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5-0175B

Original sponsors: Larson and Menard

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR HOUSE BILL NO. 32 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act establishing the Alaska Racing Commission and  
7 authorizing parimutuel wagering at sanctioned  
8 events."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. AS 05 is amended by adding a new chapter to read:  
11 CHAPTER 40. HORSE RACING AND TEAM DOG RACING.  
12 ARTICLE 1. ALASKA RACING COMMISSION.  
13 Sec. 05.40.010. ALASKA RACING COMMISSION. (a) The Alaska  
14 Racing Commission is established in the Department of Revenue. The  
15 commission is composed of five members appointed by the governor.  
16 Three of the members shall have experience in the regulation, super-  
17 vision, or conduct of parimutuel wagering, horse racing, or team dog  
18 racing.  
19 (b) Each member of the commission shall at the time of the  
20 member's appointment be a resident of the state.  
21 (c) A person may not serve as a member of the commission if that  
22 person has been convicted of  
23 (1) a felony; or  
24 (2) an offense defined in AS 05.40.200, AS 11.66.200 -  
25 11.66.280, or a comparable provision of municipal, state, or federal  
26 law.  
27 (d) A person may not serve as a member of the commission until  
28 the investigation required under AS 18.65.080 is completed.  
29 (e) The commission shall elect a chairman from its membership.

1           Sec. 05.40.020. TERM OF OFFICE. Members of the commission serve  
2 staggered terms of four years. A vacancy is filled by appointment for  
3 the unexpired term. A member of the commission holds office until a  
4 successor is appointed and qualifies.

5           Sec. 05.40.030. REMOVAL AND SUSPENSION OF MEMBERS. (a) The  
6 governor may remove a member for cause, including incompetence, ne-  
7 glect of duty, or misconduct in office. A member being removed for  
8 cause shall be given a copy of the charges and afforded an opportunity  
9 to publicly present a defense in person or by counsel upon not less  
10 than 10 days' notice. If a member is removed for cause, the governor  
11 shall file with the lieutenant governor a complete statement of all  
12 charges made against the member and the governor's findings based on  
13 the charges, together with a complete record of the proceedings.

14           (b) The governor may summarily suspend a member for a violation  
15 of law or for misconduct in office pending removal from office under  
16 (a) of this section.

17           Sec. 05.40.040. COMPENSATION AND PER DIEM. (a) Except as  
18 provided in (b) of this section, members of the commission receive no  
19 salary for their service on the commission but are entitled to per  
20 diem and travel expenses authorized by law for state boards and com-  
21 missions under AS 39.20.180.

22           (b) In addition to per diem and travel expenses, a member of the  
23 commission is entitled to compensation of \$100 per day for each day  
24 the member is engaged in the actual performance of duties as a race  
25 meet observer.

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

28           Sec. 05.40.060. JURISDICTION. Jurisdiction of the commission  
29 extends to every owner, trainer, jockey, driver, attendant, or other

1 person conducting, or participating in the conduct of, a race meet  
2 authorized under this chapter.

3 Sec. 05.40.070. DUTIES AND POWERS OF THE COMMISSION. (a) The  
4 commission shall

5 (1) adopt regulations concerning

6 (A) the issuance, renewal, suspension, and revocation  
7 of licenses for persons within its jurisdiction;

8 (B) the immediate suspension of the license of a  
9 person subject to this chapter during an investigation of a  
10 violation of this chapter or a regulation adopted under this  
11 chapter;

12 (C) the appointment of racing officials and their  
13 duties;

14 (D) the distribution of the parimutuel pool among the  
15 licensee conducting the meet, purse money, winning tickets, and  
16 the commission;

17 (E) retention of breakage by the licensee conducting  
18 the meet;

19 (F) veterinary standards for race meets;

20 (G) parimutuel equipment to be used by licensees;

21 (H) auditing procedures; and

22 (I) other matters directly related to horse racing,  
23 team dog racing, and parimutuel wagering;

