack wagers.

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D. The licensee may deduct commissions from wagers placed through account wagering and make any such commission payable to the person or entity conducting the race for the privilege of conducting pari-mutuel wagering on the race and for payment of costs incurred in the conduct of account wagering.

E.(1) Except as otherwise provided by law, all provisions of law and of the rules of the commission governing pari-mutuel wagers on horse races placed in person within the grounds on which a race meeting is licensed to be conducted and the distribution of the pools created by such wagers shall apply to account wagering.

(2) Each wager placed pursuant to regulations authorizing account wagering shall be treated as a wager placed within the enclosure at which the licensee is authorized to conduct a race meeting.

(3) The provisions of law or contract, if any, governing the distribution of shares of the takeout, from wagers placed in this state in separate pari-mutuel pools on races run in another state, to this state as pari-mutuel taxes, or respectively to breeder awards and to purses in this state, shall remain in effect for wagers placed through account wagering, as if the wager had been placed at the licensee's facility. With the concurrence of the licensee, the Horsemen's Benevolent and Protective Association, and the appropriate breeders' organization, the share of breeder awards or purses may be modified as long as the modification does not impair the interest of any other person or entity entitled or authorized to participate directly in the distribution.

F. No system of account wagering located outside of this state shall accept wagers from residents or other persons located within this

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state, nor shall residents or other persons located within this state place wagers through account wagering systems located outside of this state, except with the permission of either one of the following:

(1) A licensee of race meetings, concerning wagers on races conducted in this state by that licensee.

(2) A licensee of race meetings authorized to conduct account wagering in this state, if the races are not conducted in this state.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

DeWitt, et al. HB No. 85

Proposed law defines "account wagering" as a form of pari-mutuel wagering in which an individual may deposit money in an account with a licensee and then use the account balance to pay for pari-mutuel wagers made in person, by telephone, or by other electronic communication.

Proposed law requires the commission to adopt rules regulating account wagering to be conducted by a licensee operating a racing facility located in a municipality having a population in excess of 450,000 persons according to the most recent federal decennial census. It further provides that if any licensee eligible to conduct account wagering obtains a license to conduct slot machine gaming in his racing facility, any other existing licensee will also be eligible to conduct account wagering.

Proposed law provides that a facility authorized to conduct account wagering must pay to the licensed racing facilities in the state located in an area defined in present law the highest source market percentage paid to the licensee by any other account wagering carrier located outside of the state. It further provides that any commission outside of the area provided for in present law must be equally divided among active account operators residing in the state.

Proposed law provides that subject to certain federal laws, the commission must permit an authorized licensee to conduct account wagering on any live horse races conducted at his facility and on races conducted at other facilities.

Proposed law authorizes the licensee to deduct commissions from wagers placed through account wagering and make such commissions payable to the entity conducting the race and for payment of costs incurred in conducting account wagering.

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Proposed law provides that all provisions of law and of the commission rules governing pari-mutuel wagers on races placed in person within the racing facility grounds and the distribution of the pools created by such wagers applies to account wagering. Each wager placed pursuant to regulations authorizing account wagering will be treated as a wager placed within the facility grounds. Proposed law further provides that any provisions of law or contract, if any, governing distribution of shares of the takeout, from wagers placed in the state in separate pari-mutuel pools on races run in another state, to this state as pari-mutuel taxes, or to breeder awards and purses in this state shall remain in effect for wagers placed through account wagering. With the concurrence of various parties, the share of breeder awards or purses may be modified as long as such modification does not impair the interests of others.

Proposed law prohibits systems of account wagering in other states from accepting wagers from Louisiana residents and also prohibits such residents from placing wagers through account wagering systems in other states, except with the permission of either one of the following:

(1) A licensee of race meetings, concerning wagers on races conducted in this state by that licensee.

(2) A licensee or race meetings authorized to conduct account wagering in this state, if the races are not conducted in Louisiana.

(Adds R.S. 4:149.5)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Requires a facility conducting account wagering to pay to the racing facilities located within an area provided for in present law a specific source market percentage.

2. Provides that any source market commission outside of the area provided for in present law shall be divided equally among active account operators in the state.

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