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Judiciary

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1 IN THE HOUSE

2 HOUSE BILL NO. 356

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Horse Racing Commission and
7 authorizing pari-mutuel waging at sanctioned events."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 05 is amended by adding a new chapter to read:

10 CHAPTER 40. HORSE RACING.

11 ARTICLE 1. ALASKA HORSE RACING COMMISSION.

12 Sec. 05.40.010. The Alaska Horse Racing Commission is hereby
13 created. The commission shall be composed of five members appointed by
14 the governor. Each commissioner shall at the time of his appointment
15 have resided in the state for the preceeding five years, be at least 25
16 years old and be a registered voter. Initially, two members shall be
17 members of boards of directors of state agricultural or industrial
18 fairs, one a horse breeder, one a member of an independent horseman's
19 association, and one a representative of the public with an occupation
20 unrelated to horse racing. As the terms of the initial members who were
21 members of boards of directors of state fairs expire they shall be
22 replaced by one member from the board of directors of a state agricul-
23 tural or industrial fair with a pari-mutuel system and one member from
24 the board of directors of a state agricultural or industrial fair with-
25 out a pari-mutuel system. The commission shall elect a chairman from
26 its membership.

27 Sec. 05.40.020. TERM OF OFFICE. The Governor shall make the
28 initial appointments to the commission within 30 days after the effec-
29 tive date of this Act; two for a term to expire on January 1, 1976, two

1 to expire on January 1, 1977, and one for a term to expire January 1,
2 1978. Thereafter appointments shall be for a term of three years.
3 Vacancies shall be filled by appointments for the unexpired term. Com-
4 missioners shall hold their offices until their successors are appointed
5 and qualified.

6 Sec. 05.40.030. REMOVAL FROM OFFICE. The governor may remove a
7 board member for the neglect of a duty required by law, or for other
8 cause, after first giving him a copy of the charges against him and an
9 opportunity to be heard.

10 Sec. 05.40.040. COMPENSATION AND PER DIEM. Members of the commis-
11 sion receive no salary for their service on the commission but are
12 entitled to per diem and travel expenses authorized by law for boards
13 and commissions.

14 Sec. 05.40.050. QUORUM. Three members of the commission consti-
15 tute a quorum for the transaction of business.

16 Sec. 05.40.060. JURISDICTION. Jurisdiction of the commission
17 extends to any person conducting, or participating in the conduct of, a
18 meeting where horse racing is permitted for any stake, purse, or reward.

19 Sec. 05.40.070. POWERS OF THE COMMISSION. The commission is em-
20 powered to

21 (1) adopt rules concerning

22 (A) licensing of personnel within their jurisdiction;

23 (B) appointment of racing officials it may require and
24 determinations of their duties;

25 (C) veterinary standards for race meets;

26 (D) approve pari-mutuel equipment to be used by licensees;

27 (E) auditing procedures; and

28 (F) any other matter related to horse racing;

29 (2) license, regulate and supervise all races;

- 1 (3) inspect and approve race tracks;
- 2 (4) establish racing dates, locations and durations;
- 3 (5) set all license fees;
- 4 (6) hire staff as needed to administer this chapter;
- 5 (7) issue subpoenas to compel witnesses to appear before it;
- 6 (8) provide for all other matters, whether similar to (1) -
- 7 (7) of this section or not, relating in any way to horse racing.

8 Sec. 05.40.080. RULES OF THE COMMISSION. The rules and regulations
9 adopted by the commission have the force of law. The attorney general
10 shall enforce the rules and regulations. Breach of a rule or regulation
11 constitutes a misdemeanor punishable under sec. 130 of this chapter.

12 Sec. 05.40.090. RECORDS OF THE COMMISSION. The commission shall
13 keep detailed records of all meetings and of the business transacted and
14 of all collections and disbursements, reports of which shall be embodied
15 in an annual report which the commission shall prepare and submit to the
16 state treasurer before January 1. All records of the commission shall
17 be public records and as such subject to the public inspection.

18 ARTICLE 2. LICENSING.

19 Sec. 05.40.100. ELIGIBILITY FOR A LICENSE. The commission shall
20 license only nonprofit race meets held on commission sanctioned race
21 courses, located on recognized state fair grounds. No meet may be
22 licensed unless the applicants qualify for state funding under AS 03.20.-
23 020. Persons convicted of a felony are ineligible for a license required
24 by this chapter or by regulations of the commission.