24 (2) license, regulate, and supervise all horse races and  
25 team dog races;

26 (3) inspect and approve race tracks and race horses and  
27 racing dogs;

28 (4) establish standards for the design and weight of  
29 chariots used in team dog racing;

- 1           (5) establish racing dates and durations;  
2           (6) sanction horse racing at locations approved by the  
3 commission;  
4           (7) sanction team dog races at locations approved by the  
5 commission;  
6           (8) set all license fees;  
7           (9) make an annual report to the commissioner of revenue  
8 and the legislature of its administration of this chapter before  
9 February 1 of each year;  
10          (10) keep detailed records of all race meets and of all col-  
11 lections and disbursements;  
12          (11) supervise the making and distribution of parimutuel  
13 pools.

14          (b) The commission may

- 15           (1) hire staff as needed to administer this chapter;  
16           (2) issue subpoenas to compel witnesses to appear before  
17 it;  
18           (3) compel the production of documents showing the receipts  
19 and disbursements of a person licensed to conduct a race meet;  
20           (4) appoint a hearing officer to conduct a hearing required  
21 by this chapter or by a regulation adopted under it.

22          Sec. 05.40.080. REGULATIONS OF THE COMMISSION. The attorney  
23 general shall enforce the regulations of the commission.

24          Sec. 05.40.090. RECORDS OF THE COMMISSION. All records of the  
25 commission are public records and subject to public inspection.

26          Sec. 05.40.100. PROCEEDS. Fees and other money received by the  
27 commission shall be paid into the general fund.

28                                   **ARTICLE 2. RACE MEETS.**

29          Sec. 05.40.110. RACE MEETS AND LICENSES. (a) A person may not

1       conduct a race meet or operate concessions at a race meet in the state  
2       without a valid license issued by the commission. A license to con-  
3       duct a race meet is valid for three years unless revoked or suspended  
4       by the commission.

5               (b) The person licensed to conduct a race meet has the exclusive  
6       right to operate or contract for the operation of concessions at the  
7       site of the race meet.

8               (c) A person may not participate in a race meet without a valid  
9       license issued by the commission. A license to participate in a race  
10      meet is valid for one year unless revoked or suspended by the commis-  
11      sion.

12              (d) A license may not be issued under this chapter until the  
13      investigation required under AS 18.65.080 is completed. A person  
14      convicted of a crime defined in AS 05.40.010(c) may not be licensed.

15              Sec. 05.40.120. RACE MEETS WITHIN MUNICIPALITIES. The commis-  
16      sion may not issue or renew a license to conduct a race meet within a  
17      municipality unless

18                      (1) a majority of the voters in the municipality has ap-  
19      proved a referendum authorizing parimutuel wagering on horse races and  
20      team dog races; and

21                      (2) the municipality, after a public hearing on the li-  
22      cense, approves issuance or renewal of the license.

23              Sec. 05.40.130. DISTRIBUTION OF PARIMUTUEL POOL. (a) Except as  
24      provided in (b) of this section, the parimutuel pool shall be dis-  
25      tributed

- 26                      (1) 65 percent to the holders of winning tickets;  
27                      (2) 15 percent to the licensee conducting the race meet;  
28                      (3) 10 percent as purse money; and  
29                      (4) 10 percent to the commission.

1 (b) The commission may by regulation adjust the distribution of  
2 the parimutuel pool as necessary to promote efficient and successful  
3 race meets. The total percentage allocated to the licensee, purse  
4 money, and the commission may not exceed 35 percent of the parimutuel  
5 pool.

6 Sec. 05.40.140. REPORTS BY LICENSEE. The licensee conducting  
7 the race meet shall report to the commission within 30 days after each  
8 race on the distribution of the parimutuel pool and within 30 days  
9 after the end of the race meet on the operation and proceeds of con-  
10 cessions at the site of the race meet.

