

227 - HB 356 - HB 385

REVENUE TO STATE (continued)

| States | ADMISSION TAX | | | | | MISCELLANEOUS | | | | |
|---------------|------------------|------------------|------------------|---------------|----------------|------------------|------------------|------------------|---------------|----------------|
| | Total | Thoroughbred | Harness | Qrt. Horse | Mixed | Total | Thoroughbred | Harness | Qrt. Horse | Mixed |
| Arizona | 9,660 | ✓ | | ✓ | 9,660 | 535 | ✓ | | ✓ | 535 |
| Arkansas | 38,525 | 38,525 | | | | 24,668 | 24,668 | | | |
| California | | | | | | 777,566 | 534,350 | 98,214 | 72,162 | 72,840 † |
| Colorado | | | | | | 3,140 | 1,795 | | 1,345 | |
| Delaware | 169,002 | 96,348 | 72,654 | | | 141,876 | 64,841 | 77,035 | | |
| Florida | 647,547 | 548,879 | 77,447 | 21,221 | | 571,522 | 505,349 | 49,685 | 16,488 | |
| Idaho | 3,004 | ✓ | | ✓ | 3,004 | 1,885 | ✓ | | ✓ | 1,885 |
| Illinois | 2,232,530 | 1,029,690 | 1,198,150 | 4,690 | | 441,984 | 4,869 | 207,360 | | 229,755 |
| Kentucky | 251,708 | 228,741 | 22,967 | | | 137,652 | 112,652 | 25,000 | | |
| Louisiana | 180,108 | 146,452 | | ✓ | 33,656 | 135,106 | 5,450 | | ✓ | 129,656 |
| Maryland | 387,711 | 314,173 | 73,538 | | | 230,498 | 192,978 | 37,520 | | |
| Massachusetts | | | | | | 109,535 | 80,415 | 29,120 | | |
| Michigan | | | | | | 297,935 | 163,093 | 134,842 | | |
| Montana | | | | | | | | | | |
| Nebraska | 162,794 | 162,794 | | | | 33,745 | 33,745 | | | |
| Nevada | | | | | | | | | | |
| New Hampshire | | | | | | 118,454 | 56,656 | 61,798 | | |
| New Jersey | 226,113 | 197,527 | 28,586 | | | 347,764 | 249,784 | 97,980 | | |
| New Mexico | 71,933 | ✓ | | ✓ | 71,933 | 123,850 | ✓ | | ✓ | 123,850 |
| New York | 1,966,484 | 888,308 | 1,078,176 | | | 1,355,169 | 770,034 | 585,135 | | |
| Ohio | | | | | | 66,256 | 22,730 | 43,332 | 194 | |
| Oregon | | | | | | 55,644 | ✓ | | ✓ | 55,644 |
| Pennsylvania | 602,154 | 492,194 | 109,960 | | | 289,046 | 281,076 | 7,970 | | |
| Rhode Island | 183,308 | 183,308 | | | | 72,610 | 72,610 | | | |
| South Dakota | No Record | | | | | No Record | | | | |
| Vermont | | | | | | 46,735 | 39,870 | 6,865 | | |
| Washington | 398 | | | 241 | 157 | 1,100 | ✓ | | ✓ | 1,100 |
| West Virginia | 24,243 | 21,962 | 2,281 | | | 213,774 | 205,702 | 8,072 | | |
| Wyoming | 197 | ✓ | | ✓ | 197 | 275 | ✓ | | ✓ | 275 |
| Total | 7,157,419 | 4,348,901 | 2,663,759 | 26,152 | 118,607 | 5,598,324 | 3,422,667 | 1,469,928 | 90,189 | 615,540 |

† Fairs -- Thoroughbred and quarter horse

STAKES AND PURSE DISTRIBUTION

| States | TOTAL MONEY DISTRUBUTED | | | | | CONTRIBUTION BY HORSEMEN | | | | |
|---------------|-------------------------|--------------------|--------------------|-------------------|------------------|--------------------------|------------------|------------------|------------------|----------------|
| | Total | Thoroughbred | Harness | Qtr. Horse | Mixed | Total | Thoroughbred | Harness | Qtr. Horse | Mixed |
| Arizona | 2,447,969 | ✓ | | ✓ | 2,447,969 | 120,485 | ✓ | | ✓ | 120,485 |
| Arkansas | 3,452,049 | 3,452,049 | | | | 60,600 | 60,600 | | | |
| California | 45,566,896 | 33,690,343 | 6,520,152 | 5,356,401 | | 1,774,743 | 1,043,152 | 156,788 | 574,803 | |
| Colorado | 2,088,291 | 1,384,437 | | 703,854 | | 462,115 | 147,380 | | 314,735 | |
| Delaware | 9,719,589 | 4,219,020 | 5,500,569 | | | 193,720 | 95,120 | 98,600 | | |
| Florida | 18,013,698 | 15,345,169 | 1,907,830 | 760,699 | | 738,491 | 431,945 | 35,297 | 271,249 | |
| Idaho | 412,241 | 218,761 | | 168,807 | 24,673 | 67,114 | 6,458 | | 53,516 | 7,140 |
| Illinois | 28,704,419 | 13,823,739 | 14,802,680 | 78,000 | | 544,542 | 424,932 | 119,610 | | |
| Kentucky | 11,487,371 | 8,678,638 | 2,808,733 | | | 795,968 | 344,760 | 451,208 | | |
| Louisiana | 9,403,841 | 8,150,290 | | 1,253,551 | | 729,392 | 236,000 | | 493,392 | |
| Maryland | 15,535,068 | 13,730,758 | 1,804,310 | | | 383,520 | 292,365 | 91,155 | | |
| Massachusetts | 7,975,120 | 5,898,320 | 2,076,800 | | | 76,125 | 37,675 | 38,450 | | |
| Michigan | 16,186,600 | 7,742,090 | 8,444,510 | | | 73,840 | 51,390 | 22,450 | | |
| Montana | No Record | | | | | | | | | |
| Nebraska | 4,677,020 | 4,677,020 | | | | 126,800 | 126,800 | | | |
| Nevada | No Record | | | | | | | | | |
| New Hampshire | 6,376,453 | 2,701,712 | 3,674,741 | | | 13,125 | 9,750 | 3,375 | | |
| New Jersey | 17,315,839 | 11,966,185 | 5,349,654 | | | 264,986 | 264,986 | | | |
| New Mexico | 9,049,899 | 4,117,699 | | 4,932,200 | | 3,784,931 | 650,972 | | 3,133,959 | |
| New York | 66,358,726 | 29,600,377 | 36,758,349 | | | 3,675,710 | 829,025 | 2,846,685 | | |
| Ohio | 16,156,507 | 8,559,485 | 7,468,201 | 128,821 | | 424,894 | 163,900 | 207,573 | 53,421 | |
| Oregon | 1,663,714 | 1,414,287 | | 249,427 | | 13,395 | | | 13,395 | |
| Pennsylvania | 25,030,883 | 15,240,929 | 9,789,954 | | | 701,667 | 243,725 | 457,942 | | |
| Rhode Island | 5,769,231 | 5,769,231 | | | | | | | | |
| South Dakota | 300,000(E) | ✓ | | 300,000 | | No Record | | | | |
| Vermont | 2,468,705 | 1,758,700 | 710,005 | | | | | | | |
| Washington | 4,593,608 | 4,257,910 | | 323,463 | 12,235 | 315,701 | 111,683 | | 202,123 | 1,895 |
| West Virginia | 10,797,982 | 10,339,532 | 458,450 | | | 17,430 | 17,430 | | | |
| Wyoming | 51,742 | 4,100 | | 47,642 | | 23,228 | | | 23,228 | |
| Total | 341,603,461 | 216,740,781 | 108,074,938 | 14,002,865 | 2,784,877 | 15,382,522 | 5,590,048 | 4,529,133 | 5,133,821 | 129,520 |

E - Estimated

STAKES AND PURSE DISTRIBUTION (continued)

| States | CONTRIBUTION BY ASSOCIATIONS | | | | | CONTRIBUTION FROM SPECIAL FUNDS | | | | |
|---------------|------------------------------|--------------------|-------------------|------------------|------------------|---------------------------------|------------------|------------------|----------------|----------------|
| | Total | Thoroughbred | Harness | Qtr. Horse | Mixed | Total | Thoroughbred | Harness | Qtr. Horse | Mixed |
| Arizona | 2,072,256 | ✓ | | ✓ | 2,072,256 | 255,228 | ✓ | | ✓ | 255,228 |
| Arkansas | 3,322,449 | 3,322,449 | | | | 69,000 | 69,000 | | | |
| California | 43,792,153 | 32,654,847 | 6,363,364 | 4,773,942 | | | | | | |
| Colorado | 1,470,043 | 1,103,057 | | 366,986 | | 156,133 | 134,000 | | 22,133 | |
| Delaware | 9,136,250 | 4,123,900 | 5,012,350 | | | 389,619 | | 389,619 | | |
| Florida | 16,971,103 | 14,827,744 | 1,653,909 | 489,450 | | 304,103 | 85,480 | 218,623 | | |
| Idaho | 345,127 | 212,303 | | 115,291 | 17,533 | | | | | |
| Illinois | 26,598,553 | 12,640,783 | 13,879,770 | 78,000 | | 1,561,325 | 758,025 | 803,300 | | |
| Kentucky | 10,691,494 | 8,333,878 | 2,357,526 | | | | | | | |
| Louisiana | 1,801,470 | 7,206,960 | | 594,450 | | 873,039 | 707,330 | | 165,709 | |
| Maryland | 15,013,120 | 13,362,959 | 1,650,161 | | | 138,428 | 75,433 | 62,995 | | |
| Massachusetts | 7,888,195 | 5,860,645 | 2,027,550 | | | 10,800 | | 10,800 | | |
| Michigan | 15,503,566 | 7,264,500 | 8,239,060 | | | 609,200 | 426,200 | 183,000 | | |
| Montana | No Record | | | | | | | | | |
| Nebraska | 4,550,220 | 4,550,220 | | | | | | | | |
| Nevada | No Record | | | | | | | | | |
| New Hampshire | 6,363,328 | 2,691,962 | 3,671,366 | | | | | | | |
| New Jersey | 15,217,600 | 10,786,379 | 4,431,221 | | | 1,833,253 | 914,820 | 918,433 | | |
| New Mexico | 5,264,968 | 3,466,727 | | 1,798,241 | | | | | | |
| New York | 61,094,446 | 28,512,517 | 32,581,929 | | | 1,588,570 | 258,835 | 1,329,735 | | |
| Ohio | 14,595,528 | 7,259,500 | 7,260,628 | 75,400 | | 1,136,085 | 1,136,085 | | | |
| Oregon | 1,625,515 | 1,391,584 | | 233,931 | | 24,803 | 22,702 | | 2,101 | |
| Pennsylvania | 23,293,923 | 14,997,204 | 8,296,719 | | | 1,035,293 | | 1,035,293 | | |
| Rhode Island | 5,769,231 | 5,769,231 | | | | | | | | |
| South Dakota | 300,000 | ✓ | | ✓ | 300,000 | No Record | | | | |
| Vermont | 2,468,705 | 1,758,700 | 710,005 | | | | | | | |
| Washington | 3,602,495 | 3,470,815 | | 121,340 | 10,340 | 675,412 | 675,412 | | | |
| West Virginia | 8,814,067 | 8,355,617 | 458,450 | | | 1,966,485 | 1,966,485 | | | |
| Wyoming | 28,514 | 4,100 | | 24,414 | | | | | | |
| Total | 313,594,163 | 203,928,581 | 98,594,008 | 8,671,445 | 2,400,129 | 12,626,776 | 7,229,807 | 4,951,798 | 189,943 | 255,228 |

E - Estimated

BRIEF SUMMARY OF TAX METHODS BY STATES

| | |
|------------|--|
| Arizona | Total take-out 18%. State receives 4% of first \$100,000 and 7% all over \$100,000; under \$100,000 state 2%, track 15% and 1% to supplement General Purse Structure. Breakage 10 cents, 50% to track, 25% General Purse Structure, 25% Arizona Bred Purse Structure. FAIRS: County in which fair is located receives pari-mutuel tax revenue, instead of state. |
| Arkansas | Total take-out 16%. Pari-mutuel tax to state 6%, \$500 daily license, 10 cents tax on admissions. Breakage 10 cents, divided 33 1/3% to city where track is located, 33 1/3% to association, 33 1/3% to state. |
| California | Total take-out 15.75%. Only two rates applied to total handle, a base rate on handle up to \$20 million, and the appropriate rate for the estimated handle in excess of \$20 million. THOROUGHBRED: With a handle of \$0-\$20 million, state 6.10%, track 5.29%, purses 4.16%; \$20-\$40 million, state 5.70%, track 5.52%, purses 4.33%; \$40-\$75 million, state 6.55%, track 5.04%, purses 3.96%; \$75-\$120 million, state 6.85%, track 4.87%, purses 3.83%; \$120-\$180 million, state 7.15%, track 4.70%, purses 3.70%; \$180 million and above, state 7.45%, track 4.54%, purses 3.56%. Breeder and Stallion Awards, .2%. HARNESS AND QUARTER HORSE: With a handle of \$0-\$20 million, state 6.10%, track 5.74%, purses 3.91%; \$20-\$40 million, state 5.70%, track 5.98%, purses 4.07%; \$40-\$75 million, state 6.55%, track 5.48%, purses 3.72%; \$75-\$120 million, state 6.85%, track 5.30%, purses 3.60%; \$120-\$180 million, state 7.15%, track 5.12%, purses 3.48%; \$180 million and above, state 7.45%, track 4.94%, purses 3.36%. Breeders Awards paid by track out of amount deducted from handle. When any racing association handles less than \$20 million, state receives 5.50% of total handle, 10.25% deducted from pari-mutuel pools to be distributed to tracks and purses. |
| Colorado | Total take-out 16%. Of daily pari-mutuel wagering receipts state receives 4% of first \$200,000; 5% of excess over \$200,000 which does not exceed \$300,000; 6% of all in excess of \$300,000. Breakage 10 cents, all to association. At Colorado State Fair, state receives 2% of take-out. |
| Delaware | THOROUGHBRED: Delaware Park take-out 17%. State receives 5%. Per season license \$5,000. Admissions 20 cents. Breakage 10 cents, 5 cents on minus pools, divided equally between state and association. Dover Downs take-out 17 1/2%. State receives 5%. Per season license \$750. Admissions 10 cents. Breakage 5 cents, all to association. HARNESS: Total take-out 17 1/2%. State receives 5 1/2%. Admissions 10 cents. Breakage 10 cents, 5 cents on minus pools, divided equally between state and association. THOROUGHBRED and HARNESS: Uncashed pari-mutuel tickets revert to state after one year. |
| Florida | THOROUGHBRED: Total take-out 17%. South Florida Winter—state receives 7 1/2%. Breakage 10 cents, 5 cents on minus pools. One hundred per cent to state. South Florida Summer—state 5% on first \$400,000 daily average, 3% on excess of \$400,000. Breakage 50% to state, 50% to track. Florida Downs—state receives daily fee ranging from \$4,000 to \$21,000, based on preceding season's daily pari-mutuel average. Breakage 100% to track for purses and breeders awards. HARNESS: Seminole—Harness 19%, Quarter Horse 17%, Thoroughbred 17%. State receives daily fee ranging from \$1,000 to \$4,000 based on daily pari-mutuel handle. Harness and Quarter Horse, state receives 50% of breakage; Thoroughbred, state receives 100%. Bayard—Total take-out 17%. When daily average more than \$25,000 state receives 7% less \$170 per race "Initial expense of operation." Less than \$25,000 state receives daily fee ranging from \$150 to \$400 based on daily pari-mutuel handle. Pompano—Total take-out 19%. State receives 7%. Breakage 50% to state, 50% to track for purses and breeders awards. Admissions all tracks 15%. |
| Idaho | Total take-out 15%. Commission receives 1% of take-out and occupational license fees for operational expenses. The remainder of take-out based on a sliding scale percentage as follows: Of gross receipts to \$20,000, track 14%; \$20,000 to \$30,000, track 13%, public school endowment fund, 1%; \$30,000 to \$40,000, track 12%, public school fund 2%; \$40,000 to \$50,000, track 11%, public school fund 3%; \$50,000 and over, track 10%, public school fund 4%. Breakage 10 cents, all to association. Track daily license \$25; fairs exempt. Association accrues all monies in unclaimed tickets at termination of time allowed by rule of the commission. |
| Illinois | Total take-out 16%. THOROUGHBRED—state receives: At race tracks within county of 500,000 or more or within county of less than 500,000 but within 100 miles corporate limits any city in state of 1 million or more tax rates, except charity: First \$5,000,000 of annual handle—5 3/4%; \$5,000,001 to \$10,000,000—6 3/4%; \$10,000,001 to \$30,000,000—7 3/4%; \$30,000,001 to \$40,000,000—8 1/4%; \$40,000,001 to \$60,000,000—8 3/4%; over \$60,000,000—9 1/4%. At race tracks within county of less than 500,000 and more than 100 miles of any city in state of 1 million or more tax rate, except charity: First \$10,000,000 of annual handle—5 3/4%; \$10,000,001 to \$20,000,000—6 3/4%; \$20,000,001 to \$30,000,000—7 3/4%; \$30,000,001 to \$40,000,000—8 1/4%; \$40,000,001 to \$60,000,000—8 3/4%; over \$60,000,000—9 1/4%. Breakage 10 cents, half to state. Charity meets, tax 8% plus half of breaks. HARNESS: Total take-out 16%. State receives: First \$30,000,000 of annual handle—5 1/4%; \$30,000,001 to \$35,000,000—7 1/4%; \$35,000,001 to \$40,000,000—8 1/4%; \$40,000,001 to \$60,000,000—8 3/4%; over \$60,000,000—9 1/4%. Breakage 10 cents, half to state. Charity meets tax 8%. Breakage, both Thoroughbred and Harness, 5 cents instead of 10 cents in case of minus pools. |

BRIEF SUMMARY OF TAX METHODS BY STATES (continued)

