

Original sponsors: Ose, Akers,
Anderson, et al

Offered: 3/8/78
Referred: Rules

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 511

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND 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 pro-
13 mote agriculture and to encourage the breeding of horses in this state.

14 Sec. 05.40.020. ALASKA HORSE RACING COMMISSION. (a) The Alaska
15 Horse Racing Commission is created. The commission shall be composed of
16 five members appointed by the governor.

17 (b) Each commissioner shall at the time of his appointment be a
18 resident of the state and a registered voter.

19 (c) No person may serve as a member of the commission if he has
20 been convicted of a felony or if he has been convicted of an offense
21 defined in AS 11.60.010 - 11.60.060 or AS 11.60.140 - 11.60.190 or com-
22 parable provision of the laws of any other state.

23 (d) The commission shall elect a chairman from its membership.

24 Sec. 05.40.030. TERM OF OFFICE. The governor shall make the
25 initial appointments to the commission within 30 days after the effec-
26 tive date of this Act; one for a term to expire on January 1, 1980, two
27 to expire on January 1, 1981, and two for a term to expire January 1,
28 1982. Thereafter appointments shall be for a term of three years.
29 Vacancies shall be filled by appointments for the unexpired term.

1 Commissioners shall hold their offices until their successors are ap-
2 pointed and qualified.

3 Sec. 05.40.040. REMOVAL FROM OFFICE. The governor may remove a
4 board member for the neglect of a duty required by law, or for other
5 cause, after first giving him a statement of the charges against him and
6 an opportunity to be heard.

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

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

13 Sec. 05.40.070. JURISDICTION. Jurisdiction of the commission
14 extends to any person conducting, or participating in the conduct of, a
15 meeting where horse racing is authorized under the laws of this state
16 for any stake, purse, or reward.

17 Sec. 05.40.080. POWERS OF THE COMMISSION. The commission is em-
18 powered to

- 19 (1) adopt regulations concerning
20 (A) the issuance, suspension, and revocation of licenses
21 for personnel within their jurisdiction;
22 (B) the appointment of racing officials and their
23 duties;
24 (C) veterinary standards for race meets;
25 (D) pari-mutuel equipment to be used by licensees;
26 (E) auditing procedures; and
27 (F) other matters directly related to horse racing and
28 pari-mutuel betting;
29 (2) license, regulate and supervise all horse races;

- 1 (3) inspect and approve race tracks and race horses;
- 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) make an annual report to the legislature of its admini-
- 7 stration of the racing laws;
- 8 (9) supervise the making and distribution of pari-mutuel
- 9 pools;
- 10 (10) compel the production of documents showing the receipts
- 11 and disbursements of a licensed racetrack;
- 12 (11) appoint a hearing officer to conduct any hearing required
- 13 by this chapter or a regulation promulgated under this chapter.

14 Sec. 05.40.090. REGULATIONS OF THE COMMISSION. The regulations
15 adopted by the commission have the force of law. The attorney general
16 shall enforce the regulations. Violation of a regulation is punishable
17 under sec. 140 of this chapter.

18 Sec. 05.40.100. RECORDS OF THE COMMISSION. The commission shall
19 keep detailed records of all meetings and of the business transacted and
20 of all collections and disbursements, reports of which shall be embodied
21 in an annual report which the commission shall prepare and submit to the
22 commissioner of revenue before January 1. All records of the commission
23 shall be public records and as such subject to the public inspection.

24 ARTICLE 2. LICENSING.

25 Sec. 05.40.110. ELIGIBILITY FOR A LICENSE. The commission shall
26 license only nonprofit race meets held on commission-sanctioned race
27 courses, located on recognized state fairgrounds, and on days when state
28 fairs are held. No meet may be licensed unless the applicants qualify
29 for state funding under AS 03.20.020. Persons convicted of a crime

1 defined in sec. 20(c) of this chapter are ineligible for a license
2 required by this chapter or by regulations of the commission.

3 ARTICLE 3. REVENUE.

4 Sec. 05.40.120. PROCEEDS. Fees and other money received by the
5 commission shall be paid into the state general fund.

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

8 (1) seven per cent shall be retained by the licensee;

9 (2) breakage shall be retained by the licensee;

10 (3) in the event the state imposes a special tax on a licensee
11 by levying on the money deposited in the pari-mutuel system, the licensee
12 may withhold the amount of the tax;

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

14 (A) the formula for distribution of purse money shall be
15 determined by agreement between an organization representing the
16 horsemen and the licensee;

17 (B) the agreement shall be subject to the approval of
18 the commission;

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

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

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

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

27 ARTICLE 4. PROHIBITED ACTS AND PENALTIES.

28 Sec. 05.40.140. PROHIBITED ACTS AND PENALTIES. (a) It is a
29 misdemeanor punishable by a fine of not more than \$1,000, or by

1 imprisonment for not more than one year, or by both, to

2 (1) breach or fail to comply with a regulation of the com-
3 mission or a term of this chapter if no effect on the outcome of the
4 race was intended;

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

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

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

12 (b) The failure to comply with any regulation or term of this
13 chapter with intent to affect the outcome of the race is a felony and
14 punishable by a fine of not more than \$100,000 or by imprisonment for not
15 more than 5 years or by both.

16 ARTICLE 5. DEFINITIONS.

17 Sec. 05.40.150. DEFINITIONS. In this chapter, unless the context
18 otherwise requires,

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

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

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

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

28 (5) "pari-mutuel" means a form of wagering on the outcome of
29 horse races in which those who wager personally purchase tickets of

1 various denominations on a horse and all wagers for each race are pooled
2 and held by the commission for distribution; when the outcome of the
3 race has been decided, the commission distributes the percentage of the
4 total wagers determined by sec. 120 of this chapter to holders of tick-
5 ets on the winning horses.

6 ARTICLE 6. APPLICABILITY OF OTHER ACTS.

7 Sec. 05.40.160. ADMINISTRATIVE PROCEDURE ACT. The commission
8 shall comply with the Administrative Procedure Act (AS 44.62).

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

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

13 (NN) Alaska Horse Racing Commission (AS 05.40.020).

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

15 (46) Alaska Horse Racing Commission (AS 05.40.020).

16 * Sec. 4. AS 18.65.080 is amended by adding a new subsection to read:

17 (b) Before appointment or employment, the Department of Public
18 Safety shall investigate and ascertain

19 (1) that no person appointed by the governor to serve as a
20 member of the Alaska Horse Racing Commission under AS 05.40 is pro-
21 hibited from serving as a member of the commission because of conviction
22 of a crime described in AS 05.40.020(c);

23 (2) that no member of the staff of or person employed by the
24 Alaska Horse Racing Commission or as a race official, race employee, or
25 veterinarian has been convicted of a crime under the laws of the state
26 or any other jurisdiction.