25 ARTICLE 3. REVENUE.

26 Sec. 05.40.110. STATE AGRICULTURAL AND INDUSTRIAL FAIR FUND. Fees
27 and other money received by the commission shall be paid into the state
28 agricultural and industrial fair fund, which shall be administered by
29 the state treasurer as a separate and independent fund. All salaries,

1 wages, and expenses of any kind, including expenses incurred by the
2 attorney general in enforcing this chapter, shall be paid from the fund.
3 The commission may allocate money from this fund to assist state fairs
4 qualifying for assistance under AS 03.20.020.

5 Sec. 05.40.120. DISTRIBUTION OF GROSS RECEIPTS. The mutuel pool
6 shall be distributed as follows:

- 7 (1) seven per cent shall be retained by the licensee;
8 (2) breakage shall be retained by the licensee;
9 (3) in the event a governmental agency imposes a special
10 tax on a licensee by levying on the money deposited in the pari-mutuel
11 system the licensee may withhold the amount of the tax;
12 (4) five per cent shall be allocated as purse money;
13 (A) the formula for distribution of purse money shall be
14 determined by agreement between an organization representing the
15 horsemen and the licensee;
16 (B) the agreement shall be subject to the approval of
17 the commission;
18 (5) one per cent shall be paid to the incorporated city
19 nearest the meet;
20 (6) one per cent shall be paid to the owners of Alaska bred
21 horses finishing first, second, third and fourth in accordance with a
22 formula promulgated by the commission before commencement of each meet;
23 (7) five per cent shall be paid to the commission;
24 (8) an amount equal to one per cent of the mutuel pool on all
25 races conducted during the year shall be disbursed to an Alaska horse
26 breeding association recognized by the commission, on an annual basis;
27 (9) the remainder shall be paid to the holders of tickets on
28 the winning horses.

29 ARTICLE 4. PROHIBITED ACTS AND PENALTIES.

1 Sec. 05.40.130. PROHIBITED ACTS AND PENALTIES. It is a misde-
2 meanor punishable by a fine of not more than \$1,000, or by imprisonment
3 for not more than one year, or by both to

4 (1) breech or fail to comply with a regulation of the com-
5 mission or term of this chapter;

6 (2) record, report or register a wager on a horse in a horse
7 race unless under the terms of this chapter;

8 (3) place a bet upon the results of a horse race except by a
9 pari-mutuel method of wagering conducted by a person licensed under this
10 chapter, and upon the grounds or inclosure of the licensee;

11 (4) permit a person under the age of 18 to use the pari-
12 mutuel system.

13 ARTICLE 5. DEFINITIONS.

14 Sec. 05.40.140. DEFINITIONS. In this chapter, unless the context
15 otherwise requires,

16 (1) "Alaska-bred horse" means a foal dropped by a mare in
17 Alaska after being conceived in Alaska and remaining in Alaska until the
18 foal is weaned;

19 (2) "breakage" means the odd cents by which the amount payable
20 on each dollar wagered exceeds a multiple of 10 cents; breakage may not
21 exceed 20 per cent of the total amount deposited in the pool;

22 (3) "commission" means the Alaska Horse Racing Commission;

23 (4) "meeting" means an exhibition of thoroughbred, quarter
24 horse, appaloosa, arabian, standardbred, purebred, or registered horse
25 racing where the pari-mutuel system is used;

26 (5) "pari-mutuel" means a form of wagering on the outcome of
27 horse races in which those who wager purchase tickets of various denom-
28 inations on a horse and all wagers for each race are pooled and held by
29 the commission for distribution; when the outcome of the race has been

1 decided, the commission distributes the percentage of the total wagers
2 determined by sec. 120 of this chapter to holders of tickets on the
3 winning horses.

4 ARTICLE 6. ADMINISTRATIVE PROCEDURE ACT.

5 Sec. 05.40.150. APPLICABILITY OF THE ADMINISTRATIVE PROCEDURE ACT.

6 The commission shall comply with the Administrative Procedure Act
7 (AS 44.62).
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