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|---------------|---|
| Kentucky | <p>THOROUGHBRED: Total take-out 15%. State receives 4 3/4%. Daily license \$500 if average daily handle at track during year does not exceed \$450,000; \$1,000 at tracks with average daily handle \$450,000 to \$600,000; \$2,500 at tracks where sum exceeds \$600,000. HARNESS: Total take-out 17%. State receives 4%. Daily license \$125 if average daily handle during previous year does not exceed \$75,000, \$175 thereafter. QUARTER HORSE: Total take-out 18%. State receives 4%. At all tracks breakage 10 cents, all to association; 15 cents on admissions. At all tracks in state unclaimed tickets revert to state after 2 years. Minus pools: Breakage 5 cents instead of 10 cents.</p> |
| Louisiana | <p>Total take-out 16%. In a parish with population of 450,000 and over state receives: On total daily pools from 1 cent to \$201,000—5%; \$201,000 to \$401,000, \$10,050 plus 6% of that amount exceeding \$201,000 up to \$401,000; \$401,000 and over, \$22,050 plus 7% of any amount exceeding \$401,000. Minimum daily license fee \$1,000. In a parish with population less than 450,000 state receives: On total daily pools up to \$200,000—5% of that portion exceeding \$30,000; \$201,000 to \$300,000, \$8,500 plus 6% of that portion exceeding \$200,000; over \$300,000, \$14,500 plus 7% of pool exceeding \$300,000. (Subject to minimum \$1,000 daily.) Admissions 10 cents. Breakage 10 cents, 2/3 to association and 1/3 to Louisiana Breeders Fund to supplement purses.</p> |
| Maryland | <p>THOROUGHBRED (MILE TRACKS): Total take-out 15%. State receives 5.34%, association 3.66% of which .25 of 1% is allocated for pension fund for race track employees; 5% of money wagered allocated to purses; .50% of wagers to Maryland Bred Fund races; .50% to Racing Fund for plant improvements. Daily license fee \$1,000. Breakage 10 cents, 1/2 to state, 1/2 to association. COUNTY FAIRS (Thoroughbred): Total take-out 16%. Of money wagered 5.50% to state; 5% to association, 5% allocated to purses, .50% to Maryland Bred Fund races. Breakage 10 cents, 1/2 to state and 1/2 to association. Daily license fee \$50. HARNESS: Total take-out 17%-18%—3 1/2% to state of all money wagered not in excess of \$125,000 daily, 7% to state in excess of \$125,000 daily. Daily license fee \$25. Breakage 10 cents. Association retains all breakage if daily average is below \$166,666.67; all above this figure state receives all breakage. Ocean Downs take-out 18%. One-half of 1% allocated for breeders fund. STEEPLECHASE AND QUARTER HORSE: Total take-out 14%. Of money wagered 5% to state, 9% to association. Breakage 10 cents, all to association.</p> |
| Massachusetts | <p>THOROUGHBRED (MAJOR TRACKS ONLY): Total take-out 19%. On weekdays and Saturdays State receives 9 1/2%, Association receives 9 1/2%. Sundays the State receives 8 1/2%, Association receives 10 1/2%. License fee \$600, per day for major tracks. THOROUGHBRED RACING AT FAIRS: Total take-out 18%. State receives 9 1/2%. Association receives 8 1/2%. License fee \$50, per day. HARNESS: (MAJOR TRACKS AND FAIRS): Total take-out 18%. From daily handle, the state receives 6 1/2% to \$400,000; 7 3/4% \$400,000 to \$450,000; 8 1/4% \$450,000 to \$500,000; 8 3/4% \$500,000 to \$550,000; 9 1/4% \$550,000 to \$600,000; 9 3/4% \$600,000 to \$650,000; 10 1/4% \$650,000 and over. Daily license fee at major tracks \$200; at Fairs \$50. At all tracks breakage 10 cents, divided equally between state and association.</p> |
| Michigan | <p>THOROUGHBRED: Total take-out 16 1/2%, State receives 8 1/2%, association 8%. HARNESS: Total take-out 16 1/2%. State receives 5 1/2%, association 11%. Per season licenses in city area 100,000 or more \$500, any other \$100. At all tracks breakage 10 cents, divided equally between state and association.</p> |
| Montana | <p>Total take-out 20% plus breakage. The licensee shall pay to the Board of Horse Racing 1% of all gross receipts on each days pari-mutuel betting at each race meet, which sum shall be paid to Board within five days after the end of race meet. If underpayments exceed overpayments at the end of each race meet, the balance shall be paid to the Board. Breakage 10 cents, all to licensee. All unclaimed winning tickets 30 days after the end of a race meet are paid to the Board. (No tax paid to State of Montana.)</p> |
| Nebraska | <p>Total take-out 15%. No tax first million; thereafter, state receives 6%. Tax on admissions 15 cents which, along with monies received in license fees, is distributed among counties of state for county fair premiums. Breakage 10 cents, all to association.</p> |
| Nevada | <p>Total take-out 18% with 1% to state and 1% to racing commission for administrative work. Any amount over \$10,000 is to be distributed to agricultural districts conducting horse racing proportionately to the amount contributed by each district. Breakage 10 cents, all to association.</p> |
| New Hampshire | <p>THOROUGHBRED: Total take-out 18%. State receives 8%, association 10%. No license fee, but bond not exceeding \$50,000 required. Breakage 10 cents, divided equally between state and association. HARNESS: Total take-out 19%, divided as follows: Of total mutuel pool for any one day, state receives 5 1/2% up to \$400,000; 6 3/4%—\$400,001 to \$450,000; 7 1/2%—\$450,001 to \$500,000; 7 3/4%—\$500,001 to \$550,000; 8 1/4%—\$550,001 to \$600,000; 8 3/4%—\$600,001 to \$650,000; 9 1/2%—\$650,001 and over. One quarter of 1% of total pari-mutuel pools allocated to agricultural fairs of state; however, total amount allocated is limited to \$150,000 in any one year. Track licenses paid to township where track is located. Breakage 10 cents, divided equally between state and association.</p> |
| New Jersey | <p>THOROUGHBRED: Total take-out 17%. State receives 9.15%, association 7.85%. Breakage 10 cents, all to state. HARNESS: Total take-out 17%. Of first \$40 million of handle, state receives 6%, thereafter 7%. All breakage to purses for Jersey bred races and breeder and owner awards.</p> |
| New Mexico | <p>Total take-out 18%. State receives 2% to \$250,000; 3 1/2% over \$250,000 to \$350,000; 4 1/2% over \$350,000 to \$400,000; 7% over \$400,000; except State Fair which pays a maximum 2% on total handle. Tax on admissions, 10 cents. Daily license fee \$300, half to state and half to county in which track is located, except State Fair charge \$10 per race day. Breakage 10 cents, all to association.</p> |

BRIEF SUMMARY OF TAX METHODS BY STATES (continued)

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|---------------|---|
| New York | <p>THOROUGHBRED: Total take-out 17% (Except 25% on Trifecta of which state receives 14%). State receives from Saratoga 9%, from Aqueduct and Belmont 10% of total mutual handle. From Finger Lakes, the state receives 5% of first \$400,000, 11% of more than \$400,000. Breakage 10 cents, with state receiving 70% from Aqueduct and Belmont, 65% from Saratoga and Finger Lakes, and with 10% to Breeders Fund. Franchise fee \$1,000 per racing day paid by non-profit association. Finger Lakes track license \$100 per day. HARNESS: Total take-out 17%. Of total daily pool, state receives 5% first \$250,000; 7 1/2%, \$250,001-\$300,000; 8 1/2%, \$300,001-\$400,000; 10 1/2%, \$400,001-\$500,000; 11 1/4%, \$500,001-\$600,000; 11 1/2%, \$600,001-\$700,000; 11 3/4%, \$700,001-\$800,000; 12%, \$800,001-\$900,000; 12 1/4%, \$900,001-\$1,000,000; 12 1/2%, \$1,000,001 and over. Breakage 10 cents, with state receiving 50%, Horse Breeders Fund 25%, association 25%.</p> |
| Ohio | <p>THOROUGHBRED and QUARTER HORSE: Total take-out 17 1/2%. State receives 4 1/4% first \$10,000 wagered; 5 1/4% next \$40,000; 6 1/4% next \$50,000; 7 1/4% next \$300,000; 8 1/4% all over \$400,000. HARNESS and FAIRS: Total take-out 17 1/2%. State receives 3% first \$10,000; 4% next \$40,000; 5% next \$50,000; 6% next \$300,000; 7% all over \$400,000. Breakage 10 cents. Breakage taxed at 25% after first \$2,000, 40% of breaks retained by track for increase in next purse distribution. Thirty-five per cent track share. Ohio Fair Fund—1/2 of 1% of total wagered at Thoroughbred, Harness, Quarter Horse, and Fair meetings is appropriated for Ohio Fair Fund Tax (tax collected from take-out). Thoroughbred Fund—1/2 of 1% of total wagered at Thoroughbred, Harness and Quarter Horse meetings (not collected from Fairs) is appropriated for Ohio Thoroughbred Race Fund. General Revenue tax collected from Fairs refunded to agricultural societies.</p> |
| Oregon | <p>Total take-out 15%, state receives 5.2% from commercial race meets and 1 1/2% from fair and non-profit race meets. Daily license fee \$250 with Fairs and non-profit meets \$1.00 per race meet. State receives unclaimed winning mutual tickets. Breakage 10 cents, track retaining 1/2 added to purses for Oregon-bred races, 4.8% of handle paid for purses and .2% for backstretch improvements.</p> |
| Pennsylvania | <p>THOROUGHBRED: Total take-out 17%. State receives 5%, association 10%. Breakage 10 cents, 5 cents on minus pools, divided equally between state and association. For track license \$3,000 deposit. HARNESS: Total take-out 17%. State receives 5%, association 10%. Breakage 10 cents, 5 cents on minus pools, divided equally between state and association. Monies from breakage deposited in Sire Stakes Fund. (THOROUGHBRED AND HARNESS: In addition to state's 5% there is a 2% tax at tracks located in cities of first class, paid directly to school district. In all other areas 2% tax paid to Department of Commerce for projects in accordance with law.)</p> |
| Rhode Island | <p>Total take-out 18%. State receives 6% on daily wagers to \$425,000, 7% to \$500,000, 8% to \$600,000, and 9% over \$600,000. Breakage 10 cents, divided equally between state and association.</p> |
| South Dakota | <p>Total take-out 16%. State 4%, association 11%, 1% for local school district. Law also provides that 5% of winning purse will go to South Dakota breeder of winning horse. Breakage 10 cents, all to association.</p> |
| Vermont | <p>THOROUGHBRED: Total take-out 18% (Sunday 19%). State receives 5 1/2% (Sunday 6 1/2%). Breakage 10 cents, divided equally between state and association. HARNESS: Total take-out 18%, with state receiving on first \$150,000 plus 3%; \$150,000 to \$200,000 plus 4%; \$200,000 to \$250,000 plus 5%; \$250,000 to \$300,000 plus 6%; \$300,000 to \$350,000 plus 7%; \$350,000 and over 8%. Sunday 19%, with state receiving on first \$150,000 plus 4%; \$150,000 to \$200,000, plus 5%; \$200,000 to \$250,000 plus 6%; \$250,000 to \$300,000 plus 7%; \$300,000 and over 8%. Breakage 10 cents, divided equally between state and association.</p> |
| Washington | <p>MAJOR TRACKS: Total take-out 16%. State receives 5%, association 10%. One per cent held by commission until end of each race meet, then distributed to owners of Washington-bred horses placing first, second, third and fourth. FAIR TRACKS—NON-PROFIT: Total take-out 15%, with 1% to state, 14% to association. Daily license fee at major tracks \$100; at Fairs \$10. Breakage 5 cents, all to association.</p> |
| West Virginia | <p>THOROUGHBRED: Total take-out 16%. State receives 5 3/4%, association 9 1/4%. One percent of take-out allocated for purses. Daily license tax \$250. Unredeemed pari-mutuel ticket money deposited to special account to support Breeders' Awards. Breakage 10 cents, all to association. HARNESS: Total take-out 17%. Of the daily pari-mutuel pool, 3% first \$100,000; 4% next \$150,000; 5 3/4% all over. Breakage 10 cents, all to association. Daily license tax \$150.</p> |
| Wyoming | <p>Total take-out 20%, with 2% to Pari-mutuel Board for operating expenses (none to state), 2% to city where track is located, 16% to racing association. Breakage 10 cents, all to association.</p> |

31 states have parimutuel betting
bet against each other

20% removed for track

Win, place, show - difference?

People will board horses out in Palmer
Finance Fair ground instead of coming to legs.
help establish Horse breeding industry

Want to encourage local breeding of horses

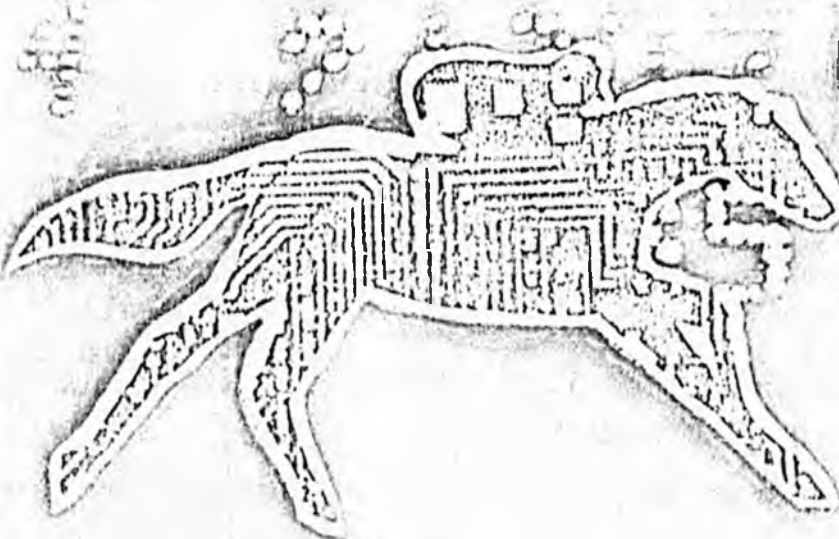
Average betting per day is \$60 per man

Commission should have power to revoke
licenses of trainers; jockies etc

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

Altec

SRB 360 PALMER, ALASKA 99645
745-3072

| TOTAL | APPROX. |
|--|---------|
| 5-3-4-1-1 | ODDS |
|  | WIN |
| | PLACE |
| | SHOW |

* * C O N T E N T S * *

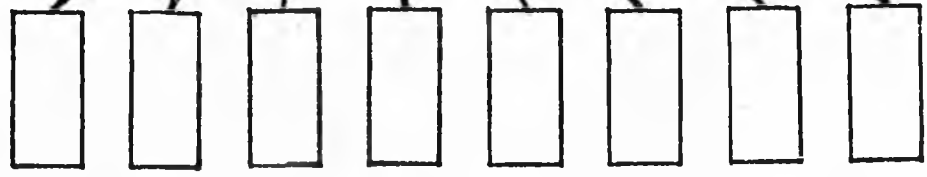
1. System Overview
2. Central Configuration
3. Track/Cashier Configuration
4. Keyboard Display
5. Sample Display
6. Control and Security
7. 3600 System Costs
8. OTB Computer Applications

