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1 IN THE HOUSE

2 CS HOUSE BILL NO. 511

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Horse Racing Commission and
7 authorizing pari-mutuel wagering 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. PURPOSE. The purpose of this chapter is to promote
13 agriculture and to encourage the breeding of horses in this state.

14 Sec. 05.40.020. ALASKA HORSE RACING COMMISSION. The Alaska Horse
15 Racing Commission is created. The commission shall be composed of five
16 members appointed by the governor. Each commissioner shall at the time
17 of his appointment be a resident of the state and a registered voter.
18 The commission shall elect a chairman from its membership.

19 Sec. 05.40.030. TERM OF OFFICE. The governor shall make the
20 initial appointments to the commission within 30 days after the effec-
21 tive date of this Act; one for a term to expire on January 1, 1979, two
22 to expire on January 1, 1980, and two for a term to expire January 1,
23 1981. Thereafter appointments shall be for a term of three years.
24 Vacancies shall be filled by appointments for the unexpired term. Com-
25 missioners shall hold their offices until their successors are appointed
26 and qualified.

27 Sec. 05.40.040. REMOVAL FROM OFFICE. The governor may remove a
28 board member for the neglect of a duty required by law, or for other
29 cause, after first giving him a statement of the charges against him and

1 an opportunity to be heard.

2 Sec. 05.40.050. COMPENSATION AND PER DIEM. Members of the commis-
3 sion receive no salary for their service on the commission but are
4 entitled to per diem and travel expenses authorized by law for boards
5 and commissions.

6 Sec. 05.40.060. QUORUM. Three members of the commission consti-
7 tute a quorum for the transaction of business.

8 Sec. 05.40.070. JURISDICTION. Jurisdiction of the commission
9 extends to any person conducting, or participating in the conduct of, a
10 meeting where horse racing is permitted for any stake, purse, or reward.

11 Sec. 05.40.080. POWERS OF THE COMMISSION. The commission is em-
12 powered to

13 (1) adopt regulations concerning

14 (A) the issuance, suspension, and revocation of licenses
15 for personnel within their jurisdiction;

16 (B) the appointment of racing officials and their
17 duties;

18 (C) veterinary standards for race meets;

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

20 (E) auditing procedures; and

21 (F) other matters directly related to horse racing and
22 pari-mutuel betting;

23 (2) license, regulate and supervise all horse races;

24 (3) inspect and approve race tracks and race horses;

25 (4) establish racing dates, locations and durations;

26 (5) set all license fees;

27 (6) hire staff as needed to administer this chapter;

28 (7) issue subpoenas to compel witnesses to appear before it;

29 (8) make an annual report to the legislature of its

1 administration of the racing laws;

2 (9) supervise the making and distribution of pari-mutuel
3 pools;

4 (10) compel the production of documents showing the receipts
5 and disbursements of a licensed racetrack;

6 (11) appoint a hearing officer to conduct any hearing required
7 by this chapter or a regulation promulgated under this chapter.

8 Sec. 05.40.090. REGULATIONS OF THE COMMISSION. The regulations
9 adopted by the commission have the force of law. The attorney general
10 shall enforce the regulations. Violation of a regulation constitutes a
11 misdemeanor punishable under sec. 140 of this chapter.

12 Sec. 05.40.100. 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 commissioner of revenue before January 1. All records of the commission
17 shall be public records and as such subject to the public inspection.

18 ARTICLE 2. LICENSING.

19 Sec. 05.40.110. ELIGIBILITY FOR A LICENSE. The commission shall
20 license only nonprofit race meets held on commission-sanctioned race
21 courses, located on recognized state fairgrounds. 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. 05.40.120. PROCEEDS. Fees and other money received by the
27 commission shall be paid into the state general fund.

28 Sec. 05.40.130. DISTRIBUTION OF GROSS RECEIPTS. The mutuel pool
29 shall be distributed as follows:

1 (1) seven per cent shall be retained by the licensee;
2 (2) breakage shall be retained by the licensee;
3 (3) in the event a governmental agency imposes a special tax
4 on a licensee by levying on the money deposited in the pari-mutuel
5 system, the licensee may withhold the amount of the tax;

6 (4) five per cent shall be allocated as purse money;

7 (A) the formula for distribution of purse money shall be
8 determined by agreement between an organization representing the
9 horsemen and the licensee;

10 (B) the agreement shall be subject to the approval of
11 the commission;

12 (5) one per cent shall be paid to the incorporated city
13 nearest the meet;

14 (6) two per cent shall be paid to the owners of Alaska-bred
15 horses finishing first, second, third and fourth in accordance with a
16 formula promulgated by the commission before commencement of each meet;

17 (7) five per cent shall be paid to the commission;

18 (8) the remainder shall be paid to the holders of tickets on
19 the winning horses.

20 ARTICLE 4. PROHIBITED ACTS AND PENALTIES.

21 Sec. 05.40.140. PROHIBITED ACTS AND PENALTIES. (a) It is a
22 misdemeanor punishable by a fine of not more than \$1,000, or by imprison-
23 ment for not more than one year, or by both, to

24 (1) breach or fail to comply with a regulation of the com-
25 mission or term of this chapter the breach of which does not affect or
26 could not reasonably be expected to affect, the outcome of the race;

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

29 (3) place a bet upon the results of a horse race except by a

1 pari-mutuel method of wagering conducted by a person licensed under this
2 chapter, and upon the grounds or inclosure of the licensee;

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

5 (b) Noncompliance with any regulation which does, or is likely to,
6 affect the outcome of the contest is a felony and punishable by a fine
7 of not more than \$5,000 or by imprisonment for not more than 5 years or
8 by both.

9 ARTICLE 5. DEFINITIONS.

10 Sec. 05.40.150. DEFINITIONS. In this chapter, unless the context
11 otherwise requires,

12 (1) "Alaska-bred horse" means a foal dropped by a mare in
13 Alaska and remaining in Alaska until the foal is weaned;

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

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

18 (4) "meeting" means an exhibition of thoroughbred, quarter
19 horse, Appaloosa, Arabian, standardbred, purebred, or registered horse
20 racing where the pari-mutuel system is used;

21 (5) "pari-mutuel" means a form of wagering on the outcome of
22 horse races in which those who wager purchase tickets of various denom-
23 inations on a horse and all wagers for each race are pooled and held by
24 the commission for distribution; when the outcome of the race has been
25 decided, the commission distributes the percentage of the total wagers
26 determined by sec. 120 of this chapter to holders of tickets on the
27 winning horses.

28 ARTICLE 6. APPLICABILITY OF OTHER ACTS.

29 Sec. 05.40.160. ADMINISTRATIVE PROCEDURE ACT. The commission

1 shall comply with the Administrative Procedure Act (AS 44.62).

2 Sec. 05.40.170. CONFLICTS OF INTEREST ACT. The commission is
3 subject to the provisions of AS 39.50 (conflict of interest).

4 * Sec. 2. AS 39.50.200(9) is amended by adding a new subparagraph to
5 read:

6 (MM) Alaska Horse Racing Commission (AS 05.40.020).

7 * Sec. 3. AS 44.62.330(a) is amended by adding a new paragraph to read:

8 (45) Alaska Horse Racing Commission (AS 05.40.020).