11 Sec. 05.40.150. OBSERVATION OF RACE MEETS. The commission may  
12 appoint from among its members or employ a person to observe the  
13 conduct of race meets. An observer shall be present at the site of  
14 each race meet on the day before, the day after, and during the race  
15 meet.

16 ARTICLE 3. PROHIBITED ACTS AND PENALTIES.

17 Sec. 05.40.200. PROHIBITED ACTS AND PENALTIES. (a) It is a  
18 class A misdemeanor to

19 (1) violate or fail to comply with a regulation of the  
20 commission or a provision of this chapter if no effect on the outcome  
21 of the horse race or team dog race was intended;

22 (2) record, report, or register a wager on a horse in a  
23 horse race or a team in a team dog race unless under the provisions of  
24 this chapter;

25 (3) place a wager upon the results of a horse race or a  
26 team dog race except by a parimutuel method of wagering conducted by a  
27 person licensed under this chapter, and upon the grounds or enclosure  
28 of the licensee;

29 (4) permit a person under the age of 18 to use the

1 parimutuel system.

2 (b) Violation of a regulation or provision of this chapter with  
3 intent to affect the outcome of a horse race or a team dog race is a  
4 class C felony.

5 ARTICLE 4. GENERAL PROVISIONS.

6 Sec. 05.40.900. ADMINISTRATIVE PROCEDURE ACT. The operations of  
7 the commission are subject to the Administrative Procedure Act  
8 (AS 44.62).

9 Sec. 05.40.910. CONFLICT OF INTEREST ACT. The commission is  
10 subject to AS 39.50 (conflict of interest).

11 Sec. 05.40.990. DEFINITIONS. In this chapter

12 (1) "breakage" means the odd cents by which the amount  
13 payable on each dollar wagered exceeds a multiple of 10 cents; break-  
14 age may not exceed 20 percent of the total amount deposited in the  
15 pool;

16 (2) "commission" means the Alaska Racing Commission;

17 (3) "harness race" means a race where the horses are har-  
18 nessed to a sulky, carriage, or similar vehicle and driven by a  
19 driver;

20 (4) "horse race" means either a race where the horses are  
21 mounted and ridden by jockeys or a harness race;

22 (5) "parimutuel" means a form of wagering on the outcome of  
23 horse races or team dog races in which those who wager personally  
24 purchase tickets of various denominations on a horse or a team and all  
25 wagers for each race are pooled and held by the licensee conducting  
26 the meet for distribution; when the outcome of the race has been  
27 decided, the licensee conducting the meet distributes the percentage  
28 of the total wagers determined by the commission to holders of tickets  
29 on the winning horses or teams;

1           (6) "race meet" means an exhibition that includes horse  
2 races or team dog races, where the parimutuel system is used;

3           (7) "team dog race" means a race among five or more teams,  
4 each team consisting of eight dogs, along a fixed course, not exceed-  
5 ing one mile, where the teams start simultaneously from a common  
6 starting point and race to a common finish line.

7 \* Sec. 2. AS 18.65.080 is amended by adding a new subsection to read:

8           (b) The Department of Public Safety shall investigate and ascer-  
9 tain whether a

10           (1) person appointed by the governor to serve as a member  
11 of the Alaska Racing Commission under AS 05.40 has been convicted of a  
12 crime described in AS 05.40.010(c);

13           (2) member of the staff of or person employed by the Alaska  
14 Racing Commission, a race official, or a person licensed to conduct or  
15 participate in the conduct of a race meet has been convicted of a  
16 crime described in AS 05.40.010(c).

17 \* Sec. 3. AS 39.50.200(b) is amended by adding a new paragraph to read:

18           (49) Alaska Racing Commission (AS 05.40.010).

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

20           (55) Alaska Racing Commission (AS 05.40.010).

21 \* Sec. 5. INITIAL COMMISSION APPOINTMENTS. The governor shall make the  
22 initial appointment of members of the Alaska Racing Commission within 90  
23 days after the effective date of this Act.