IBM
370
HOST
COMPUTER

3600

CRT

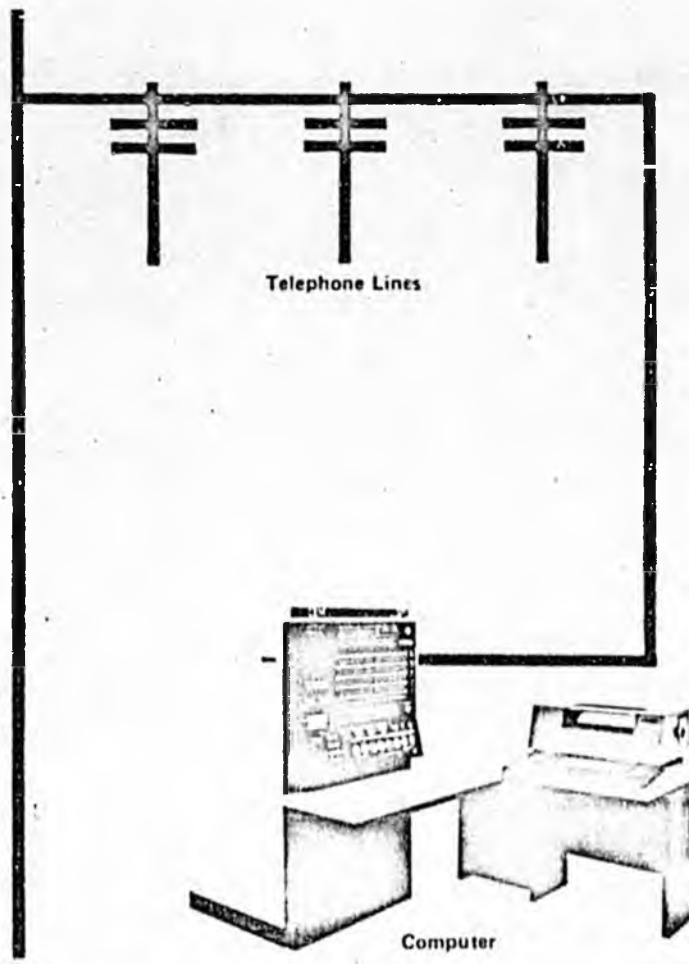
TOTE BOARD



BETTING WINDOWS

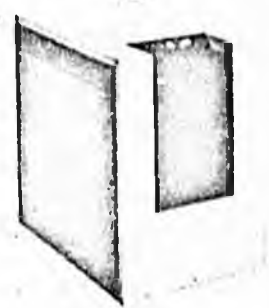


GENERAL PUBLIC



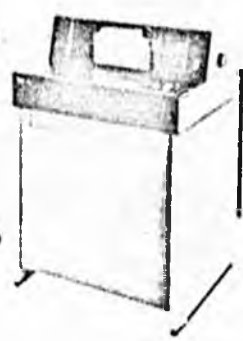
Telephone Lines

Computer

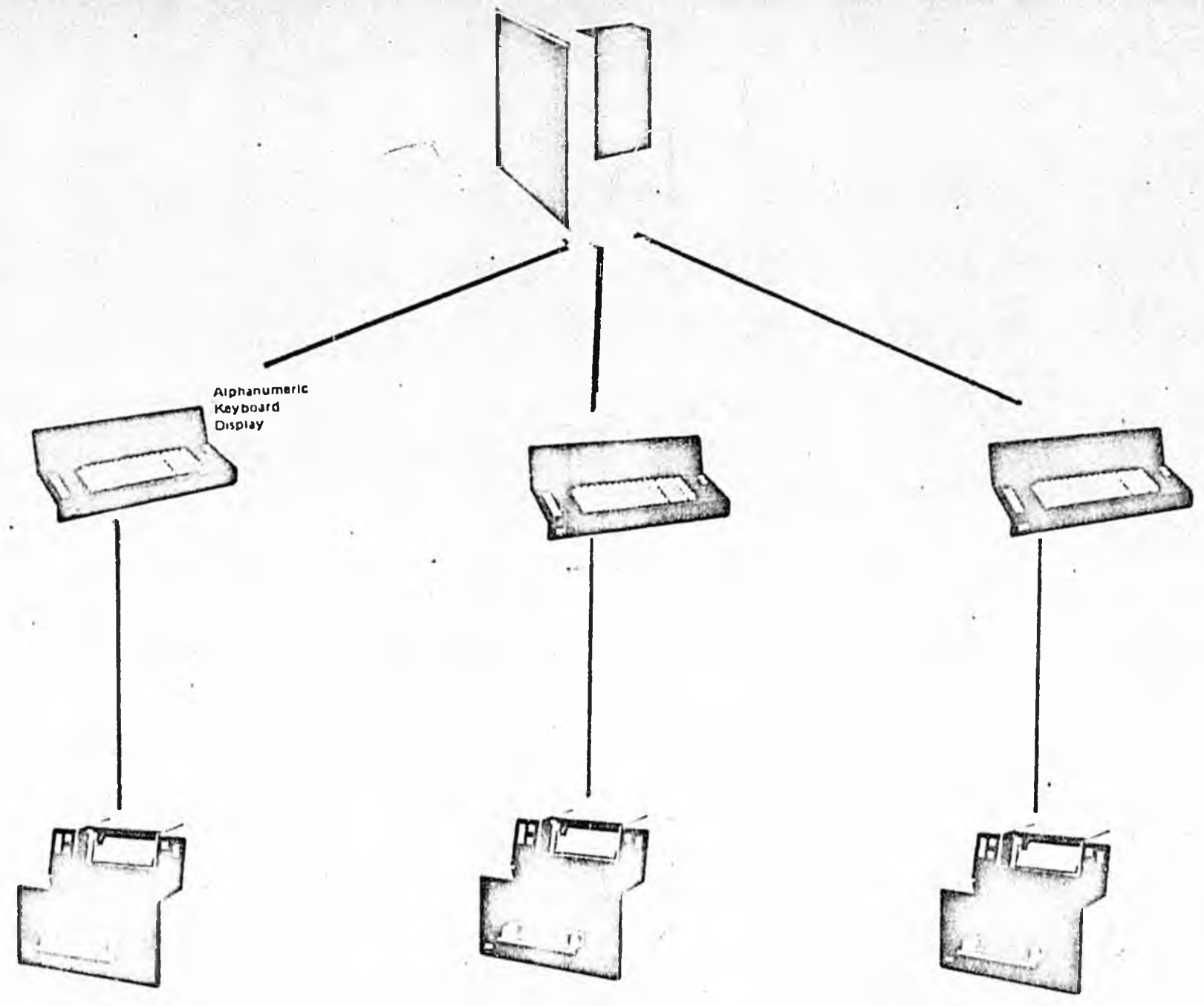


Controller

Administrative Line Printer



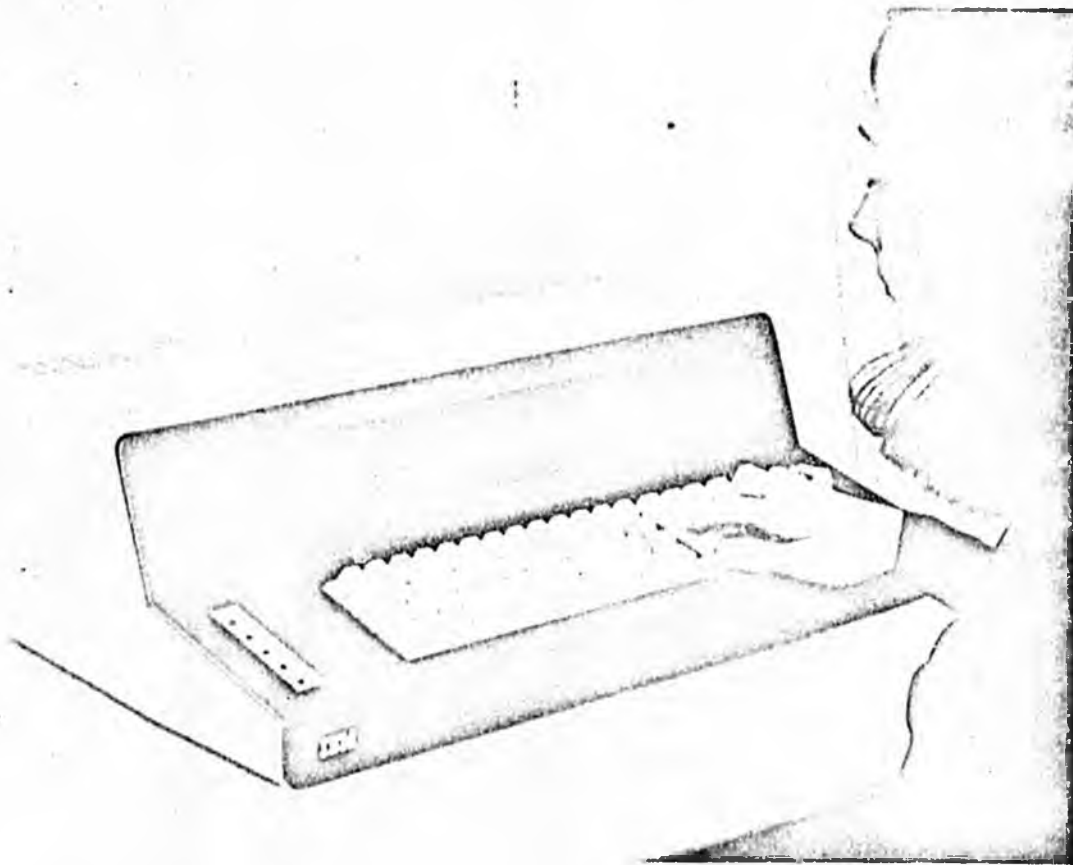
What Is The 3600 Finance Communication System? 11



**IBM 3604
Keyboard Display**

The Keyboard Display (Figures 3 and 4) is an interactive terminal for use by tellers, loan officers, auditors, and others. It contains a viewing area for up to 240 characters of information. The displayed information may be customer data or operator instructions, presented under control of the IBM 3601, or it may be the information entered from the keyboard.

Several keyboard options are offered with the IBM 3604. Keyboards with special "function keys" are available as well as the standard numeric or alphanumeric keyboards. The use and nomenclature of function keys are specified as desired by the individual financial institution.



IBM 3604 Keyboard Display with Alphanumeric Keyboard Feature

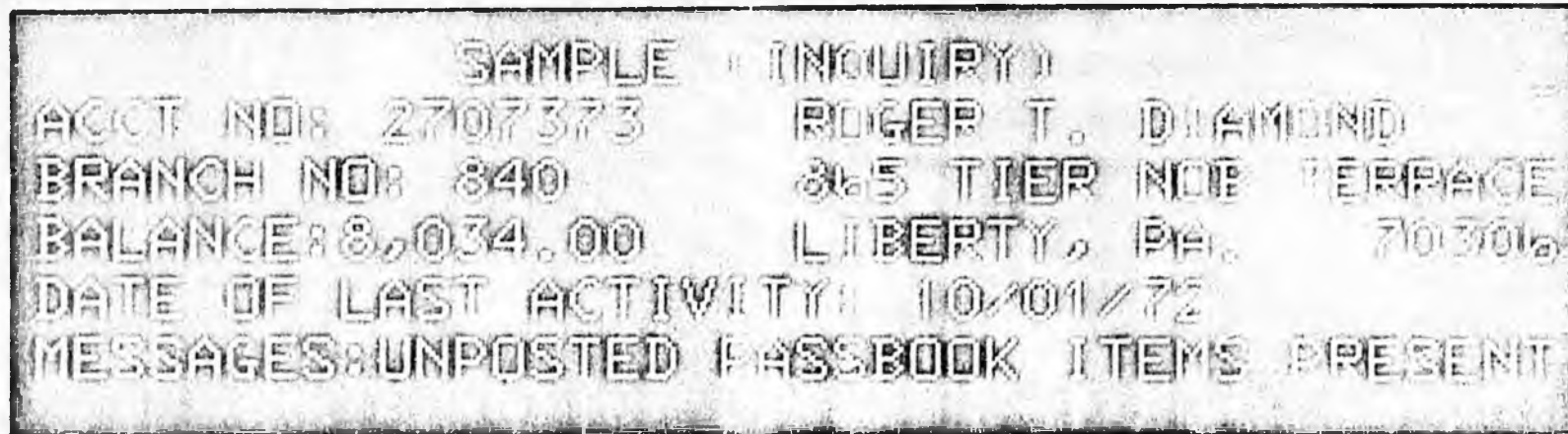
Display

The display shows 240 characters (6 lines of 40 characters) sharply and steadily. It may be used to do two important things for you:

1. Display the information that you enter at your keyboard. You can thus check your message for errors before you send it to the computer or before you have it printed. If there are any errors, you can change the message and see the change on the display.
2. Display information or guidance messages for you from the computer. Examples are: (1) an answer to your inquiry (the present

balance, let's say), (2) the result of a transaction (for example, the new balance after a deposit), (3) a message to help you through an unusual situation or a less frequently used transaction. Note that even though you may have only a numeric keyboard, alphanumeric messages from the controller to you can be displayed.

A sample display is shown in Figure 7.



SAMPLE « INQUIRY »
ACCT NO# 2707373 ROGER T. DIAMOND
BRANCH NO# 840 865 TIER NO# TERRACE
BALANCE \$ 8,034.00 LIBERTY, PA. 703016
DATE OF LAST ACTIVITY: 10/01/72
MESSAGES: UNPOSTED PASSBOOK ITEMS PRESENT

Sample Display

Audit and Control

The use of an IBM 3600 in a branch office introduces a new way to process information. Terminals become key operational devices. Terminal actions are guided by terminal prompting, data is gathered by terminal keying, and system information is accessible by terminal action.

Controls and audit procedures are very important. The institution can incorporate a variety of security and control measures, audit trails, and error-detection schemes into its application programs. As an illustration, consider operator identification.

If desired, application programs can be written so that operators must identify themselves with a log-on code before they are permitted to use the system. The procedure might be simply to enter a confidential identification name or number. Each terminal user would be assigned a unique code, and code changes could be made periodically or as needed. The system could be programmed to permit only certain codes at certain terminals, and to allow no more than one log-on code at a time per terminal. A log-off procedure (such as keying the term "Off") would prevent subsequent use of the terminal until another valid log-on was entered.

When two operators use the same terminal unit or units, special keyboard keys can be used to identify the operator who is processing a transaction. In this way, the system can keep track of individual activity and maintain separate records and accountings.

As an additional security measure, the system could be programmed to provide an authorization mechanism which allows operators to perform certain specific transactions but not others. This technique is valuable for restricting access to information that only certain users need; supervisors or managers, for example. It can give extra protection to particularly sensitive information.

Problem Determination and Fault Isolation

The IBM 3600 system minimizes the effect of fault conditions. Checking circuits and controls are built in to identify problems and to isolate their cause so that quick corrective action can be taken.

For example, suppose a Keyboard Display has a failure in the circuitry that exchanges data with the IBM 3601 control unit. On the terminal a CONTROL READY light (usually lit) begins to flash, or is extinguished altogether. Turning the unit off (or throwing the DSBL UNIT switch) disables the terminal and permits the remainder of the system to function normally. Therefore, the problem can be corrected with minimum effect on the system.

If a failure occurs elsewhere in the system, it may be flagged by a CONTROL READY light indication, by a special message from the IBM 3601 control unit, or by other system means.

Furthermore, IBM-designed tests are incorporated into the IBM 3601 and may be activated at any time. They exercise and test the terminals, and provide assurance that each device is performing properly.

* * 3600 Hardware Costs * *

| | <u>Monthly</u> | <u>Extended Monthly</u> | <u>Purchase</u> |
|-----------------------|----------------|-----------------------------|-----------------|
| Central Processor | \$523.00 | \$445.00 | \$20,140.00 |
| Display Consoles (8) | 496.00 | 424.00 | 2,120.00 |
| Document Printers (4) | 300.00 | 256.00 | 2,545.00 |
| Central Site Prtr | <u>125.00</u> | <u>108.00</u> | <u>2,350.00</u> |
| | \$1,444.00 | \$1,233.00 | \$27,155.00 |

These hardware costs reflect only the mainframe and peripheral devices. Additional costs will be incurred in the event of a need to configure additional mainframe modules, e.g., multiplexor, also cable considerations, and site preparation are not included.

Large Scale Off-Track Betting Systems

Stephen L. Dunik
IBM Canada Limited

Introduction

While legal off-track betting in North America has only been active since April 1970 (in New York), it has been available to Australians since 1966, following the installation of telephone betting in the state of Victoria.

An off-track betting system is one that allows individuals not within the confines of a racetrack to place wagers either in person at a branch office facility, or via telephone if an account has been established. The law usually requires that all bets placed off-track be consolidated with the on-track pari-mutuel system of any race within a given state.

In 1971-72 the Australian public invested an average of \$147 (Australian) per person in racing bets. This represents

a total investment of some \$1.9 billion spread over off- and on-track. The average yearly growth rate over the past eight years has been 15 percent and the current rate of increase in off-track betting is about 20 percent. The largest, New South Wales Totalizer Agency Board (N.S.W. TAB), which installed its on-line system in 1971 with an expected life of 10 years, passed its 1980 forecast bet levels in 1973.

The TAB of N.S.W. is set up under a state government act to provide legalized off-track betting facilities on horse and dog races within the state. Similar legislation and operations exist within other states in Australia, Tasmania being the last to set up such an operation. The N.S.W. Board was set up in 1964 and went on-line in 1971. Turnover in N.S.W. off-track betting for the year ended



expected to exceed \$40 million.

Of the total monies invested in the TAB, 13 percent is deducted and the remaining 87 percent is paid in dividends. Of the amount deducted, 5.5 percent goes to the state government and 7.5 percent is used to cover TAB operating costs and a distribution to the race clubs. The TAB operating cost last year was 4.5 percent of turnover.

In the U.S., OTB legislation exists in three states and is being considered in 14 others.

Racetrack Betting Betting procedures at racetracks result in fast ticket selling over a short period of time for each race. The ticket windows open about one-half hour before post time and each window generally handles only one bet type for a single amount (for example, \$2 Win, \$5, Show, \$10 Place) and for the upcoming race only. Once at the desired window, the bettor need only give the teller the number of the horse, pay his money, and receive his ticket. The teller presses the appropriate button; the ticket is issued; and the wager recorded. To place a different type of bet, the bettor must go to another line. Under this procedure, tellers can sell tickets at a rate of about 20 per minute.

Off-Track Betting The nature of off-track betting dictates a totally different procedure from on-track betting. Betting opens for all operating tracks and races at the beginning of the working day. The variety of types of bets that may be placed at an off-track betting office precludes the use of specialized windows. One teller handles all bet types such as Win, Place, Show, Daily Double, Exacta, and Quinella, in all denominations, for up to 10 races, at each of several tracks. The bettor must specify his choice of track, race, horse, bet type, and amount for each bet he wishes to place. The teller must place the bet, validate the bet information, issue a ticket, and calculate and receive the total money due.

The ticket-issuing machine must be able to enter a bet, consisting of the above information and number of tickets, and in a short response time (approximately 3-6 seconds) issue a wallet-sized ticket, with the printed data describing the bet. This is a perfect duplication of the betting procedure a bettor would have had to perform at an on-track site, with one exception as mentioned the amount of data communicated at an off-track site is greater than that communicated on-track.

These steps can slow the off-track operation to about two bets per minute, thus creating long, slow-moving lines and discouraging the bettors. At this rate, the amount of money a teller can take in is limited, thus severely restricting the profit to the state as an off-track betting operator. Since a significant percentage of the gross must be spent on the teller operation, an increase in the number of tellers raises costs almost in proportion to the revenue generated.

This article describes the general requirements for an off-track betting system. A major system currently installed in New South Wales in Australia and a second system to be installed in Western Australia next year are also described.

Typically off-track betting is carried out in two forms. Remote branch office betting where the bettor must present himself to place bets or collect winnings and telephone betting where bets given over the telephone are placed by an operator against the bettor's account.

Central Control Function At the beginning of each day, the system is initialized from the central office using data forwarded from the previous day in addition to the track profile for the day. Branch offices are opened for business, after which branch supervisors and tellers may sign on to the system. As the system functions throughout the day, information is made available to authorized personnel concerning the status of individual tellers and branch offices as well as the system as a whole. Supervisors may also effect security changes within their area of responsibility, such as inserting, modifying, or deleting teller information. At the end of the day, the system is shut down in an orderly fashion. Terminals and branch offices are closed for business, and any data such as track profiles or winnings needed for the following day is recorded.

During system initialization, the day's racing information is gathered and entered in the track profile table. These records include (for each track) identification, races, race close times, horses, bet types, pool summaries, initial odds, allowances, and provisions for scratches, cancellations, and payout amounts. A directory of table entries is kept in main storage during betting.

When the supervisor is satisfied that the system has been correctly initialized, he may proceed to the established data verification and test procedures and, finally, to the opening of branch offices and the day's betting.

Whether a branch office opens automatically at system initialization time or by a specific command at a later time, the system must inform each branch that the off-track betting system is ready to accept transactions and initialize a cash-on-hand counter for each branch opened. The branch responds with a confirming message and terminals then may sign on when they are ready to accept transactions.

The central office also handles the information that is exchanged between the track and the off-track betting system. From the track to the off-track system comes information about scheduled races and horses, horses scratched, race cancellations, and race results; to the track from the off-track system comes the data from the bet pools—that is, the total amounts of money bet on each race and horse.

To scratch a horse, the system administrator enters the track, race, and horse identification. When the transaction is confirmed, the system flags the horse in the track profile table and the horse record in the track profile record as scratched. The system prevents further betting on the horse. The bets on the bet files remain unchanged until payout. At that time, the horse is treated as a winner, with the payout equaling the original bet. If a customer wishes to redeem a bet placed on a horse he knows is scratched, he should cancel his bet. Thus, if the horse is reinstated, previously uncanceled bets go as placed.

To shut down a track for conditions such as inclement weather, the off-track betting system administrator inputs the track name and date. Once the entry is validated, the system locates the track profile table and determines the

first race not yet run for the track. The race record is marked "canceled" and the payout routine procedure is performed, making the payouts equal to the original bets.

At a given time before the race, usually a half hour, the race close-transaction is issued and the system ceases to accept bets for that race. The race close-transaction can be issued either from the system timing function or from an off-track betting system administrator at the central system.

When the system receives a race close-transaction, the track profile race record is located and flagged to discontinue betting. The transaction then waits for a fixed period, allowing any bet transactions in process to complete their updating of the pool data. The accumulated pool data is then transmitted to the system administrator. For in-state tracks, he passes the information on to the track, where it is integrated with the on-track pools. For out-of-state races, the pool data is received until the results entry transaction is completed.

After a race has been run, the system administrator enters the results into the system, thus activating the payout of winning bets. He enters the track, date, race, finishes (up to five in the case of some perfectas) and, in the case of in-state races, the track-calculated payouts.

Payout tables are built in computer memory, either from the track-provided payouts for in-state tracks, or from parimutuel calculations based on the pool data records for out-of-state tracks.

The system displays the input data for verification of content and, once correct, locates and updates the necessary track profile information. A printed report is then available on demand to the branch office supervisor.

Betting Office Operations A teller signs on using a special entry procedure which normally includes his employee number and cash drawer balance on hand. When all input has been validated, the betting terminal may process transactions.

A teller signs off by a sign-off procedure using his employee number. The system typically responds with the closing cash drawer balance and the number of tickets sold, cashed, and canceled. Date and time of sign-off and hours worked are also recorded. No further transactions may be processed at that terminal position until a teller has signed on again.

The design of the betting and payout system incorporates fast response time with accuracy. The high volume of bets demands the ability to process bets and payouts quickly.

The primary input data consists of the track, day, race, bet type, horse(s), and amount.

The bet is placed using key operated or optical-mark-read terminals, and the data is transmitted to the computer. Typically, the length of a bet message is 13 digits plus terminal and branch identification. Using the track profile table for reference, the selection is edited for consistency, such as (1) the bettor must select two horses if the bet is a daily double, (2) betting for the selected race must be open, (3) a valid horse number must be selected, and (4) the horse must not have been scratched. For errors, the computer generates an explanatory message to be returned to the originating terminal, where the message is displayed or printed, and the transaction is terminated.

