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Referred: Labor & Commerce
and Judiciary

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RANDOLPH, ABOOD, HURLBERT,
METCALFE, MOSS, VASKA AND
COTTEN

1 IN THE HOUSE

2 HOUSE BILL NO. 592

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Horse Racing Commis-
7 sion and authorizing pari-mutuel wagering at sanc-
8 tioned 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 better 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) The Alaska
16 Horse Racing Commission is established in the Office of the Governor.
17 The commission is composed of five members appointed by the governor
18 and confirmed by the legislature in joint session. At least one member
19 shall be a resident of the Southeast area of the state; at least one
20 member shall be a resident of the Southcentral area of the state; and
21 at least one member shall be a resident of the Interior area of the
22 state.

23 (b) Each member of the commission shall at the time of his ap-
24 point ment be a resident of the state and a registered voter.

25 (c) A person may not serve as a member of the commission if he
26 has been convicted of

27 (1) a felony; or

28 (2) an offense defined in AS 11.66.200 - AS 11.66.280 or of
29 a comparable provision of the law of another state; or

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

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

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

10 Sec. 05.40.040. COMPENSATION AND PER DIEM. Members of the com-
11 mission receive no salary for their service on the commission but are
12 entitled to per diem and travel expenses authorized by law for state
13 boards 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 authorized under the laws of the state
19 for a stake, purse, or reward.

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

21 (1) adopt regulations concerning

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

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

26 (C) veterinary standards for race meets;

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

28 (E) auditing procedures; and

29 (F) other matters directly related to horse racing and

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pari-mutuel betting:

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

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

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

ARTICLE 2. RACE MEETS.

Sec. 05.40.100. RACE MEETS AND LICENSE. (a) A person may not hold a race meet in the state without a valid license issued by the commission.

1 (b) A person who is a participant in a race meet shall be licensed
2 and charged an annual fee by the commission. A person holding a license
3 under this chapter and every owner, trainer, jockey, driver, and
4 attendant at a race course in the state shall comply with this chapter
5 and with the regulations adopted and the orders issued by the commis-
6 sion.

7 (c) A person convicted of a crime defined in AS 05.40.010(c) may
8 not be licensed under this chapter.

9 (d) Race meets are restricted to registered horses except that
10 the commission shall authorize one special event race for Alaska-bred
11 horses, whether registered or not, at each race meet.

12 ARTICLE 3. REVENUE.

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

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

17 (1) seven percent shall be retained by the licensee holding
18 the meet;

19 (2) breakage shall be retained by the licensee holding the
20 meet;

21 (3) if the state or a city or borough imposes a special tax
22 on a licensee by levying on the money deposited in the pari-mutuel
23 system, the licensee may withhold the amount of the tax;

24 (4) ten percent shall be allocated as purse money; the
25 formula for distribution of purse money shall be determined by agree-
26 ment between an organization representing the horsemen and the licensee
27 holding the meet; the agreement is subject to the approval of the
28 commission;

29 (5) two percent shall be divided among the breeders of

1 Alaska-bred horses which finish first;

2 (6) three percent shall be paid to the commission;

3 (7) the remainder shall be paid to the holders of tickets on
4 the winning horses.

5 ARTICLE 4. PROHIBITED ACTS AND PENALTIES.

6 Sec. 05.40.130. PROHIBITED ACTS AND PENALTIES. (a) It is a mis-
7 demeanor to

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

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

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

16 (4) permit a person under the age of 18 to use the pari-mu-
17 tuel system.

18 (b) Failure to comply with a regulation or provision of this
19 chapter with intent to affect the outcome of the horse race is a
20 felony.

21 ARTICLE 5. DEFINITIONS.

22 Sec. 05.40.140. DEFINITIONS. In this chapter, unless the context
23 otherwise requires,

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

26 (2) "breakage" means the odd cents by which the amount pay-
27 able on each dollar wagered exceeds a multiple of 10 cents; breakage
28 may not exceed 20 percent of the total amount deposited in the pool;

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

1 (4) "meeting" or "meet" means an exhibition including, but
2 not limited to, thoroughbred, quarter horse, Appaloosa, Arabian, stan-
3 dardbred or registered horse racing where the pari-mutuel system is
4 used;

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

12 ARTICLE 6. APPLICABILITY OF OTHER ACTS.

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

15 Sec. 05.40.160. CONFLICTS OF INTEREST ACT. The commission is
16 subject to AS 39.50 (conflict of interest).

17 * Sec. 3. AS 18.65.080 is amended by adding a new subsection to read:

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

20 (1) that a person appointed by the governor to serve as a
21 member of the Alaska Horse Racing Commission under AS 05.40 is not pro-
22 hibited from serving as a member of the commission because of conviction
23 of a crime described in AS 05.40.010(c);

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

28 * Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:

29 (44) Alaska Horse Racing Commission (AS 05.40.010).

1 * Sec. 5. AS 44.62.330(a) is amended by adding a new paragraph to read:
2 (52) Alaska Horse Racing Commission (AS 05.40.010).

3 * Sec. 6. INITIAL COMMISSION APPOINTMENTS. The governor shall make the
4 initial appointment of members of the Alaska Horse Racing Commission within
5 30 days after the effective date of this Act: one member shall be appointed
6 for a term to expire January 1, 1983; two members for a term to expire Janu-
7 ary 1, 1984; and two members for a term to expire January 1, 1985.

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