

Introduced: 3/1/79  
Referred: Resources and Judiciary

BY CARNEY, COTTEN, HAUGEN, HURLBERT  
AND RANDOLPH

1 IN THE HOUSE

2 HOUSE BILL NO. 322

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

10 \* Section 1. PURPOSE. The purpose of this Act is to promote agriculture  
11 and to encourage the breeding of horses in this state.

12 \* Sec. 2. AS 05 is amended by adding a new chapter to read:

13 CHAPTER 40. HORSE RACING.

14 ARTICLE 1. ALASKA HORSE RACING COMMISSION.

15 Sec. 05.40.010. ALASKA HORSE RACING COMMISSION. (a) There is  
16 established within the Office of the Governor the Alaska Horse Racing  
17 Commission. The commission is composed of five members appointed by the  
18 governor and confirmed by the legislature in joint session.

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

21 (c) A person may not serve as a member of the commission if

22 (1) he has been convicted of a felony;

23 (2) he has been convicted of an offense defined in AS 11.60.-  
24 010 - 11.60.060 or AS 11.60.140 - 11.60.190 or a comparable provision of  
25 the law of another state; or

26 (3) after December 31, 1979, he has been convicted of an  
27 offense defined in AS 11.66.200 - 11.66.280 or a comparable provision of  
28 the law of another state.

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

1           Sec. 05.40.020. TERM OF OFFICE. An appointment to the commission  
2 is for a term of three years. A vacancy shall be filled by appointment  
3 for the unexpired term. A member of the commission shall hold office  
4 until his successor is appointed and qualifies.

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

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

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

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

19           Sec. 05.40.070. POWERS OF THE COMMISSION. The commission shall

20           (1) adopt regulations concerning

21                   (A) the issuance, suspension, and revocation of licenses  
22 for persons within its jurisdiction;

23                   (B) the appointment of racing officials and their  
24 duties;

25                   (C) veterinary standards for race meets;

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

27                   (E) auditing procedures; and

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

- 1 (2) license, regulate and supervise all horse races;
- 2 (3) inspect and approve race tracks and race horses;
- 3 (4) establish racing dates, locations and durations;
- 4 (5) set all license fees;
- 5 (6) hire staff as needed to administer this chapter;
- 6 (7) issue subpoenas to compel witnesses to appear before it;
- 7 (8) make an annual report to the legislature of its adminis-
- 8 tration of this chapter;
- 9 (9) supervise the making and distribution of pari-mutuel
- 10 pools;
- 11 (10) compel the production of documents showing the receipts
- 12 and disbursements of a licensed racetrack;
- 13 (11) appoint a hearing officer to conduct any hearing required
- 14 by this chapter or by a regulation adopted under it.

15 Sec. 05.40.080. REGULATIONS OF THE COMMISSION. The regulations  
16 adopted by the commission have the force of law. The attorney general  
17 shall enforce the regulations. Violation of a regulation of the commis-  
18 sion is punishable under AS 05.40.130.

19 Sec. 05.40.090. RECORDS OF THE COMMISSION. The commission shall  
20 keep detailed records of all meetings and of the business transacted and  
21 of all collections and disbursements, reports of which shall be included  
22 in an annual report which the commission shall prepare and submit to the  
23 commissioner of revenue before January 1. All records of the commission  
24 are public records, subject to public inspection.

25 ARTICLE 2. LICENSING.

26 Sec. 05.40.100. ELIGIBILITY FOR LICENSE. (a) The commission  
27 shall license only nonprofit horse race meets held on

- 28 (1) race courses sanctioned by the commission which are
- 29 located on recognized state fairgrounds;

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(2) on days when the state fair is open.

(b) A horse race meet may not be licensed unless the applicant qualifies for state financing under AS 03.20.020.

(c) Persons convicted of a crime defined in AS 05.40.010(c) are ineligible for a license under this chapter.

ARTICLE 3. REVENUE.

Sec. 05.40.110. PROCEEDS. Fees and other money received by the commission shall be paid into the state general fund.

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

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

(2) breakage shall be retained by the licensee;

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

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

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

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

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

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

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

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

ARTICLE 4. PROHIBITED ACTS AND PENALTIES.

1           Sec. 05.40.130. PROHIBITED ACTS AND PENALTIES. (a) It is a  
2 misdemeanor punishable by a fine of not more than \$1,000, or by impris-  
3 onment for not more than one year, or by both, to

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

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

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

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

14           (b) Failure to comply with a regulation or provision of this  
15 chapter with intent to affect the outcome of the horse race is a felony  
16 and punishable by a fine of not more than \$100,000, or by imprisonment  
17 for not more than 5 years, or by both.

18           ARTICLE 5. DEFINITIONS.

19           Sec. 05.40.140. DEFINITIONS. In this chapter, unless the context  
20 otherwise requires,

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

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

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

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

1 (5) "pari-mutuel" means a form of wagering on the outcome of  
2 horse races in which those who wager personally purchase tickets of  
3 various denominations on a horse and all wagers for each race are pooled  
4 and held by the commission for distribution; when the outcome of the  
5 race has been decided, the commission distributes the percentage of the  
6 total wagers determined by AS 05.40.120 to holders of tickets on the  
7 winning horses.

8 ARTICLE 6. APPLICABILITY OF OTHER ACTS.

9 Sec. 05.40.150. ADMINISTRATIVE PROCEDURE ACT. The commission  
10 shall comply with the Administrative Procedure Act (AS 44.62).

11 Sec. 05.40.160. CONFLICTS OF INTEREST ACT. The commission is  
12 subject to the provisions of AS 39.50 (conflict of interest).

13 \* Sec. 3. AS 39.50.200(9) is amended by adding a new subparagraph to  
14 read:

15 (QQ) Alaska Horse Racing Commission (AS 05.40.010).

16 \* Sec. 4 AS 44.62.330(a) is amended by adding a new paragraph to read:

17 (46) Alaska Horse Racing Commission (AS 05.40.010).

18 \* Sec. 5. AS 18.65.080 is amended by adding a new subsection to read:

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

21 (1) that no person appointed by the governor to serve as a  
22 member of the Alaska Horse Racing Commission under AS 05.40 is pro-  
23 hibited from serving as a member of the commission because of conviction  
24 of a crime described in AS 05.40.010(c);

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

29 \* Sec. 6. INITIAL COMMISSION APPOINTMENTS. The governor shall make the

1 initial appointment of members of the Alaska Horse Racing Commission within  
2 30 days after the effective date of this Act: one member shall be appointed  
3 for a term to expire January 1, 1981; two members for a term to expire  
4 January 1, 1982; and two members for a term to expire January 1, 1983.

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