If all criteria for a valid bet are satisfied, the bet is recorded. The system logs the transaction, assigns a serial number to the bet, and creates a bet record containing the bet serial number, bet origin (teller, branch office), date and time, race date, track, race, horse, bet type, amount, payout amount, payout location, and cancellation and scratch information. Each bet entered also updates the cash-drawer balance maintained in the system for each teller terminal.

Along with the cash-on-hand maintenance for each teller are statistics such as his sign-on and sign-off times as well as value and number of tickets sold, paid out, and canceled. These are all recorded in the teller statistics file.

The betting ticket is given to the bettor. The ticket usually contains betting information, the serial number, and date. In the event of an error, the ticket may be printed with an error message.

After the race results have been processed, all the winning bets or scratching refunds (or in the case of canceled races, every bet on that race) have their payouts calculated and written onto the winning bets file.

Normally Win, Place, and Show bet processing is handled differently from other bet types. After the race is completed and before the results are official, a list of the probable winners is entered into the system. This is used to extract all of the probable winning bets from the bet file. When the final winners are known, the small work file is scanned first and the payouts calculated. This scan of the bet file is also used to prepare statistics on each branch and number of tickets sold. This makes use of the time between race completed and official results, which gives faster turnaround on payout.

On doubles, after the first race has been run and the results have been declared, the bet file is scanned for all bets corresponding to the first winner. These bets are placed in a file for processing after the second race of the double is completed. Usually all other bet types such as quinella and triella are handled by a single pass through the bet file once the results have become official.

Statistics prepared during these passes of the bet file include the total number of winners, the payout amounts, and the number of tickets and amounts for each pool. These statistics are normally broken down by branch.

To pay out a winning bet, the cashier either keys in the ticket serial number or passes the ticket through a special reader. In any event, the serial number is transmitted to the computer for verification. The system retrieves the bet record and verifies that it is, in fact, a winning (or scratched) ticket that has not been previously paid or canceled. Winning bets that have been paid off by a branch are marked on the winning bets file so that any subsequent attempts to pay off this bet will be flagged. The payout amount is then transmitted to the terminal for printing or displaying. The teller's cash-drawer total is decremented by the amount of the payout.

If the ticket is not a winner, a descriptive message is returned to the terminal and the worthless ticket is returned to the bettor for his review. In the case of a scratched horse or canceled race, the bettor is refunded an amount equal to the original wager.

To cancel a bet, the serial number of the bet encoded on the betting ticket must be entered. Upon receiving the serial number of the bet to be canceled, the system locates the

bet record, marks the bet as collected, debits the amount from the pool(s), and updates the cash-drawer balance (for a branch office bet).

The betting authority determines how long a bet record remains payable on-line. After this period, bets are carried only off-line and winning tickets can be redeemed only by mail or at a central location.

Telephone Betting Operations The telephone accounting subsystem performs the administrative functions required for telephone betting. It is similar to a "banking operation" in that accounts are opened or closed on written authority only.

Telephone account-opening processing includes checking the completeness and reasonableness of data, providing a unique account number, establishing a password, building and adding a new account record to the telephone record file, and flagging the record to permit betting once the deposit is firm. The telephone betting account file contains all the details of the accounts that are needed during on-line operations (that is to say, the account code and number, the date and time of last transaction, and the current balance), and it contains links to the day's transactions and dividends. This file contains one record for each of the accounts, so it can be accessed either sequentially by scanning the whole file or directly by using a simple algorithm to convert the account number into a disk address. This file is updated continuously during the day's operations with all transactions—bets, dividends, deposits, and withdrawals—which can affect the balance or status of the account at any time.

Telephone account deposit requires retrieval of the telephone account record based on the account number and password. The deposit amount is added to the current balance in the record and the updated record returned to the data file.

For telephone account withdrawal, the telephone account record is retrieved on the basis of the account number and password. The current balance is checked to see if the withdrawal request can be met. The current balance must remain above the withdrawal. Once the withdrawal is approved, the current balance is reduced by the withdrawal amount and the updated record is returned to the data file.

Statements are prepared as requested by the bettors. They show opening balance, transactions occurring in the period, and closing balance.

Telephone account closing requires positively identifying the record as defined by the user, logging all details of the closing, deleting the account from the files, and preparing a closing statement and a check for the amount remaining in the account.

To place a telephone bet, the operator at the telephone betting station enters the customer account number into the system via the keyboard and, for a valid account number, the system displays a password, account status, date and time of last transaction, and account balance.

Once enabled, the account is blocked to all other accesses. The operator then requests the password from the customer. When the password is accepted, the operator requests betting information from the bettor and enters the

bet as a transaction to the customer account. The system validates it as for a branch office transaction with an additional check to ensure that the bets do not exceed the customer account balance. If the updated account balance is negative, the last transaction is rejected.

Once the bet is accepted, the bet entry is basically the same as for branch office bets but with three additional considerations:

- The account balance is debited with each bet amount instead of updating the teller cash-drawer balance.
- The bet record created is keyed to the account number to enable later crediting of winnings.
- No ticket is generated, however, data is retained to generate an account statement, if required.

As each bet is entered, the telephone betting file logs the details of each bet. It also contains details of deposits, withdrawals, and account changes originated either from a branch or from a Telephone Betting Terminal, or by the system by race result processing. All the transactions for any one account are linked together to allow easy retrieval of any transaction.

After the last bet is entered, the system displays the new account balance, the total value of the bets, and the time. At this time, the processors update their telephone betting status table in memory is now updated to reflect the removal of active accounts.

Telephone bet payout differs from branch office bet payout mainly in its manner of initiation. When race results become known, the entire telephone betting bet file is scanned for any winning bets on the results just obtained. As they are found, the bet details are used to calculate the payout, and they are placed on the telephone betting payout file. This file contains details of all the winning telephone bets. After the race result processing is complete, this file is scanned, and the payout value is extracted and credited to the appropriate account. While this is being done, the file is linked in the same fashion as the bet file so that all the dividends for any one account can be easily found.

To assist with telephone betting inquiries, a display format file is used which contains the various formats displayed on the screen in response to format number entry. The functions that are normally entered include race result, scratching, inquiries as to race status, or system status.

Remote Off-Line Betting Operation A third form of bet entry is made from very remote branches using dial-up, teletypewriter-like terminals. The difference is that the bets are collated manually at the remote branch and only the collated data is transmitted. The incoming data is accepted and checked in the same way as normal bets. These bets are logged on the bet file with special identifying codes.

System Shutdown In advance of anticipated system shutdown, each branch supervisor is notified of the scheduled shutdown so that he may terminate his own operation in an orderly fashion. At shutdown time, any terminals and/or branches still open are closed automatically at the finish of the bettor transaction in process.

When a branch closes, effect by specific commands of system shutdown, the system sends summary accounting data to the branch office supervisor's terminal and prevents further processing from that branch.

When the network activity ceases, housekeeping activities begin:

1. Bet and pool information to be forwarded to the next day is recorded.
2. Bet records for the day's races are reorganized to include only those requiring payout.
3. Payout records that have passed the system retention date (typically one month) are purged to the unpaid archives file.
4. A message is written to the master system terminal indicating the completion of system shutdown.

During the day's operation, a transmission file is used which contains output messages for the teletypewriter located at the branches. These messages may either be specific messages dealing with a branch's operation, statistics, or liabilities, or may be general broadcast messages such as race results, changes, scratches, closed tracks, and system shutdown schedule.

Additional report information is made available as required and on demand at shutdown. Examples are as follows:

- tickets sold by type/amount, by teller/branch/system;
- cash on hand by teller/branch/system;
- branch liability, when race results are known;
- selected pool data;
- telephone account status.

At the end of the operating day before system shutdown, information items are selected, grouped, and sorted into a new sequence for reports of varying detail, such as:

- system liability report;
- accounting reports by location;
- average bet amount;
- race activity;
- telephone account statement;
- average number and frequency of bets per bettor (telephone);
- bets by track;
- bets by type and location;
- bet cancellation by location;
- payouts by locations;
- purged pay tickets;
- branch office activity comparisons;
- hourly branch office activity.

Fallback, Error Recovery, and Restart The system attempts to preserve data integrity and minimize inconvenience caused by some failures. High priority is given to recovering pool data since the off-track operation is liable, for practical purposes, for the track payout amounts on races where pools are combined. In addition, current bets, track profiles, and statistics must be recovered.

The central system is usually duplexed, allowing considerable equipment failure before any general effect is noted. As more and more units in the central processing

system fail, less important functions are successively dropped until the system is just collecting bets, logging them, and pooling them.

One CPU, designated the master, outputs messages to the terminals. The communication controllers attached to the system detect system failures by ensuring that they are polled on a regular basis by both CPUs. Should the master fail, the subordinate immediately becomes the master, while if the subordinate fails, the master merely takes note of the fact and commences to update the subordinate disk files as well as its own.

To minimize the effect of a disk drive failure, each set of disk drives (one per CPU) has two copies of the control program and application programs. Also, if any disk drive fails on the master CPU, it begins to use the corresponding drive on the subordinate. In the event of total failure of both sets of disks, the system is reduced to the input and pooling of bets and logging them on magnetic tape. This tape can be used at the end of the day for the reconstruction of the disk files that should have been created during the day. There are a number of tape drives on each CPU, and if one should fail, the CPU automatically uses another.

If the line printer being used for the output of collations should fail, the computer operator can manually switch the other printer onto the master in place of the defective one.

In the extreme case where both sets of disk drives have failed, or if the same disk drive has failed on both systems, the off-line recovery procedures are executed at day end. The magnetic tape containing a time-sequenced log of the day's betting input is read into the CPU, and the bet messages are written to the various disk files. Once these bet files have been regenerated, it is possible to perform the race result processing. Thus it is possible, via off-line recovery, to achieve the same day-end processing completion as would have been achieved without the equipment failure.

Terminal failures at a branch are recovered through plug-for-plug replacement of a defective terminal with a known good terminal from a central pool.

Current New South Wales System

The system currently installed in New South Wales (N.S.W.) uses specialized hardware to handle the high transaction rates. The system is handling 8000 transactions per minute now and the 1978 projection is 15,000 bets per minute.

The N.S.W. ticket terminal was designed and built by Amalgamated Wire of Australia (AWA). The terminal is key-driven on a numeric keyboard from paper betting slips filled out by the bettor before he reaches the window. A gas discharge display of up to 12 digits displays the bet to the operator during keying. Bets are transmitted bet-at-a-time at 150 bps DC signalling to a remote multiplexer. The printer used is an adapted adding machine print unit. Bet information printed on the ticket is taken directly from keyed data. Throughput is directly dependent on the skill of the operator in getting the data correctly from the customer and keying it correctly.

... consists of improved 2306 (1957) 360-64 CPUs driving IBM 3970 Data Set Adapter Units through four IBM 3967 Communications Controllers (with a fifth as standby) on the AWA, Teletype,* and Telex† terminals (Figure 1).

Telephone betting is handled by 96 terminals also supplied by AWA which are a modification of the cash betting terminal.

Each of the four IBM 3967's performs identical functions and handles a maximum of 400 communications lines. Their main functions are as follows:

- Line control procedures for the various terminal types.

- Message buffering between the terminals and the CPU's.

- Code conversion. All CPU outputs to the 3967 are in EBCDIC while the IBM 3967 inputs to the CPU are either EBCDIC or unsigned packed decimal.

All incoming messages are blocked in each IBM 3967, and at frequent intervals the CPU's ask for any completed blocks. On receipt of a block of messages, both central processors first validate each bet, then add it to the appropriate pools, and then generate the bet ticket number, which is sent back to the communications controller for transmission to the terminal. Thus, while the branch is printing the bet ticket, the bet details are being placed into a disk buffer area in the CPU for logging on the appropriate bet file.

Although fully hardware duplexed, on "quiet" race days the system is run in simplex while the second system is used for program development. In case of failure, the second system can be made ready within seconds.

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*Trademark of the Teletype Corporation.

†Trademark.

All terminals are ONE PER LINE basis

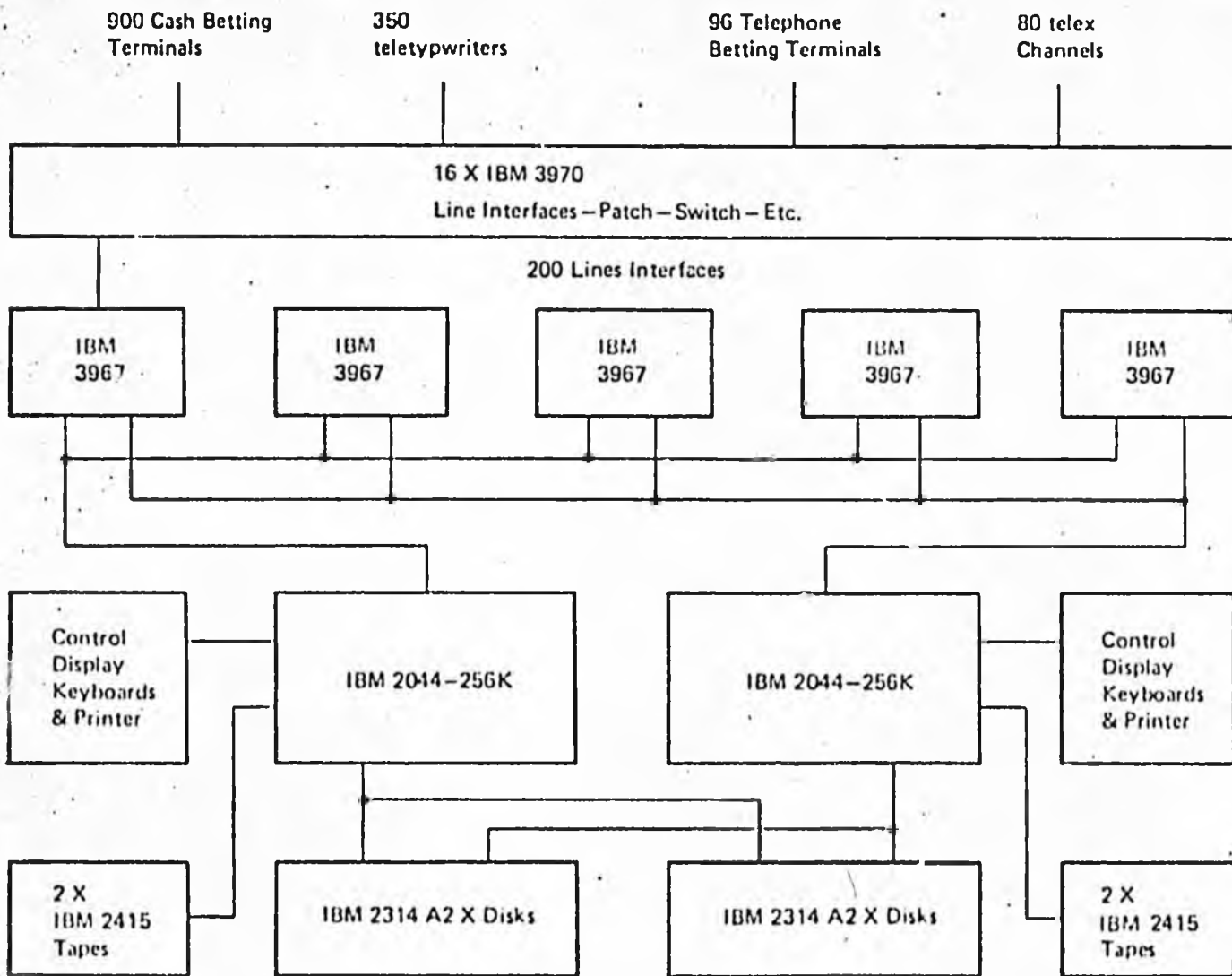


Figure 1. New South Wales TAB System

five drives giving a total capacity of 145 million bytes. Of this, 200 cylinders are allocated for bet files, 20 cylinders for telephone betting, and 140 cylinders for winning bets and paid tickets. In addition, parts of two disk drives are used for control program systems residence, applications program residence, and work files.

There are two 30 kb tape drives on each CPU. Their primary purpose is the dumping of disk files at day-end for historical purposes and the reconstruction of a day's betting activities as may be required for audit purposes. During periods of on-line operation, one tape drive on each CPU is used for the logging of all system inputs, to guard against the loss of data in the unlikely event of failure of both disk control units.

The line printer is used to list horse total investments at the same time as they are transmitted to the control center. The card reader is used only for the input of meeting and race initialization data at the commencement of each day.

Future Western Australia System

The Western Australia (W.A.) system is scheduled for installation in late 1975. To increase flexibility and throughput, they are taking a different tack entirely—

himself by using optical mark reading and standard system hardware (Figure 2).

The bettors place bets by marking their selections on IBM System/3-size paper cards (Figure 4, or longer card stock for complex bets) and inserting them directly into the terminal. The terminal, an IBM 5934-102 Ticket Terminal (Figure 3), reads the pencil marks and transmits them at 1200 bps to a remote multiplexer. After verification and editing, print information is returned over the teleprocessing line to the terminal to print the bettor's selections on the same card (Figure 5). Besides the entry method, a second major difference is that the system also prints a unique machine-readable bar code on the betting ticket, which identifies this particular bet. Invalid bet tickets are returned with an error message across the top, describing the error. Reasons for rejecting tickets include incomplete information (such as only one horse marked for a daily double, scratched horses, invalid bet amounts and types, race already closed).

