Offered: 5/8/87
Referred: Rules

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Original sponsors: Larson and Menard

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 32 (Finance)

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. One
16 member shall have experience in the regulation, supervision, or con-
17 duct of parimutuel wagering, horse racing, or team dog racing; one
18 member shall have experience in law enforcement; one member shall have
19 experience in bookkeeping or accounting; two members shall be public
20 members.

21 (b) Each member of the commission shall at the time of the
22 member's appointment be a resident of the state.

23 (c) A person may not serve as a member of the commission if that
24 person has been convicted of

25 (1) a felony; or

26 (2) an offense defined in AS 05.40.200, AS 11.66.200 -
27 11.66.280, or a comparable provision of municipal, state, or federal
28 law.

29 (d) A person may not serve as a member of the commission until

1 the investigation required under AS 18.65.080 is completed.
2 (e) The commission shall elect a chairman from its membership.
3 (f) Three members of the commission constitute a quorum for the
4 transaction of business.
5 Sec. 05.40.020. TERM OF OFFICE. Members of the commission serve
6 staggered terms of four years. A vacancy is filled by appointment for
7 the unexpired term. A member of the commission holds office until a
8 successor is appointed and qualifies.
9 Sec. 05.40.030. REMOVAL AND SUSPENSION OF MEMBERS. (a) The
10 governor may remove a member for cause, including incompetence, ne-
11 glect of duty, or misconduct in office. A member being removed for
12 cause shall be given a copy of the charges and afforded an opportunity
13 to publicly present a defense in person or by counsel upon not less
14 than 10 days' notice. If a member is removed for cause, the governor
15 shall file with the lieutenant governor a complete statement of all
16 charges made against the member and the governor's findings based on
17 the charges, together with a complete record of the proceedings.
18 (b) The governor may immediately suspend a member for a vio-
19 lation of law or for misconduct in office pending removal from office
20 under (a) of this section.
21 Sec. 05.40.040. COMPENSATION AND PER DIEM. (a) Except as
22 provided in (b) of this section, members of the commission receive no
23 salary for their service on the commission but are entitled to per
24 diem and travel expenses authorized by law for state boards and com-
25 missions under AS 39.20.180.
26 (b) In addition to per diem and travel expenses, a member of the
27 commission is entitled to compensation of $100 per day for each day
28 the member is engaged in the actual performance of duties as a race
29 meet observer.

1 Sec. 05.40.050. DUTIES AND POWERS OF THE COMMISSION. (a) The
2 commission shall, in consultation with the Attorney General,
3 (1) adopt regulations concerning
4 (A) the issuance, renewal, suspension, and revocation
5 of licenses and special permits;
6 (B) the immediate suspension of a license or special
7 permit of a person subject to this chapter during an investiga-
8 tion of a violation of this chapter or a regulation adopted under
9 this chapter;
10 (C) the appointment of race officials and their
11 duties;
12 (D) the distribution of the parimutuel pool among the
13 race meet operator, purse money, winning tickets, and the commis-
14 sion;
15 (E) retention of breakage by a race meet operator;
16 (F) veterinary standards for race meets;
17 (G) parimutuel equipment to be used by race meet
18 operators;
19 (H) auditing procedures; and
20 (I) other matters directly related to horse racing,
21 team dog racing, and parimutuel wagering;
22 (2) regulate and supervise all horse races and team dog
23 races;
24 (3) inspect and approve race tracks and race horses and
25 racing dogs;
26 (4) establish standards for the design and weight of
27 chariots used in team dog racing;
28 (5) establish racing dates and durations;
29 (6) sanction horse racing at locations approved by the

1 commission;

2 (7) sanction team dog races at locations approved by the

3 commission;

4 (8) set all license and special permit fees;

5 (9) make an annual report to the commissioner of revenue

6 and the legislature of its administration of this chapter before

7 April 15 of each year;

8 (10) keep detailed records of all race meets and of all col-

9 lections and disbursements;

10 (11) supervise the making and distribution of parimutuel

11 pools.

12 (b) The commission may

13 (1) hire staff as needed to administer this chapter;

14 (2) issue subpoenas to compel witnesses to appear before

15 it;

16 (3) compel the production of documents showing the receipts

17 and disbursements of a race meet operator;

18 (4) appoint a hearing officer to conduct a hearing required

19 by this chapter or by a regulation adopted under it;

20 (5) by regulation, impose an admission surcharge for a race

21 meet not to exceed $1 without regard to whether the race meet operator

22 charges an admission fee.

23 Sec. 05.40.060. REGULATIONS OF THE COMMISSION. The attorney

24 general shall enforce the regulations of the commission.

25 Sec. 05.40.070. RECORDS OF THE COMMISSION. All records of the

26 commission are public records and subject to public inspection.

27 Sec. 05.40.080. PROCEEDS. Fees and other money received by the

28 commission shall be paid into the general fund.

29 ARTICLE 2. RACE MEETS.

1 Sec. 05.40.100. RACE MEET OPERATOR'S LICENSE. (a) A person may
2 not conduct a race meet in the state without a race meet operator's
3 license issued by the commission. A race meet operator's license is
4 valid for three years unless revoked or suspended by the commission.
5 (b) The race meet operator has the exclusive right to operate or
6 contract for the operation of concessions at the site of the race
7 meet.
8 (c) A race meet operator's license may not be issued until the
9 investigation required under AS 18.65.080 is completed. A person
10 convicted of a crime set out in AS 05.40.010(c) may not receive a race
11 meet operator's license.
12 Sec. 05.40.110. SPECIAL PERMITS. (a) A person may not partici-
13 pate in a race meet as an owner of an animal participating in the race
14 meet, trainer, jockey, driver, attendant, groom, stable or kennel
15 person, veterinarian, employee of a race meet operator, concession-
16 naire, or concession employee without a special permit issued by the
17 commission. A special permit is valid for one year unless revoked or
18 suspended by the commission.
19 (b) A special permit may not be issued under this section until
20 the investigation required under AS 18.65.080 is completed. A person
21 convicted of a crime set out in AS 05.40.010(c) may not receive a
22 special permit.
23 Sec. 05.40.120. RACE MEETS WITHIN MUNICIPALITIES. The commis-
24 sion may not sanction a race meet within a municipality unless
25 (1) a majority of the voters in the municipality has ap-
26 proved a referendum authorizing parimutuel wagering on horse races and
27 team dog races; and
28 (2) the municipality, after a public hearing on the li-
29 cense, approves issuance or renewal of the license.