After the race has been run, the bettor inserts his bet card back into the same terminal (or any terminal in the system), and this time the previously printed bar code is read in conjunction with the marked information. This bar coded serial number is used to look up the bet in the win

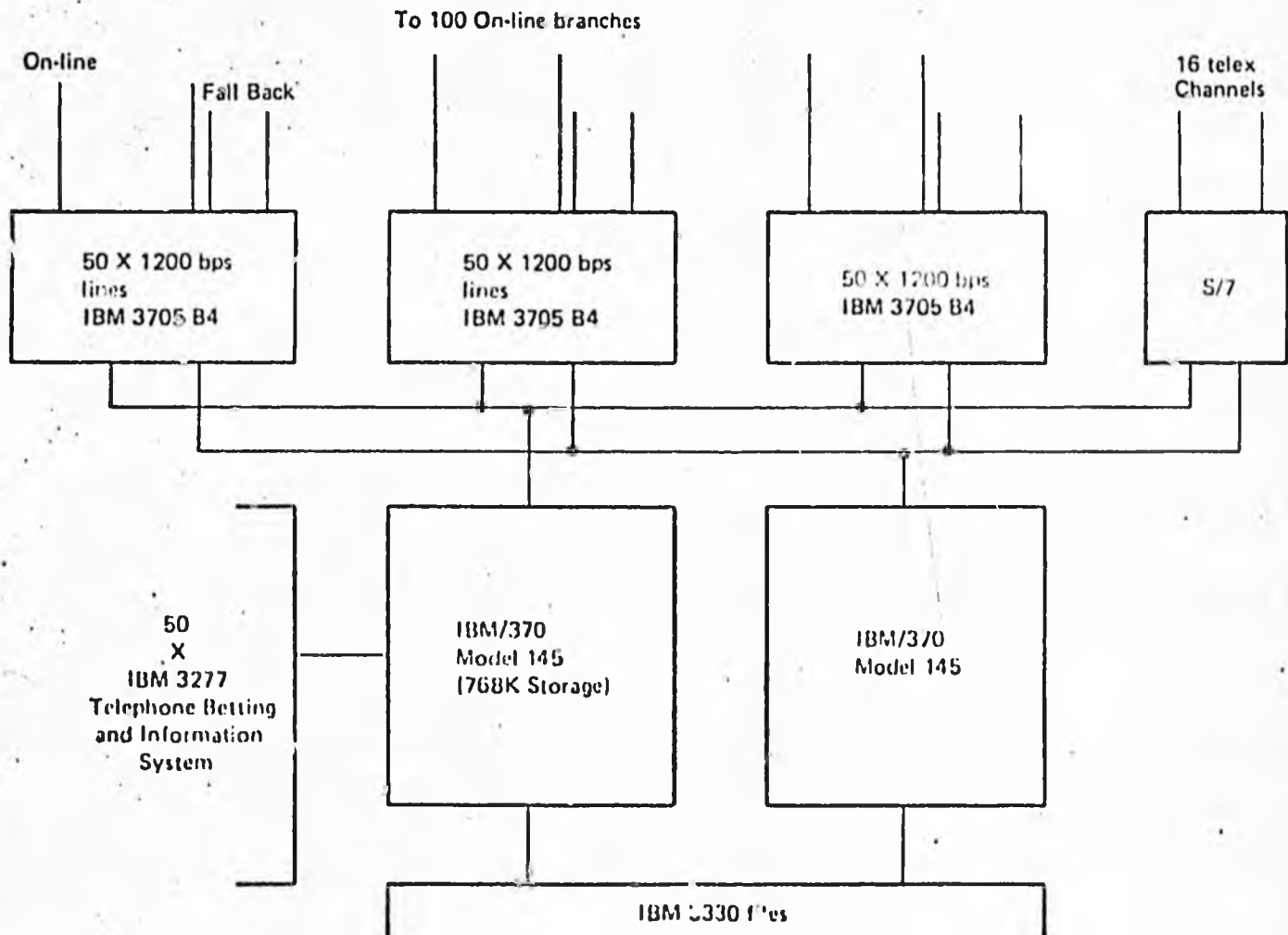


Figure 2. Western Australia TAB System

file. The returned information printed on the card indicates "not a winner," or the amount the bettor won, or (in the case of fraud) it prints "already paid" (Figure 6).

The bettor can place a number of bets on one card (for example, bet horses 4, 5, and 9 each to win for \$2), and he can place a number of bet cards together into the 5934 hopper. In fact, he can mix previous winning bet cards from previous races with bets on future races and the self-totalizing ability of the system will tell the operator the net amount to pay out or collect.

At the branch office end, the only change for new bet types is new card stock; no modification is required to installed hardware. In addition, the key-driven terminal requires one operator per terminal, whereas two 5934's can be driven by one operator making change at one machine while the other machine is processing a different bettor's cards.

Besides these obvious features, the Optical Mark Read (OMR) approach offers a reduction in operator errors, increases customer confidentiality, reduces the total number of betting tickets through the use of multiple bets, provides the operator with totals, and provides horse names on betting tickets as an aid for bettors.

One hundred metropolitan branches equipped with IBM 5934 Terminals will connect to three IBM 3705 Communications Controllers. In standard operation, each 3705 will support one-third of the on-line agencies. However, in case of a 3705 failure, each of the other two provides fall-back for half the load of the failing unit.

A System/7 provides an interface to 16 Telex lines. Remote betting offices will transmit their collated holdings via Telex to the control center at event close time.

IBM 3277 Display Stations are used to service telephone betting customers and for the control function.

The system will eventually be required to process 6000 bets per minute. This represents 100 transactions per second.

In the IBM System 370/145 CPUs, a high-priority partition is required to process transactions from the terminals in the agencies. This partition processes bets, updates collation tables, controls the logging and retrieval of bets, and communicates to the Management Information System (MIS) partition.

As many as four IBM 3340 Direct Access Storage Facility disk drives will hold the ticket file to minimize contention during critical payout periods. Other files may be resident on the drives provided low access requirements are specified for them. Transactions are logged on the IBM 3420 Magnetic Tape Units for audit and reconstruction purposes.

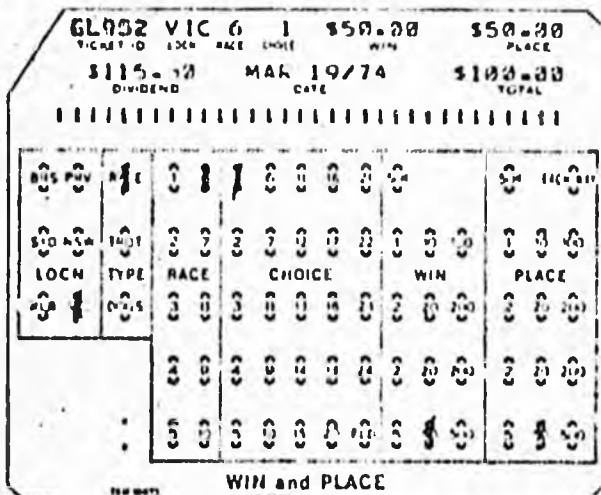
The IBM 3705 Communications Controllers are attached to the System/370 processor channels and provide the teleprocessing line control and processing function. Each controller can control 50 1200-bps leased lines. Should one unit become unserviceable, then lines from this unit can be switched to other serviceable units.

The controller executes a network control program, which provides a wide range of functions and relieves the processing unit of the teleprocessing workload. The network control program also provides such standard functions as control character recognition, line-timeout control, error checking, code translation, and dynamic buffering.

Conclusion

To handle the widely fluctuating high volume of bets from the general public, an OTB system must have the three characteristics provided by the Australian systems described in this paper:

- Unique application-oriented devices to eliminate expanded teller requirements (and human errors).
- A data processing and telecommunications capability to handle peak loads.
- A completely reliable backup and recovery system to protect both bettors and OTB management. ■



Card 3 shows the marking and included in the printing is the dividend paid for this bet. The bar code has been voided.

Figure 6. Voided Card

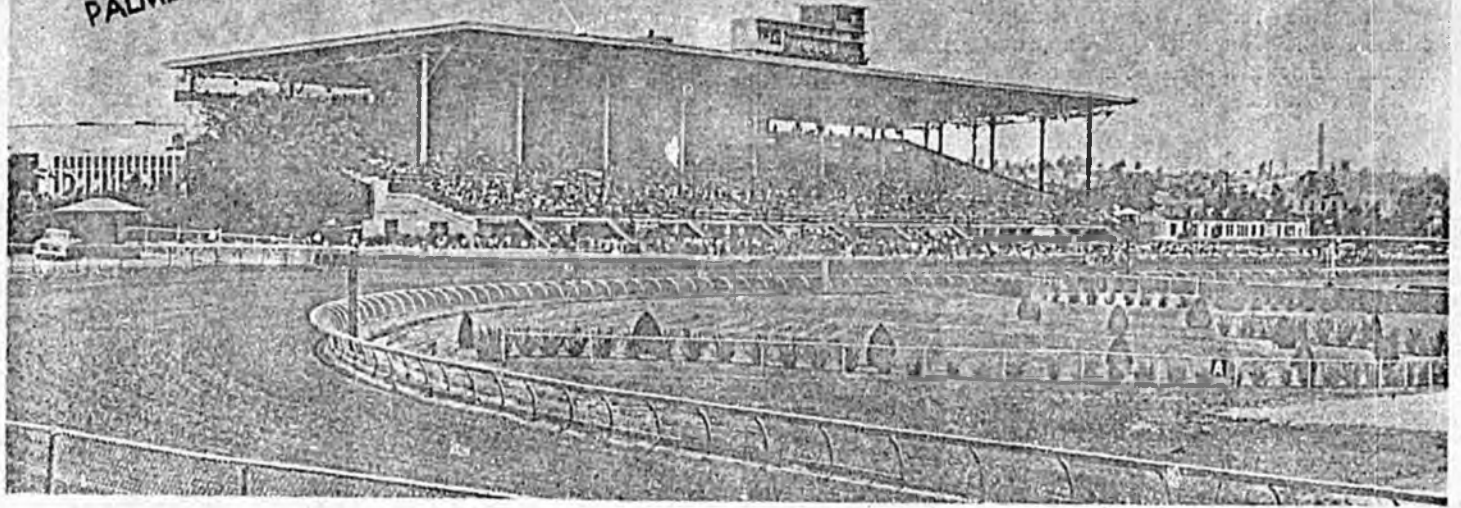


Stephen L. Dunk is Manager of Custom Products and an Advisory Engineer at the IBM Canada Ltd. Laboratory in Toronto, where he is responsible primarily for planning and developing unique product solutions for the gaming industry. Since joining IBM he has held various key positions in the manufacturing and Laboratory functions. His major contributions include development of a corporate Process Control and Automated Test Language and a family of standardized controllers used in computerized test applications. He has been with IBM since his graduation from the University of British Columbia in 1963. Currently he is completing an advanced degree in the Computer Science faculty at the University of Toronto.

Dunk is a member of IEEE and the IEEE Computer Society. He has received an IBM Outstanding Contribution Award and has been responsible for a number of invention disclosures published in the IBM Technical Disclosure Bulletin. His current interests include artificial intelligence, particularly with respect to automatic program proving and voice recognition.

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Charity and business in Nebraska

AK-SAR-BEN

Omaha's non-profit track is able to disperse more than \$100,000 in support of education, hospitals, youth groups, and agriculture, and still treat the racegoer and horseman well.

By Edward L. Bowen

NEBRASKA, in the main, was settled by distinct little groups of Europeans. Germans, Bohemians, Irish, and Swiss, many imported to work the railroads, established separate settlements; although by 1972, five years after the state's centennial, the presence of various dialects is as strong as the presence of divergent topography.

The Platte River Valley, broad and level, runs through the state, hence its image of miles upon miles of golden wheat. In the north country, the sand hills nourish a major cattle industry, and along the Nebraska bank of the Missouri River the land alternates between plateau and rolling hillside.

Nebraska's is a farm life, although Omaha, its largest city, is modern and industrialized and the creep of industry also is evident in other cities. Situated along the Missouri, Omaha has a metropolitan-area population of about 500,000, small compared to an eastern megalopolis, but the race meeting at Ak-Sar-Ben draws larger crowds than do those in many larger cities. Last year, Ak-Sar-Ben averaged 14,144 customers a day for its 48 programs, an average larger than that at summer meetings in Philadelphia, Detroit, or Toronto. The handle was nearly a million dollars a day—\$932,457—and by the end of the year, while many tracks' executives winced to see their annual reports, Ak-Sar-Ben had dispersed \$425,972 in charities. It appeared something out there was being done right, something worth checking.

AK-SAR-BEN had its beginnings in response to depression and to a sense of competition and civic pride. The depression was an economic one, which gripped the nation in the 1890s, the competition was between Omaha and a nearby city, Lincoln. The State Fair Board, which moved the fair every five years, threatened to cut short Omaha's tenure as host after the 1894 event was poorly organized.

"Provide entertainment other than saloons, gambling houses and honky-tonks for the 1895 fair or lose it to a competitively alert Lincoln," the board told Omaha. A group of Omaha businesses set about organizing a spectacular, partially in response to the threat and partially in the hope of helping turn around the economic trend. Money was raised, parade floats were secured from New Orleans, and the organization became a permanent one, the Knights of Ak-Sar-Ben.

In the early years, the Knights of Ak-Sar-Ben primarily was concerned with fairs, festivals, and parades, as well as their organizational rituals. Regular harness racing was introduced at the Ak-Sar-Ben grounds' track in 1919, the race track previously having had only scattered activity since its construction in 1889.

Thoroughbred racing followed the next year, and the spring race meeting quickly became the biggest revenue producer among the Ak-Sar-Ben activities.

Pari-mutuel gambling was proclaimed unconstitutional in the state in 1929, and although a rodeo was added to the organization's schedule, the loss of racing proved a financial disaster. George Brandeis, president of the Knights in 1934, helped organize efforts to have the state constitution changed, and racing was popular enough that 66,759 signatures were obtained on a petition to revive it. The amendment was ratified later that year, and racing returned to Ak-Sar-Ben in 1935.

The shutdown of racing in a sense became one of the strongest elements of the foundation on which Omaha racing has prospered. Sensitive to the moral issue, the Knights of Ak-Sar-Ben conceived of a return of racing on a non-profit basis and promoted a charitable aspect. Racing revenue would be used by Ak-Sar-Ben to expand its activities in promoting livestock breeding and 4-H projects. The Nebraska farmer, struggling through the depression of the 1930s, was receptive to that line of thought.

Thus, Ak-Sar-Ben neatly and honestly side-stepped the threat of accusations of greed among wealthy, exclusive cliques in pushing for the return of pari-mutuel gambling. Racing in Omaha was tied into an organization already a city institution, one which had—and promised to continue—promoted the taproots of the state's economy.

Another major asset to Nebraska's racing is that the state takes only four per cent of the mutuel handle in taxes. The total takeout is 14 per cent, leaving 10 per cent for the track (of which 47½ per cent goes to horsemen in purse money). The low takeout is by no means assured for all time, it taking some effort on the part of racing representatives to maintain the level each time Nebraska's unicameral legislature considers the matter. Nevertheless, the legislators and county agents—important men in an agricultural state—apparently have been able to grasp that taking more from the track in taxes would reduce the amount available for the track to disperse in charities.

ALL of Nebraska's 93 counties have county fairs, and Ak-Sar-Ben distributes \$500 annually to each fair. Also, the state racing commission collects an admissions tax of 15 cents on the dollar, applies monies from fees and fines, deducts operating expenses, and turns over the remainder to the state, which distributes that revenue among fairs. Last year, the subsidy thus provided amounted to some \$2,000 to each fair, in addition to Ak-Sar-Ben's grant.

Ak-Sar-Ben in 1971 distributed a total

of \$139,252 to projects under the heading of agriculture. A total of \$143,297 was turned over to community charitable projects, hospital programs, schools, and fire and safety programs, and \$143,423 was contributed to education, mostly in the form of college scholarships. The total of \$425,972 distributed was slightly more than the \$408,286 that the track earmarked for plant improvements.

"It would not be quite fair to say that other tracks could, or should, operate the way we do," said the general manager, Dick Becker, a former sports editor in Lincoln who joined Ak-Sar-Ben 10 years ago. "We are a non-profit organization, so we are not concerned with having to satisfy stockholders or having to distribute dividends. We are able to keep our prices down: The admission is only \$1, parking is free except for a small preferred lot at \$1, and our concessions are reasonable. The only way we have of increasing revenue available to charity is to increase business, because while our share of the takeout, 10 per cent, has been constant since 1935, the percentage of that which goes for purses has continually increased.

"Actually, the racing season is not our busiest time in some respects. We have shows scheduled as soon as the meeting ends."

The Ak-Sar-Ben organization has 58,000 member couples, at \$12 annual dues per couple, and many of the shows put on at Ak-Sar-Ben Field are for members only. The tickets for entertainment are sent automatically, free, to members, and members also can apply for a reduction in admission to the races. Emphasis is on only family entertainment, and there are some shows for which tickets are sold to the general public. Singing, dancing, ice skating, and ice hockey are part of the Ak-Sar-Ben program. In addition to the annual ball and coronation, one of the major events scheduled for this year is a performance by Debbie Reynolds.

Agricultural events at Ak-Sar-Ben include the world's largest 4-H livestock show, other 4-H and Future Farmers of America shows, and rodeos.

Ak-Sar-Ben Field occupies 280 acres west of the center of Omaha. Facilities include stabling for 1,500 horses, many in white wooden barns spotted through a tree-lined backstretch. Each of the barns has an indoor sprinkler system for fire safety. A large brick barn, which also is used for livestock shows during the non-racing months, is on the front side of the track and is adjacent to a row of automatic hot-walking machines which have proven popular.

The race track grandstand has no clubhouse division, although there are rows of reserved seats (\$1 on weekdays, \$1.50 on Saturdays) and private boxes. The stand seats 8,100 and is connected to the Ak-

(Continued on next page)



Aerial view of Ak-Sar-Ben. The track is located in Omaha, and the Triple Crown winner of that name is buried there.

NEBRASKA

(Continued from page 2285)

Sar-Ben Coliseum, which seats some 7,000. With the temperatures often in the 90s during the May-to-July race meetings, many take advantage of the air-conditioned coliseum, where the races are shown live on a screen 30 feet wide.

Ak-Sar-Ben's is a casual crowd, a shirt-sleeve crowd, and card games and fried chicken compete with unfolded *Racing Forms* on the card tables set up on the floor of the Coliseum.

Connecting the Coliseum to the grandstand is a light, clean, high-ceiling area called Ak-Sar-Ben Hall. Inside, the western flavor of Nebraska and its people is reflected in the Nebraska Racing Hall of Fame and the Western Hall of Fame displays which decorate opposite walls. The racing wall honors lifetime Nebraskans, such as Marion H. Van Berg and Michael Ford, as well as natives that have become prominent out of state, such as John Nerud, Steve Brooks, Bob Wheeler, and Dave Erb.

The Ak-Sar-Ben Western Hall of Fame plaques honor pioneers and Indian scouts, Nebraska authors, business giants, rodeo cowboys, western singers, and John G. Neihardt, the state's first poet laureate.

Ak-Sar-Ben has heavy community support, coming in part from the prestige of being an officer. Well established as a part of the Midwest, the organization attracts the leading businessmen in Omaha. At the top of the organization is the Board of Governors, which numbers 16. Corresponding to each Governor is a member of His Majesty's Council (a King is crowned each year at the coronation ball, a holdover from the earlier days of Ak-Sar-Ben), which by and large is made up of younger members of the business community. For each of the major divisions of activity, a committee is appointed; for

instance, the racing committee currently is comprised of four men, with Charles W. Durham the chairman.

The Governors and Council members are unpaid. The paid, full-time executive staff is headed by Tom Brock, who also is current president of the Thoroughbred Racing Associations. Brock, the executive director, in recent months has been recuperating from surgery for a brain tumor. Brock left Columbus, Neb., after high school to play football for Notre Dame, and later coached the University of Omaha football team to an unbeaten season. He joined Ak-Sar-Ben in 1958.

Although there is no pessimism evident in the Ak-Sar-Ben offices, Brock expects the averages to be down this year from last year.

"When the track at Madison was closed, the racing commission gave us more days than we usually have, more than we asked for. With nine more days, the comparison of certain days to last year's dates is thrown off. Of course, with more days the gross handle will be up, but I expect the averages to be down. I think people tend to wait a little longer about coming out when they realize the season is longer. Also, we used to close on the Fourth of July holiday, while this year we go on to the middle of the month (after several climactic races)."

Stan Bowker, information director, said that traffic surveys indicate that only about 50 per cent of the track's patrons come from Douglas County, where the track is located.

"Kansas City, Des Moines, Iowa, and South Sioux City, Neb., are within a 200-mile radius, and we get a number of customers from those cities," he said.

Twilight racing was tried at Ak-Sar-Ben for the first time in 1945, with the first post at 3 p.m. After daylight racing was

instituted for summer months, Ak-Sar-Ben moved its twilight programs to 4 p.m. For many years, there was only one twilight program a week. In 1969, there were two, and last year the track began staging three twilight programs a week.

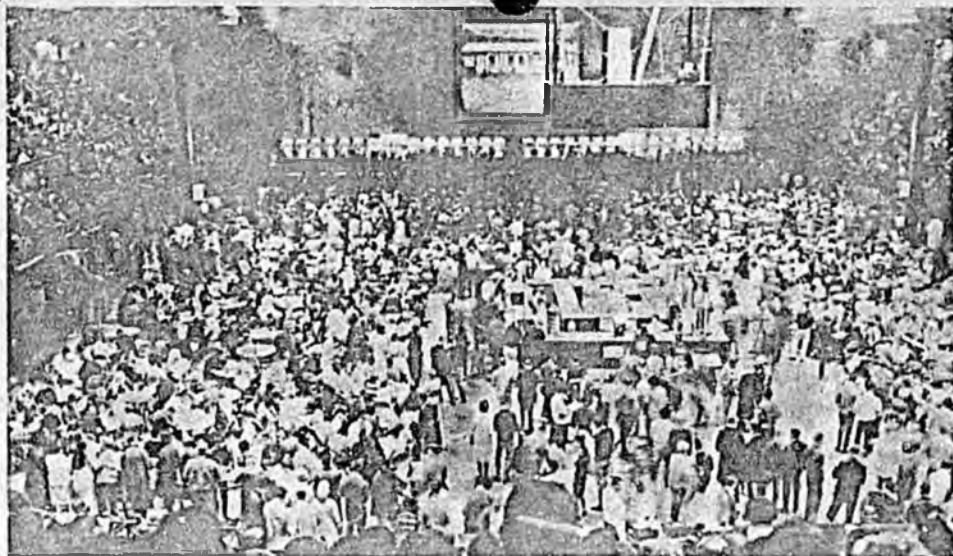
"I would not be surprised if next year we have the four o'clock first post for all days except weekends (2 p.m. on Saturday)," said general manager Becker. "Starting the races at four gives a lot of people a chance to come to the races after they get off from work."

Bowker said that a preliminary attendance count is taken after the second race, and often the attendance has increased by 2,500 customers by the end of the day. From the press box, a steady stream of cars entering the infield is noticeable at least through the first half of the nine-race programs. Ak-Sar-Ben has facilities for parking 10,000 cars, about 3,500 of which can be accommodated in the infield.

LOW prices, late starting time, easy accessibility from the city, community awareness of its activity, charitable and agricultural: All apparently are reasons for a track in a medium-sized city having higher attendance than some cities many times as large. There are more reasons. Ak-Sar-Ben is a pleasant track. It is clean, surprisingly clean in comparison to many tracks. Not even the betting ring tucked deepest into the entrails of the stands is a somber, smoke-filled cavern littered with discarded cups and past performances, as is the case in many tracks. There is no winter racing, so no need for a choking, glass enclosure to punish the nostrils and blur the vision of the stretch turn.

A local concessionaire mans the various dining rooms, lounges, and snack bars, and prices are moderate, the food attractive. Only in one dining room is it necessary to pay more than \$2 for a meal,

In the Coliseum, races are televised on a 30-foot screen.



and outside its door a notice is posted of a \$3 minimum during the week and a \$4 minimum on Saturdays.

There is something else that attracts the crowd, something having to do with the nature of the environment. It is agricultural country, and people—average people—still have contact with animals. They know about horses. Their children, or their children's friends, show their jumpers or cutting horses, or try for a ribbon in the halter class with a family pet.

Too, there is no overwhelming competition. Thoroughbred racing does not have to buck harness tracks, or dog racing, or jai alai emporiums, and even with a late post time the overlap with local minor league baseball is no more than an hour's worth.

"The biggest competition we have," said Stan Bowker, "is the television set. So many sports are televised now, especially on Saturday, that a lot of people stay at home and watch instead of going out."

IF a sense of belonging to the homeland is in part the explanation of racegoers, it is no less important in the psyche of the Nebraska horseman. Men with cowboy hats and boots, men with creased brown faces and open smiles, raise horses on their own farms, and train them to the races. There appear to be few strictly market breeders, and the leader of those, Leo Cooksley, sells privately. There is no established marketplace for the Nebraska Thoroughbred, for many breeders also are owners.

Felix Beda of Omaha is president of the Nebraska Thoroughbred Breeders' Association, an organization of some 200. He is in sympathy with the little breeder, but hopeful of what the larger breeder can do for the state. A cattleman himself, he is not resentful, but glad, to see the increas-

ing number of local doctors and other businessmen buying race horses and breeding stock.

By state law, when a Nebraska-bred wins any race in Nebraska, three per cent of the winning purse is withheld and awarded to the breeder. In addition, the track adds an amount equal to seven per cent, so the breeder is assured of receiving an amount equal to 10 per cent of the purse. Further, if the winner was conceived in Nebraska, as well as foaled there, an additional amount equal to 10 per cent goes to the breeder. Thus, it is possible for the breeder to receive an amount matching 20 per cent of the purse. Also, there are a number of races restricted to Nebraska-breds.

Race tracks and horsemen traditionally have different views, and while Ak-Sar-Ben and the local breeders and owners get on together rather well, they are not in complete accord. The breeders tend to want more Nebraska-bred races; the track is not overly anxious to card more, claiming that at times the Nebraska-bred races are difficult to fill (Also, wagering on Nebraska-bred races in 1971 averaged \$5,937, as compared with the open-race average of \$6,616 in the state.)

There are seven Nebraska-bred stakes carded at Ak-Sar-Ben, with total added money of \$110,000, and Beda said he is well satisfied with that program: "A \$20,000 race is enough for the quality of 2-year-olds we now are raising."

Beda said he is confident an additional edge for Nebraskans will go into effect next year, that the track will agree officially to give state-breds a three-pound allowance in open races.

"I am concerned with the medium breeder, and I consider myself in that category," he said. "The rich man always will be in good shape. Money can buy most anything. What I want to do is help

the smaller breeder get some of this money into his pocket. At our breeders' meetings, I get onto the members that if they aren't going to keep upgrading stock, they might as well get out of the business."

Beda had just won a race with a Groton colt from one of the mares he sent to Kentucky. The colt defeated a Nebraska-bred Swaps colt, which was bred by one of the state's largest breeders, Barton Ford.

"I have a lot of speed in my stable," Beda said. "What I am doing now is trying to get more distance, breeding to some foreign blood."

He said local breeders are serious about improving, that they do utilize the state-bred benefits to upgrade their stock, and that they respond well when someone brings in a stallion from outside if he has worthwhile credentials.

Perhaps because yearling auctions are not a major part of the Nebraska scene—negating the importance of fashion as opposed to proven ability—and perhaps because many are farmers to whom soundness in a horse is a way of life, there seems, at cursory glance, less tendency to import well-bred but broken-down horses than is observable in some other locales. A good Nebraska stakes campaigner that goes to stud will get his chance, even if he is not much in the way of a fashionable pedigree. Sonny Fleet, a Son of Alpen colt which earned \$135,385 for Marion H. Van Berg, is stood in Nebraska by the latter's son, perennial national training champion Jack Van Berg. In addition to Sonny Fleet's outside patronage, the Van Berg stable bred Estacion, one of its best mares, to him and got British Fleet, winner of the \$50,000-added Omaha Gold Cup on July 1.

Nevertheless, there are no syndicated stallions in the state, and many breeders send at least a few of their mares out of state to be bred. ♦

(To be continued)

Crime expert urges tough conspiracy law

From Our Juneau Bureau
JUNEAU — Alaska is ripe for an invasion by organized crime and police are handcuffed in dealing with it without conspiracy and immunity statutes, Ralph Salerno, a former New York City detective, said last week.

Salerno, who served on three presidential crime commissions and has written a book on organized crime, told the House Judiciary Committee crime was certain to increase with pipeline construction.

AMONG THE PEOPLE coming to Alaska would be those who would "see how they can skin a great deal of money from the pipeline boom and leave shortly thereafter with pockets full," he said.

Salerno said the crime rate increase would be greater than the population rate increase and there would be "a more sophisticated type of criminal attracted.

The former New York policeman indicated Alaska laws were inadequate to cope with organized crime. He said many criminals were convicted on conspiracy statutes and that laws allowing immunity were successful in getting persons to testify.

A CONSPIRACY law, he said, allowed police to "move against crime at an earlier stage." He said almost all organized crime was conspiratorial in nature and that a

conspiracy law would allow police to prevent crime rather than move in after a crime was committed.

Salerno said an immunity statute would allow prosecutors to use testimony of persons relatively low on the crime ladder to convict persons higher up. He noted that evidence convicted former Vice President Agnew was supplied by three persons who were granted immunity for testifying they delivered money to him.

Salerno said the Fifth Amendment of the Constitution allowed persons not to testify when they might incriminate themselves. "But nobody has the privilege under the Constitution to protect his fellow co-conspirators," he said.

SALERNO SAID persons who were provided immunity and refused to testify could be held in contempt of court.

Salerno indicated he opposed legalization of prostitution and most forms of gambling but said he had no objections to pari-mutuel betting.

"You can bring a lot more crime into a jurisdiction by putting in a state highway than by putting in a race track," he said.

Salerno, who helped organize the off-track betting program in New York, said a similar system should be used in conjunction with other race tracks for persons who could not get out to the track.

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SCORECARD *continued*

unoccupied driver's seat. Joe's wife Vicki meanwhile had played her shot. She returned to the cart and sat down—on the lighted cigarette.

Somewhat startled, to say the least, she put on about five quick moves, one of which started the cart. It surged forward over Joe, breaking his arm. That hurt, but the real pain came when his brother John, who was playing in the same threesome, bent over him. "Joe," he said, "that will be a two-stroke penalty for delaying play."

TOP HAT

The seven-foot high jump is now so old hat that when Alphonso Irving of William and Mary cleared 7' 1" in the NCAA indoor championships, he didn't take his off.

STEADY AS SHE GOES

During the Great Depression sport suffered less, financially, than most businesses. Except for college basketball, which was off 5%—possibly because games were televised regularly on weekends for the first time—sport was not doing badly in 1974, either.

Horse racing, aided by 400 additional racing days, drew 1.5 million more fans and continued to lead all sports in attendance with 48,823,814 spectators. Directly behind and 1.5 million healthier, too, was auto racing, followed by college football and major league baseball, both off by a few thousands. The only real casualties were pro football which, beset by strikes, extensive televising and no-shows, was down by half a million, and baseball's 18 minor leagues, down 216,000. These were more than offset by the steady increase in the number of pro and college hockey fans, quantum leaps for boxing, wrestling, soccer and tennis and ("Here Comes Rusty!") greyhound racing, which attracted 16.3 million. That meant 1.2 million more people went to the dogs last year than in '73, 6.2 million more than a decade ago. Rusty, the mechanical rabbit, has developed quite a following.

YER OUT!

After several questionable calls in the second game of a doubleheader last week, Pan American baseball Coach Al Ogletree could stand the embarrassment no longer. The visiting University of Nebraska at Omaha team clearly had been victimized. Ogletree called time, walked

onto the field and fired one of two infield umpires on the spot. All right, let's hear it for Al Ogletree!

EXOTIC BETTORS

In the two decades she has served as the Florence Nightingale of the railbirds at Pimlico, Nurse Imogene Hicks has seen a little of everything. There was, for example, the patron with a heart condition who used to take up his station outside the first-aid room and down liberal doses of medicine between races. "I'd rather die here than at home," he told Miss Hicks, "because I'd die happy."

But her alltime favorite is a horseplayer who arrived on a stretcher showing no signs of life—no blood pressure, no pulse. The staff was about to pull a cover over his head when the results of the latest race began to come over the PA system. The cadaver sat bolt upright on the stretcher and asked, "Who won?" "We told him," says Nurse Hicks, "and he got up and walked straight out." They never knew where he went but they were fairly sure it wasn't to the Great Cashier's Window in the sky.

SURVIVAL COURSE

Jack Christiansen, the old pro who now coaches football at Stanford University and considers himself a harsh realist, had bad news last week for the minor college sports and even major ones like swimming, track and baseball. "Don't get me wrong," he said. "I'm not advocating the dropping of the minor sports. But when the time comes to start checking the spiraling costs of college athletics—and that time is really now—then you can look for the nonrevenue-producing sports to suffer most. . . . Those who can pay their way will survive. That's the way it has always been, hasn't it?"

Well, no. There are still a lot of schools in the country that consider athletics an integral part of the college experience and accept it as a fact of academic life that they will lose money. MIT, for one, fields boats and courts 32 different teams—not including football—with no hope of realizing a profit from any of them.

But this is a vast subject that the NCAA will come to grips with in a special meeting set for April 24-25. And the American Council on Education, which represents 1,565 colleges and universities, is trying to put together a blue-ribbon commission to investigate "the whole series of questions relating to intercolle-

continued

Penalty Provision

Alaska

Strength of Commission - does our form of state govt allow for a strong police type Commission

Intent & Section

Composition of Board

Policeman on Commission

Want Public Safety's comments on suspending bill
" Dept of Law "

operations to insure a fair, legal outlet for those who wish to participate. The law should insure that the bettor is afforded a true representation of his chances and that he is not unwarily enticed into a bet beyond his ability to pay. Regulation of gambling should be treated as with any legitimate business in which the remote possibility for exploitation or corruption exists. It should be legal, but only to the extent that it can be strictly and equitably regulated.

It is with this view that the committee believes horse racing to be a preferable legal outlet for gambling. With adequate safeguards, racing provides the maximum in entertainment and excitement with the least likelihood of over-indulgence, unfair odds or cheating. It is unquestionably more desirable than the prevalent, free-wheeling system of illegal bookie betting where credit is easy and convenience an irresistible enticement. Racing probably holds the least potential of all forms of legal gambling for causing negative consequences to the participant.

It is unfair to cast blame on the legitimate sport of horse racing for the plight of a relatively small number of individuals who cannot temper their impulses. Just as with the issue of organized crime, the committee feels that the social problem of gambling should be treated directly, not by a futile effort at removing all temptations. Such a prohibition carried to other businesses which pose a possible temptation to gullible persons would have a disastrous effect on our entire economic structure. The responsible public would be unfairly denied the use and enjoyment of many goods and services just as Texans are presently denied the right to legally wager on a horse race.

A Matter of Personal Liberty

Inevitably the question of the morality of gambling and, in particular, horse race betting is reduced to a matter of personal choice and the freedom to make that choice. Certainly, many people oppose any form of gambling as a violation of their own code of ethics, but they are not compelled to compromise this belief with or without its legalization.

A report of the Virginia Pari-mutuel Betting Study Commission published in 1972 perhaps best defines this attitude and places a clear perspective on the entire moral issue of legalized horse race betting:

"Pari-mutuel betting is not an activity in which all people will wish to participate, but the choice should be allowed to each individual in a free society. The State's role is to insure the integrity of the sport, once established, not to deny forever horse racing and wagering to the majority in accordance with the views of a minority. Such denial cannot rightfully be seen as being in the public interest; it violates the principles of liberty for all which are the cornerstone of the democratic system of government."

The Senate Interim Study Committee on Horse Racing embraces this position as reflecting its own view of the moral implications of pari-mutuel betting.

Senate Interim Study Horse Racing
Committee meeting.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

file
JAY S. HAMMOND, Governor

POUCH S—JUNEAU 99801

May 7, 1975

The Honorable Terry Gardiner
Chairman
House Judiciary Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

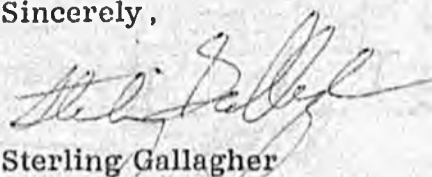
Dear Terry:

Enclosed is a memorandum from my research staff on the Pari-mutual Betting Bill.

We would like to see any Pari-mutual Betting Racing Bill that the profits would go to the State in the form of a business license tax.

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,


Sterling Gallagher
Commissioner

SG: gd

Enclosure

TO: Sterling Gallagher
Commissioner
Department of Revenue

DATE : May 1, 1975

FROM: Charles Schroth *CFS*
Research Analyst
Department of Revenue

SUBJECT: Pari-mutual Betting

In response to your request concerning pari-mutual taxes and bill CSHB 356; I have made a brief study of these items.

Section 05.40.120 is vague in that it does not mention any special tax rates imposed by governmental agencies. This portion of the law should be rewritten to include specific state tax rates and license fees. Attached is a table of pari-mutual taxes and license fees imposed by other states.

Using 1973 statistics compiled by the National Association of State Racing Commissioners, I have calculated that the average per person per racing day contribution is \$94. However, in the study performed by Josiah Henson Associates for the Board of Directors for the Alaska State Fair, a statement was made that the average per person contribution was \$67. In the revenue estimates presented below I decided to use \$75.

The 1973 statistics also showed that the average state share of the total pari-mutual pool was approximately 7%, the average admission tax was 10¢ per person, and the average breakage per dollar in the pari-mutual pool was 0.4¢.

In the Josiah Henson Associates Study, reference was made to an Anchorage newspaper article which indicated that the attendance at the Palmer horse races was approximately 1000 persons. Using the above factors, I have assembled some revenue estimates net to the State per racing day.

| | | |
|--|----------|----------------|
| Attendance | 1000 | |
| Average per person per day contribution | \$75 | |
| Total pari-mutual pool | \$75,000 | |
| State pari-mutual tax @ 7% | \$5,250 | |
| Admission tax @ 10¢ | 100 | |
| 1/2 of breakage | 150 | |
| Daily license fee | 200 | |
| Total State share | \$5,700 | per racing day |

Using the percentages in the proposed legislation, along with the above assumptions for the State share, the distribution of gross receipts would be:

May 1, 1975

| | | |
|---------------------------|----------|-------|
| State share | \$ 5,700 | 7.6% |
| Licensee share | 3,750 | 5% |
| License breakage (1/2) | 150 | 0.2% |
| Purse money | 3,750 | 5% |
| Nearest incorporated city | 750 | 1% |
| Owners of bred horses | 1,500 | 2% |
| Share to Commission | 3,750 | 5% |
| Subtotal | \$19,350 | 25.8% |
| Ticket holders | 55,650 | 74.2% |
| Total pari-mutual pool | \$75,000 | 100% |

The total take-out is 25.8%. Referring to the attached table of state tax rates, the total take-out ranges between 15 to 20 percent.

Many states have a sliding-scale tax percentage depending upon the size of the pari-mutual pool. For the State of Alaska, a sliding-scale may look like:

| <u>Tax Rate</u> | <u>Pari-Mutual Pool</u> |
|-----------------|-------------------------|
| 5% | 0 - \$100,000 |
| 7.5% | \$100,001 - \$250,000 |
| 10% | excess of \$250,000 |

A few states have special tax rates on horse races held on fair grounds, but a majority of states do not have these special provisions.

In summary, pari-mutual horse racing in Alaska appears to be a marginal operation. Even with the somewhat higher rates suggested above, this operation provides only a minor revenue source. Twenty racing days would be required to yield the state an excess of \$100,000.