1 Sec. 05.40.130. DISTRIBUTION OF PARIMUTUEL POOL. (a) Except as
2 provided in (b) of this section, the parimutuel pool shall be dis-
3 tributed
4 (1) 65 percent to the holders of winning tickets;
5 (2) 15 percent to the race meet operator conducting the
6 race meet;
7 (3) 10 percent as purse money; and
8 (4) 10 percent to the commission.
9 (b) The commission may by regulation adjust the distribution of
10 the parimutuel pool as necessary to promote efficient and successful
11 race meets. The percentage allocated to holders of winning tickets
12 shall be at least 65 percent of the parimutuel pool.
13 Sec. 05.40.140. REPORTS BY THE RACE MEET OPERATOR. (a) The
14 race meet operator shall report to the commission within 30 days after
15 each race on the distribution of the parimutuel pool.
16 (b) The race meet operator shall report to the commission within
17 30 days after the end of the race meet on the operation and proceeds
18 of concessions at the site of the race meet.
19 Sec. 05.40.150. OBSERVATION OF RACE MEETS. The commission may
20 appoint a member of the commission or other person to observe the con-
21 duct of race meets. An observer shall be present at the site of each
22 race meet on the day before, the day after, and during the race meet.
23 ARTICLE 3. PROHIBITED ACTS AND PENALTIES.
24 Sec. 05.40.200. PROHIBITED ACTS AND PENALTIES. (a) It is a
25 class A misdemeanor to
26 (1) violate or fail to comply with a regulation of the
27 commission or a provision of this chapter if no effect on the outcome
28 of the horse race or team dog race was intended;
29 (2) record, report, or register a wager on a horse in a

1 horse race or a team in a team dog race unless under the provisions of
2 this chapter;
3 (3) place a wager upon the results of a horse race or a
4 team dog race except by a parimutuel method of wagering conducted by a
5 race meet operator licensed under this chapter, and upon the grounds
6 or enclosure of the race meet operator;
7 (4) permit a person under the age of 18 to use the pari-
8 mutuel system.
9 (b) Violation of a regulation or provision of this chapter with
10 intent to affect the outcome of a horse race or a team dog race is a
11 class C felony.
12 ARTICLE 4. GENERAL PROVISIONS.
13 Sec. 05.40.900. ADMINISTRATIVE PROCEDURE ACT. The operations of
14 the commission are subject to the Administrative Procedure Act
15 (AS 44.62).
16 Sec. 05.40.910. CONFLICT OF INTEREST ACT. The commission is
17 subject to AS 39.50 (conflict of interest).
18 Sec. 05.40.990. DEFINITIONS. In this chapter
19 (1) "breakage" means the odd cents by which the amount
20 payable on each dollar wagered exceeds a multiple of 10 cents; break-
21 age may not exceed 20 percent of the total amount deposited in the
22 pool;
23 (2) "commission" means the Alaska Racing Commission;
24 (3) "harness race" means a race where the horses are har-
25 nessed to a sulky, carriage, or similar vehicle and driven by a
26 driver;
27 (4) "horse race" means either a race where the horses are
28 mounted and ridden by jockeys or a harness race;
29 (5) "parimutuel" means a form of wagering on the outcome of

1 horse races or team dog races in which those who wager personally
2 purchase tickets of various denominations on a horse or a team and all
3 wagers for each race are pooled and held by the race meet operator for
4 distribution; when the outcome of the race has been decided, the race
5 meet operator distributes the percentage of the total wagers deter-
6 mined by the commission to holders of tickets on the winning horses or
7 teams;
8 (6) "race meet" means an exhibition that includes horse
9 races or team dog races, where the parimutuel system is used;
10 (7) "race meet operator" means the person who is authorized
11 to conduct a race meet sanctioned by the commission;
12 (8) "special permit" means a permit issued by the commis-
13 sion to participants in a race meet, other than the race meet opera-
14 tor, under AS 05.40.110;
15 (9) "team dog race" means a race among five or more teams,
16 each team consisting of eight dogs, along a fixed course, not exceed-
17 ing one mile, where the teams start simultaneously from a common
18 starting point and race to a common finish line.
19 * Sec. 2. AS 18.65.080 is amended by adding a new subsection to read:
20 (b) The Department of Public Safety shall investigate and ascer-
21 tain whether a
22 (1) person appointed by the governor to serve as a member
23 of the Alaska Racing Commission under AS 05.40 has been convicted of a
24 crime set out in AS 05.40.010(c);
25 (2) member of the staff of or person employed by the Alaska
26 Racing Commission, a race official, a race meet operator, or a person
27 required to obtain a special permit under AS 05.40.110 has been con-
28 victed of a crime set out in AS 05.40.010(c).
29 * Sec. 3. AS 39.50.200(b) is amended by adding a new paragraph to read:

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

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

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

4 * Sec. 5. INITIAL COMMISSION APPOINTMENTS. The governor shall make the

5 initial appointment of members of the Alaska Racing Commission within 120

6 days after the effective date of this Act.