CS:rl

Attachment

BRIEF SUMMARY OF TAX METHODS BY STATES

| | |
|------------|--|
| Arizona | Total take-out 18%. State receives 4% of first \$100,000 and 7% all over \$100,000; under \$100,000 state 2%, track 15% and 1% to supplement General Purse Structure. Breakage 10 cents, 50% to track, 25% General Purse Structure, 25% Arizona Bred Purse Structure. FAIRS: County in which fair is located receives pari-mutuel tax revenue, instead of state. |
| Arkansas | Total take-out 16%. Pari-mutuel tax to state 6%, \$500 dally license, 10 cents tax on admissions. Breakage 10 cents, divided 33 1/3% to city where track is located, 33 1/3% to association, 33 1/3% to state. |
| California | Total take-out 15.75%. Only two rates applied to total handle, a base rate on handle up to \$20 million, and the appropriate rate for the estimated handle in excess of \$20 million. THOROUGHBRED: With a handle of \$0-\$20 million, state 6.10%, track 5.29%, purses 4.16%; \$20-\$40 million, state 5.70%, track 5.52%, purses 4.33%; \$40-\$75 million, state 6.55%, track 5.04%, purses 3.96%; \$75-\$120 million, state 6.85%, track 4.87%, purses 3.83%; \$120-\$180 million, state 7.15%, track 4.70%, purses 3.70%; \$180 million and above, state 7.45%, track 4.54%, purses 3.56%. Breeder and Stallion Awards, .2%. HARNESS AND QUARTER HORSE: With a handle of \$0-\$20 million, state 6.10%, track 5.74%, purses 3.91%; \$20-\$40 million, state 5.70%, track 5.98%, purses 4.07%; \$40-\$75 million, state 6.55%, track 5.48%, purses 3.72%; \$75-\$120 million, state 6.85%, track 5.30%, purses 3.60%; \$120-\$180 million, state 7.15%, track 5.12%, purses 3.48%; \$180 million and above, state 7.45%, track 4.94%, purses 3.36%. Breeders Awards paid by track out of amount deducted from handle. When any racing association handles less than \$20 million, state receives 5.50% of total handle, 10.25% deducted from pari-mutuel pools to be distributed to tracks and purses. |
| Colorado | Total take-out 16%. Of daily pari-mutuel wagering receipts state receives 4% of first \$200,000; 5% of excess over \$200,000 which does not exceed \$300,000; 6% of all in excess of \$300,000. Breakage 10 cents, all to association. At Colorado State Fair, state receives 2% of take-out. |
| Delaware | THOROUGHBRED: Delaware Park take-out 17%. State receives 6%. Per season license \$5,000. Admissions 20 cents. Breakage 10 cents, 5 cents on minus pools, divided equally between state and association. Dover Downs take-out 17 1/2%. State receives 5%. Per season license \$750. Admissions 10 cents. Breakage 5 cents, all to association. HARNESS: Total take-out 17 1/2%. State receives 5 1/2%. Admissions 10 cents. Breakage 10 cents, 5 cents on minus pools, divided equally between state and association. THOROUGHBRED and HARNESS: Uncashed pari-mutuel tickets revert to state after one year. |
| Florida | THOROUGHBRED: Total take-out 17%. South Florida Winter—state receives 7 1/2%. Breakage 10 cents, 5 cents on minus pools. One hundred per cent to state. South Florida Summer—state 5% on first \$400,000 daily average, 3% on excess of \$400,000. Breakage 50% to state, 50% to track. Florida Downs—state receives daily fee ranging from \$4,000 to \$21,000, based on preceding season's daily pari-mutuel average. Breakage 100% to track for purses and breeders awards. HARNESS: Seminole—Harness 19%, Quarter Horse 17%, Thoroughbred 17%. State receives daily fee ranging from \$1,000 to \$4,000 based on daily pari-mutuel handle. Harness and Quarter Horse, state receives 50% of breakage; Thoroughbred, state receives 100%. Bayard—Total take-out 17%. When daily average more than \$25,000 state receives 7% less \$170 per race "Initial expense of operation." Less than \$25,000 state receives daily fee ranging from \$150 to \$400 based on daily pari-mutuel handle. Pompano—Total take-out 19%. State receives 7%. Breakage 50% to state, 50% to track for purses and breeders awards. Admissions all tracks 15%. |
| Idaho | Total take-out 15%. Commission receives 1% of take-out and occupational license fees for operational expenses. The remainder of take-out based on a sliding scale percentage as follows: Of gross receipts to \$20,000, track 14%; \$20,000 to \$30,000, track 13%; public school endowment fund, 1%; \$30,000 to \$40,000, track 12%, public school fund 2%; \$40,000 to \$50,000, track 11%, public school fund 3%; \$50,000 and over, track 10%, public school fund 4%. Breakage 10 cents, all to association. Track daily license \$25; fairs exempt. Association accrues all monies in unclaimed tickets at termination of time allowed by rule of the commission. |
| Illinois | Total take-out 16%. THOROUGHBRED—state receives: At race tracks within county of 500,000 or more or within county of less than 500,000 but within 100 miles corporate limits any city in state of 1 million or more tax rates, except charity: First \$5,000,000 of annual handle—5 3/4%; \$5,000,001 to \$10,000,000—6 3/4%; \$10,000,001 to \$30,000,000—7 3/4%; \$30,000,001 to \$40,000,000—8 1/4%; \$40,000,001 to \$60,000,000—8 3/4%; over \$60,000,000—9 1/4%. At race tracks within county of less than 500,000 and more than 100 miles of any city in state of 1 million or more tax rate, except charity: First \$10,000,000 of annual handle—5 3/4%; \$10,000,001 to \$20,000,000—6 3/4%; \$20,000,001 to \$30,000,000—7 3/4%; \$30,000,001 to \$40,000,000—8 1/4%; \$40,000,001 to \$60,000,000—8 3/4%; over \$60,000,000—9 1/4%. Breakage 10 cents, half to state. Charity meets, tax 8% plus half of breaks. HARNESS: Total take-out 16%. State receives: First \$30,000,000 of annual handle—6 1/4%; \$30,000,001 to \$35,000,000—7 1/4%; \$35,000,001 to \$40,000,000—8 1/4%; \$40,000,001 to \$60,000,000—8 3/4%; over \$60,000,000—9 1/4%. Breakage 10 cents, half to state. Charity meets tax 8%. Breakage, both Thoroughbred and Harness, 5 cents instead of 10 cents in case of minus pools. |

BRIEF SUMMARY OF TAX METHODS BY STATES (continued)

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|---------------|--|
| Kentucky | <p>THOROUGHBRED: Total take-out 15%. State receives 4 3/4%. Daily license \$500 if average daily handle at track during year does not exceed \$450,000; \$1,000 at tracks with average daily handle \$450,000 to \$600,000; \$2,500 at tracks where sum exceeds \$600,000. HARNESS: Total take-out 17%. State receives 4%. Daily license \$125 if average daily handle during previous year does not exceed \$75,000, \$175 thereafter. QUARTER HORSE: Total take-out 18%. State receives 4%. At all tracks breakage 10 cents, all to association; 15 cents on admissions. At all tracks in state unclaimed tickets revert to state after 2 years. Minus pools: Breakage 5 cents instead of 10 cents.</p> |
| Louisiana | <p>Total take-out 16%. In a parish with population of 450,000 and over state receives: On total daily pools from 1 cent to \$201,000—5%; \$201,000 to \$401,000, \$10,050 plus 6% of that amount exceeding \$201,000 up to \$401,000; \$401,000 and over, \$22,050 plus 7% of any amount exceeding \$401,000. Minimum daily license fee \$1,000. In a parish with population less than 450,000 state receives: On total daily pools up to \$200,000—5% of that portion exceeding \$30,000; \$201,000 to \$300,000, \$8,500 plus 6% of that portion exceeding \$200,000; over \$300,000, \$14,500 plus 7% of pool exceeding \$300,000. (Subject to minimum \$1,000 daily.) Admissions 10 cents. Breakage 10 cents, 2/3 to association and 1/3 to Louisiana Breeders Fund to supplement purses.</p> |
| Maryland | <p>THOROUGHBRED (MILE TRACKS): Total take-out 15%. State receives 5.34%, association 3.66% of which .25 of 1% is allocated for pension fund for race track employees; 5% of money wagered allocated to purses; .50% of wagers to Maryland Bred Fund races; .50% to Racing Fund for plant improvements. Daily license fee \$1,000. Breakage 10 cents, 1/2 to state, 1/2 to association. COUNTY FAIRS (Thoroughbred): Total take-out 16%. Of money wagered 5.50% to state; 5% to association, 5% allocated to purses, .50% to Maryland Bred Fund races. Breakage 10 cents, 1/2 to state and 1/2 to association. Daily license fee \$50. HARNESS: Total take-out 17%-18%—3 1/2% to state of all money wagered not in excess of \$125,000 daily, 7% to state, in excess of \$125,000 daily. Daily license fee \$25. Breakage 10 cents. Association retains all breakage if daily average is below \$166,666.67; all above this figure state receives all breakage. Ocean Downs take-out 18%. One-half of 1% allocated for breeders fund. STEEPLECHASE AND QUARTER HORSE: Total take-out 14%. Of money wagered 5% to state, 9% to association. Breakage 10 cents, all to association.</p> |
| Massachusetts | <p>THOROUGHBRED (MAJOR TRACKS ONLY): Total take-out 19%. On weekdays and Saturdays State receives 9 1/2%, Association receives 9 1/2%. Sundays the State receives 8 1/2%, Association receives 10 1/2%. License fee \$600, per day for major tracks. THOROUGHBRED RACING AT FAIRS: Total take-out 18%. State receives 9 1/2%. Association receives 8 1/2%. License fee \$50, per day. HARNESS: (MAJOR TRACKS AND FAIRS): Total take-out 18%. From daily handle, the state receives 6 1/2% to \$400,000; 7 3/4% \$400,000 to \$450,000; 8 1/4% \$450,000 to \$500,000; 8 3/4% \$500,000 to \$550,000; 9 1/4% \$550,000 to \$600,000; 9 3/4% \$600,000 to \$650,000; 10 1/4% \$650,000 and over. Daily license fee at major tracks \$200; at Fairs \$50. At all tracks breakage 10 cents, divided equally between state and association.</p> |
| Michigan | <p>THOROUGHBRED: Total take-out 16 1/2%, State receives 8 1/2%, association 8%. HARNESS: Total take-out 16 1/2%. State receives 5 1/2%, association 11%. Per season licenses in city area 100,000 or more \$500, any other \$100. At all tracks breakage 10 cents, divided equally between state and association.</p> |
| Montana | <p>Total take-out 20% plus breakage. The licensee shall pay to the Board of Horse Racing 1% of all gross receipts on each days pari-mutuel betting at each race meet, which sum shall be paid to Board within five days after the end of race meet. If underpayments exceed overpayments at the end of each race meet, the balance shall be paid to the Board. Breakage 10 cents, all to licensee. All unclaimed winning tickets 30 days after the end of a race meet are paid to the Board. (No tax paid to State of Montana.)</p> |
| Nebraska | <p>Total take-out 15%. No tax first million; thereafter, state receives 5%. Tax on admissions 15 cents which, along with monies received in license fees, is distributed among counties of state for county fair premiums. Breakage 10 cents, all to association.</p> |
| Nevada | <p>Total take-out 13% with 1% to state and 1% to racing commission for administrative work. Any amount over \$10,000 is to be distributed to agricultural districts conducting horse racing proportionately to the amount contributed by each district. Breakage 10 cents, all to association.</p> |
| New Hampshire | <p>THOROUGHBRED: Total take-out 18%. State receives 8%, association 10%, No license fee, but bond not exceeding \$50,000 required. Breakage 10 cents, divided equally between state and association. HARNESS: Total take-out 19%, divided as follows: Of total mutuel pool for any one day, state receives 5 1/2% up to \$400,000; 6 3/4%—\$400,001 to \$450,000; 7 1/2%—\$450,001 to \$500,000; 7 3/4%—\$500,001 to \$550,000; 8 1/4%—\$550,001 to \$600,000; 8 3/4%—\$600,001 to \$650,000; 9 1/2%—\$650,001 and over. One quarter of 1% of total pari-mutuel pools allocated to agricultural fairs of state. However, total amount allocated is limited to \$150,000 in any one year. Track licenses paid to township where track is located. Breakage 10 cents, divided equally between state and association.</p> |
| New Jersey | <p>THOROUGHBRED: Total take-out 17%. State receives 9.15%, association 7.85%. Breakage 10 cents, all to state. HARNESS: Total take-out 17%. Of first \$40 million of handle, state receives 6%, thereafter 7%. All breakage to purses for Jersey bred races and breeder and owner awards.</p> |
| New Mexico | <p>Total take-out 18%. State receives 2% to \$250,000; 3 1/2% over \$250,000 to \$350,000; 4 1/2% over \$350,000 to \$400,000; 7% over \$400,000; except State Fair which pays a maximum 2% on total handle. Tax on admissions, 10 cents. Daily license fee \$300, half to state and half to county in which track is located, except State Fair charge \$10 per race day. Breakage 10 cents, all to association.</p> |

BRIEF SUMMARY OF TAX METHODS BY STATES (continued)

| | |
|---------------|---|
| New York | <p>THOROUGHBRED: Total take-out 17% (Except 25% on Trifecta of which state receives 14%). State receives from Saratoga 9%, from Aqueduct and Belmont 10% of total mutuel handle. From Finger Lakes, the state receives 5% of first \$400,000, 11% of more than \$400,000. Breakage 10 cents, with state receiving 70% from Aqueduct and Belmont, 65% from Saratoga and Finger Lakes, and with 10% to Breeders Fund. Franchise fee \$1,000 per racing day paid by non-profit association. Finger Lakes track license \$100 per day. HARNESS: Total take-out 17%. Of total daily pool, state receives 5% first \$250,000; 7 1/2%, \$250,001-\$300,000; 8 1/2%, \$300,001-\$400,000; 10 1/2%, \$400,001-\$500,000; 11 1/4%, \$500,001-\$600,000; 11 1/2%, \$600,001-\$700,000; 11 3/4%, \$700,001-\$800,000; 12%, \$800,001-\$900,000; 12 1/4%, \$900,001-\$1,000,000; 12 1/2%, \$1,000,001 and over. Breakage 10 cents, with state receiving 50%, Horse Breeders Fund 25%, association 25%.</p> |
| Ohio | <p>THOROUGHBRED and QUARTER HORSE: Total take-out 17 1/2%. State receives 4 1/4% first \$10,000 wagered; 5 1/4% next \$40,000; 6 1/4% next \$50,000; 7 1/4% next \$300,000; 8 1/4% all over \$400,000. HARNESS and FAIRS: Total take-out 17 1/2%. State receives 3% first \$10,000; 4% next \$40,000; 5% next \$50,000; 6% next \$300,000; 7% all over \$400,000. Breakage 10 cents. Breakage taxed at 25% after first \$2,000, 40% of breaks retained by track for increase in next purse distribution. Thirty-five per cent track share, Ohio Fair Fund—1/2 of 1% of total wagered at Thoroughbred, Harness, Quarter Horse, and Fair meetings is appropriated for Ohio Fair Fund Tax (tax collected from take-out). Thoroughbred Fund—1/2 of 1% of total wagered at Thoroughbred, Harness and Quarter Horse meetings (not collected from Fairs) is appropriated for Ohio Thoroughbred Race Fund. General Revenue tax collected from Fairs refunded to agricultural societies.</p> |
| Oregon | <p>Total take-out 15%, state receives 5.2% from commercial race meets and 1 1/2% from fair and non-profit race meets. Daily license fee \$250 with Fairs and non-profit meets \$1.00 per race meet. State receives unclaimed winning mutuel tickets. Breakage 10 cents, track retaining 1/2 added to purses for Oregon-bred races, 4.8% of handle paid for purses and .2% for backstretch improvements.</p> |
| Pennsylvania | <p>THOROUGHBRED: Total take-out 17%. State receives 5%, association 10%. Breakage 10 cents, 5 cents on minus pools, divided equally between state and association. For track license \$3,000 deposit. HARNESS: Total take-out 17%. State receives 5%, association 10%. Breakage 10 cents, 5 cents on minus pools, divided equally between state and association. Monies from breakage deposited in Sire Stakes Fund. (THOROUGHBRED AND HARNESS: In addition to state's 5% there is a 2% tax at tracks located in cities of first class, paid directly to school district. In all other areas 2% tax paid to Department of Commerce for projects in accordance with law.)</p> |
| Rhode Island | <p>Total take-out 18%. State receives 6% on daily wagers to \$425,000, 7% to \$500,000, 8% to \$600,000, and 9% over \$600,000. Breakage 10 cents, divided equally between state and association.</p> |
| South Dakota | <p>Total take-out 16%. State 4%, association 11%, 1% for local school district. Law also provides that 5% of winning purse will go to South Dakota breeder of winning horse. Breakage 10 cents, all to association.</p> |
| Vermont | <p>THOROUGHBRED: Total take-out 18% (Sunday 19%). State receives 5 1/2% (Sunday 6 1/2%). Breakage 10 cents, divided equally between state and association. HARNESS: Total take-out 18%, with state receiving on first \$150,000 plus 3%; \$150,000 to \$200,000 plus 4%; \$200,000 to \$250,000 plus 5%; \$250,000 to \$300,000 plus 6%; \$300,000 to \$350,000 plus 7%; \$350,000 and over 8%. Sunday 19%, with state receiving on first \$150,000 plus 4%; \$150,000 to \$200,000, plus 5%; \$200,000 to \$250,000 plus 6%; \$250,000 to \$300,000 plus 7%; \$300,000 and over 8%. Breakage 10 cents, divided equally between state and association.</p> |
| Washington | <p>MAJOR TRACKS: Total take-out 16%. State receives 5%, association 10%. One per cent held by commission until end of each race meet, then distributed to owners of Washington-bred horses placing first, second, third and fourth. FAIR TRACKS—NON-PROFIT: Total take-out 15%, with 1% to state, 14% to association. Daily license fee at major tracks \$100; at Fairs \$10. Breakage 5 cents, all to association.</p> |
| West Virginia | <p>THOROUGHBRED: Total take-out 16%. State receives 5 3/4%, association 9 1/4%. One percent of take-out allocated for purses. Daily license tax \$250. Unredeemed pari-mutuel ticket money deposited to special account to support Breeders' Awards. Breakage 10 cents, all to association. HARNESS: Total take-out 17%. Of the daily pari-mutuel pool, 3% first \$100,000; 4% next \$150,000; 5 3/4% all over. Breakage 10 cents, all to association. Daily license tax \$150.</p> |
| Wyoming | <p>Total take-out 20%, with 2% to Pari-mutuel Board for operating expenses (none to state), 2% to city where track is located, 16% to racing association. Breakage 10 cents, all to association.</p> |

HB

366

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, SMALL LOANS & CORPORATIONS

JAY S. HAMMOND, Governor

POUCH D - JUNEAU 99801

February 4, 1976

Honorable Representative Terry Gardiner
Chairman
House Judiciary Committee
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Terry:

Re: CS HB 366

Last May I had the privilege of testifying before you on the above bill. At that time I commended to the consideration of your committee comments submitted in the May 9 letter by L.S. Kurtz, Jr., an Anchorage attorney who has extensive experience representing mortgage lenders, including Alaska Bank of Commerce and Coast Mortgage Company. I am enclosing his January 21 letter to me on the same topic. I ask that your committee accord Mr. Kurtz's comments the same seriousness that I have. Mr. Kurtz informed me on January 21 that his original response to HB 366 was not at the request of any of his clients, nor did he bill them for this service. Nonetheless, his representation is predominately that of lenders.

I recall that your committee intended to make some additional substitutions in the bill as a result of the May hearing. I have not received any of your changes. What has happened?

Sincerely yours,



Miles S. Schlosberg
Director

Enclosure

cc: (With enclosure - Kurtz's letter of May 9, 1975)
Langhorne A. Motley, Commissioner
Representative Susan Sullivan
L.S. Kurtz, Jr., 825 West 8th Avenue, Anchorage, Alaska 99501

Miles

BURR, PEASE & KURTZ, INC.

E. L. ARNELL 1913-1958
C. BURR
DODDRE M. PEASE, JR.
KURTZ, JR.
WARD G. BURTON
S. P. FLYNN
CHARO A. HELM
E. PAGE
W. SEDWICK
DONALD H. BUSSEY
RUSSELLYN S. CARRUTH
R. E. DUERRE
CONNIE J. SIPE
LARRY MEYER

825 WEST EIGHTH AVENUE
ANCHORAGE, ALASKA 99501

TELEPHONE
AREA CODE 907
279-2411

January 21, 1976

Miles S. Schlosberg, Director
Division of Banking, Securities,
Small Loans and Corporations
Pouch D
Juneau, AK 99811

Re: Committee Substitute for House Bill No. 366

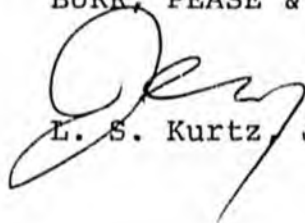
Dear Miles:

Following our discussion of House Bill 366 on Wednesday, I dug into my files and now see clearly what has happened. Enclosed are copies of the original bill, my letter to the House Judiciary Committee of May 9, and the committee substitute dated May 16. It appears that my influence has been negligible!

I still support subparagraphs (a) and (b) of the original bill, but certainly do not agree with the last sentence of subsection (b) under the committee substitute. The comments in my letter of May 9 concerning subsection (c) are still valid, and I will be happy to discuss the impact on the poor consumer of this proposed legislation with anyone. It is really brutal to the slightly delinquent house buyer who has a foreclosure started against him--he will need to come up with a lot of money for costs!

Sincerely,

BURR, PEASE & KURTZ, INC.


L. S. Kurtz, Jr.

LSK:klt

cc: R. J. Miller, Jr.
Robert C. Ely

RECEIVED

JAN 26 1976

DEPARTMENT OF COMMERCE
DIVISION OF BANKING
SECURITIES AND SMALL LOANS

TELEGRAM

1975 MAY 1

AKA ALASKA COMMUNICATIONS

PHONE: 586-6440

JUNEAU, ALASKA 99801

IPMAFUB AHG

1-0449880139 05/19/75

TLX BANKALASKA AHG

01 ANCHORAGE ALASKA MAY 19, 1975

PMS REPRESENTATIVE TERRY GARDINER

STATE CAPITOL
3325

JUNEAU ALASKA

URGENT RE HOUSE BILL 366-HEARING 5/20/75

THE ALASKA BANKERS ASSOCIATION IS OPPOSED TO HB 366, SPECIFICALLY
SECTION 34.20.070 (C) PAGE 2, LINES 4 AND 5.

THIS SERVICE OF PROCESS IS A MATERIAL CHANGE AND MAY HINDER
FINANCING NOT HELP

THE ALASKA BANKERS ASSOCIATION

R W BURGH

PRESIDENT

2229 EST

IPMAFUB AHG

IPMAFUB AHG

BURR, PEASE & KURTZ, INC.

E. L. ARNELL 1913-1958

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P. A. WILLIAMS
R. H. BUSSEY

ANCHORAGE, ALASKA 99501

TELEPHONE
AREA CODE 907
279-2411

May 9, 1975

Alaska State Legislature
House Judiciary Committee
State Capitol
Pouch V
Juneau, Alaska 99811

Re: House Bill No. 366

Gentlemen:

Today I received a copy of House Bill No. 366 and sincerely hope that you will modify subsection (c) of that bill before it is passed. I make this request as a practicing attorney who forecloses several deeds of trust each month, and as a private person who makes payments on eight deeds of trust each month. I think I have as much practical experience in dealing with foreclosures from both sides of the fence as any other attorney in the Anchorage area.

First, I strongly support the modifications to subsections (a) and (b) which the Bill makes. They will help prevent injustices from occurring and will not hurt creditors to any substantial degree. However, the proposed change to subsection (c) will hurt both debtors and creditors. The biggest problem I see with it is the technical impossibility of complying with it. Under Civil Rule 4(d)-(e) much more than ten days is required to accomplish service of process in many cases. The period of time can extend up to several months if the individual cannot be located, and in foreclosure situations the borrower or the party assuming from the borrower frequently cannot be located. Publication under Civil Rule 4(e) would serve no purpose whatsoever because publication is already required by the foreclosure provisions in title 34. At the present time it costs from \$125.00 to \$200.00 to publish the notice required by title 34, and this cost would roughly double whenever any of the parties named in 34.20.070(b) could not be found. The cost of serving each party holding interest in the land also will be substantial in many cases, since normal process

Alaska State Legislature
House Judiciary Committee
May 9, 1975
Page Two


serving costs at least \$10.00 per service and there often are a number of judgment holders, lien holders and other parties who must be served in a foreclosure proceeding.

As a practical matter, I think you are trying to protect parties who own land from being foreclosed out without notice, which is very important. If you feel personal service as required by Civil Rule 4(d) is necessary, please consider limiting the requirement of personal service to the record owner of the property and the parties in possession of the property, excluding lien and judgment holders and similar parties. If a process server cannot find the owner of the property in the State of Alaska after diligent search, no further service should be required other than the publication now required by title 34.

From my experience, I think virtually all of the abuses of the deed of trust and summary foreclosure procedure would be eliminated if your subsection (c) merely required service of the parties in possession of the property. Most of the abuses - have seen arose in connection with foreclosure of homes owned by individuals who could not afford legal counsel. Often such people quit picking up certified mail and thus get no actual notice of a foreclosure proceeding. While I question whether people should be protected when they refuse to pick up certified mail, personal service of such owner-occupants may be warranted. That alone will add only a few dollars to the foreclosure costs, which the owner will have to pay if he brings the debt current. He should not be saddled with the extremely high costs which will result from compliance with the present proposed subsection (c).

Sincerely,

BURR, PEASE & KURTZ, INC.


L. S. Kurtz, Jr.

LSK:klt

copies of letter
enclosed

A-440
5/13/75 Mites - please take a look
at this one. Jerry Kutz

May 9, 1975

Alaska State Legislature
House Judiciary Committee
State Capitol
Pouch V
Juneau, Alaska 99811

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*File
HB 366*

Alaska State Legislature
House Judiciary Committee
May 9, 1975
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BURR, PEASE & KURTZ, INC.

L. S. Kurtz, Jr.

LSK:klt

copies of letter
enclosed

File with members

BURR, PEASE & KURTZ, INC.

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ANCHORAGE, ALASKA 99501

TELEPHONE
AREA CODE 907
279-2411

May 9, 1975

Alaska State Legislature
House Judiciary Committee
State Capitol
Pouch V
Juneau, Alaska 99811

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Alaska State Legislature
House Judiciary Committee
May 9, 1975
Page Two


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Sincerely,

BURR, PEASE & KURTZ, INC.


L. S. Kurtz, Jr.

LSK:klt

copies of letter
enclosed

HB

371

"An Act making a special appropriation to the Department of Law for the Office of the special prosecutor for fish and game matters; and providing for an effective date."

COMMITTEE REPORT

4/2/75

HOUSE

FINANCE

Mr. Speaker:

Date _____

The Committee on JUDICIARY has had HB 371

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

| | | |
|--------------------|--------------------|--------------------|
| <u>[Signature]</u> | <u>Do Not Pass</u> | <u>[Signature]</u> |
| <u>[Signature]</u> | <u>Do Not Pass</u> | <u>[Signature]</u> |
| <u>[Signature]</u> | <u>Do Not Pass</u> | <u>[Signature]</u> |
| <u>[Signature]</u> | <u>Do Pass</u> | <u>[Signature]</u> |

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST
 Bill No. HB 370
 Title: An Act Creating a Special Fish and Game Prosecutor
 Requested by: House Judiciary Committee Date: April 9, 1975
 Return Date Requested: _____
 Agency: Department of Law Program: Prosecution

II. FISCAL DETAIL
 Budget Request Unit(s) Affected: Prosecution

A. EXPENDITURES: (Thousands of dollars)

| OBJECT | FY 75 | FY 76 | FY 77 | FY 78 | FY 79 | FY 80 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | 67.8 | 74.6 | 82.1 | 90.3 | 99.3 |
| 200 TRAVEL | | 20.5 | 22.5 | 24.7 | 27.2 | 29.9 |
| 300 CONTRACTUAL | | 23.1 | 25.4 | 27.9 | 30.7 | 33.8 |
| 400 COMMODITIES | | 2.8 | 3.1 | 3.4 | 3.7 | 4.1 |
| 500 EQUIPMENT | | 4.4 | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | 118.6 | 129.3 | 138.1 | 151.9 | 167.1 |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|--|-------|-------|-------|-------|-------|
| GENERAL FUND | | 118.6 | 129.3 | 138.1 | 151.9 | 167.1 |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |

C. POSITIONS:

| | | | | | | |
|---------------------|---|------|------|------|------|------|
| PERMANENT/TEMPORARY | / | 3 / | 3 / | 3 / | 3 / | 3 / |
| MAN MONTHS (P./T.) | / | 36 / | 36 / | 36 / | 36 / | 36 / |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
 General Assumptions:

- The prosecutor and staff will be located in Anchorage.
- A Legal Secretary will be needed to provide clerical support. The present staff in the Anchorage District Attorney's office is inundated by the existing workload and cannot absorb the volume of work the Prosecutor and Investigator will produce.

Fiscal Assumptions: (dollar amount on chart below)

~~XXXXXXXXXXXXXXXXXX~~

Personal Services - Attorney V, Range 25-A, Investigator, Range 17-A.
 Legal Secretary I, Range 10-B.

Travel - to carry out the activities listed in HB 370 we assume 25 trips each by the Prosecutor and the Investigator instate for field travel at

V. DATE: April 11, 1975 PREPARED BY: Robert F. Schroeder

Legal administrator

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

III: ANALYSIS (continued)

an average cost of \$346 per trip for transportation and per diem; 2 trips out of state by the Investigator at \$550 per trip; two administrative trips by the Prosecutor and one by the Investigator at \$300 per trip; one trip each by the prosecutor and investigator for instate meetings at \$300 per trip; and one trip out of state by the prosecutor at \$600 per trip.

Contractual Services - Department of Law offices in Anchorage are fully occupied; additional space will have to be acquired for the prosecutor and staff. Witness fees are budgeted 60% above the present average per prosecutor in the Anchorage District Attorney office; we anticipate fish and game cases will involve more out of state citizens than encountered in other offenses therefore the costs of witness transportation will be higher. Other items of expenditure are averaged from the present costs of operation.

Commodities and Equipment:

Average amounts necessary to establish and effectively maintain each position:

| <u>Object of Expenditure</u> | <u>Attorney V Range 25-A</u> | <u>Investigator Range 17-A</u> | <u>Legal Sec. I Range 10-B</u> | <u>Total</u> |
|------------------------------|----------------------------------|------------------------------------|------------------------------------|------------------|
| <u>Personal Services</u> | | | | |
| Salaries | 30,096 | 16,704 | 10,656 | 57,465 |
| Benefits at 18% | 5,417 | 3,704 | 1,981 | 10,342 |
| <u>Total Pers. Servs.</u> | <u>35,513</u> | <u>19,711</u> | <u>12,574</u> | <u>67,798</u> |
| <u>Travel</u> | | | | |
| Field-instate | 8,650 | 8,650 | | 17,300 |
| Field-out of state | | 1,100 | | 1,100 |
| Administrative | | | | |
| instate | 600 | 300 | | 900 |
| out of state | | | | |
| Conventions and Meetings | | | | |
| instate | 300 | 300 | | 600 |
| <u>Total Travel</u> | <u>10,150</u> | <u>10,350</u> | | <u>20,500</u> |
| <u>Contractual Services</u> | | | | |
| Communications servs. | 1,600 | 1,500 | 100 | 3,200 |
| Printing & Advertising | 200 | 200 | | 400 |
| Rent | 600 | 400 | 200 | 1,200 |
| Repair & Janitorial | 400 | 300 | 200 | 1,200 |
| Transportation of | | | | |
| Things | 100 | 100 | | 200 |
| Equipment Rental | 400 | 400 | 2,100 | 2,900 |
| Professional Fees | 2,000 | | | 2,000 |
| Other Fees | 200 | 100 | | 300 |
| Witness Fees | 12,000 | | | 12,000 |
| <u>Total Cont. Servs.</u> | <u>17,500</u> | <u>3,000</u> | <u>2,600</u> | <u>23,100</u> |
| <u>Comodities</u> | | | | |
| Professional Supplies | 800 | 400 | | 1,200 |
| Office Supplies | 600 | 600 | 400 | 1,600 |
| <u>Total Commodities</u> | <u>1,400</u> | <u>1,000</u> | <u>400</u> | <u>2,800</u> |
| <u>Equipment</u> | <u>1,400</u> | <u>1,400</u> | <u>1,600</u> | <u>4,400</u> |
| <u>Total</u> | <u>\$5,693</u> | <u>\$ 35,461</u> | <u>\$17,174</u> | <u>\$118,598</u> |

April 15, 1975

TO: Hugh Malone, Chairman
House Finance Committee

FROM: Terry Gardiner, Chairman
House Judiciary Committee

SUBJECT: HB 370/371

The Judiciary Committee has recommended that both HB 370 and HB 371 do pass. This recommendation is made on the basis of the amount appropriated in HB 371 as funding for HB 370 and not on the basis of the attached fiscal note. It is the understanding of the Judiciary Committee that there presently is someone in the Attorney General's Office who is handling fish and game matters exclusively. The attached fiscal note should therefore be reduced by the amount already being spent by the Office in providing fish and game protection services. Judiciary recommends that HB 370 be funded in the amount of HB 371 (\$75,000) or less.

HB

384

COMMITTEE REPORT

HOUSE

4/7/75

Mr. Speaker:

Date _____

The Committee on JUDICIARY has had HB 384

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

| | | |
|-----------------------|-------|-------|
| <u>Jerry Gardiner</u> | _____ | _____ |
| <u>[Signature]</u> | _____ | _____ |
| <u>[Signature]</u> | _____ | _____ |
| _____ | _____ | _____ |

Members NOT concurring in the Majority report:

| | |
|--------------------|---------------------------|
| <u>[Signature]</u> | recommends: <u>do not</u> |
| _____ | recommends: |
| _____ | recommends: |
| _____ | recommends: |
| _____ | recommends: |

Jerry Gardiner Chairman

AMENDMENT

#3

OFFERED IN THE HOUSE:

By: ELIASON

To: _____ HOUSE BILL No. HB 384

SENATE BILL No. _____

PAGE: 2

LINE: 8

line 8 delete [if]

line 7 between "and" and "made"

insert TO BE

AMENDMENT

#4

OFFERED IN THE HOUSE:

By: W. J. BERRY

To: _____ HOUSE BILL No. 336

SENATE BILL No. _____

PAGE: 6

LINE: 347

§ 3027 "IN THE INTEREST OF THE PEOPLE AND THE PUBLIC"

AMENDMENT #1

~~not well prepared~~

OFFERED IN THE HOUSE:

By: Spahn

To: _____

HOUSE BILL No. 384

SENATE BILL No. _____

PAGE: 1

LINE: 134, 23, 24

change "may" to "shall"

P 2, lines 5 & 6

change "may" to "shall"

PROPOSED JUDICIARY

HB 384

1 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA

2 *Section 1. AS 22.05.100 is amended to read:

3 Sec. 22.05.100 APPROVAL OR REJECTION. Each supreme court
 4 justice is subject to approval or rejection as provided in the Alaska
 5 Election Code (AS 15.05 - 15.60). The judicial council shall conduct an
 6 evaluation of each justice before his retention election and shall provide
 7 to the public information about that justice and may provide a recommendation
 8 regarding his retention or rejection. Such information and any
 9 recommendation shall be made public at least 30 days before the
 10 retention election. The judicial council shall also provide such
 11 information and any recommendation to the office of the lieutenant
 12 governor in time for publication in the election pamphlet pursuant to
 13 AS 15.57.025. If a majority of those voting on the question rejects
 14 his candidacy, he shall not be appointed to fill any vacancy in the
 15 supreme or superior courts of the state for a period of four years
 16 thereafter.

17 * Sec. 2. AS 22.10.150 is amended to read:

18 Sec. 22.10.150. APPROVAL OR REJECTION. Each superior court judge
 19 is subject to approval or rejection as provided in the Alaska Election
 20 Code (AS 15.05 - 15.60). The judicial council shall conduct an evaluation
 21 of each judge before his retention election and shall provide to the
 22 public information about the judge and may provide a recommendation
 23 regarding his retention or rejection. Such information and any
 24 recommendation shall be made public at least 30 days before the election.
 25 The judicial council shall also provide such information and any
 26 recommendation to the office of the lieutenant governor in time
 27 for publication in the election pamphlet pursuant to AS 15.57.025.

* Sec. 4. AS 15.57.010 is amended to read:

1 Sec. 15.57.010. Contents of Pamphlet. The lieutenant governor
2 shall mail to all voters of the state before each state general
3 election a candidate pamphlet containing photographs and campaign
4 statements of eligible nominees who desire to participate in the
5 pamphlet, and information and any recommendations regarding the
6 retention of judicial officers supplied by the judicial council.
7 The pamphlet shall also contain, for each ballot proposition,
8 (1) a neutral summary of the proposition prepared by the Legislative
9 Affairs Agency, and (2) a statement by persons or organizations
10 supporting the proposition, and (3) a statement by persons or organi-
11 zations opposing the proposition.

12 * Sec. 5. AS 15.57 is amended by adding a new section to read:
13 Information and recommendations on judicial officers.
14 Sec. 15.57.025. / No later than 60 days before the applicable
15 state election, the Judicial Council shall file with the lieutenant
16 governor a statement including information about each Supreme
17 Court Justice, Superior Court Judge, and District Court Judge who
18 will be subject to a retention election, following the evaluation
19 of each such justice or judge conducted by the judicial council
20 according to law. Each such statement may not exceed 300 words.

21 * Sec. 6. AS 15.57.030 is amended to read:

22 Sec. 15.57.030. Publication. The statements and photographs
23 of nominees and of judicial officers subject to retention elections,
24 as well as statements and recommendations of the judicial council,
25 as set out in §§ 10, 20 and 25 of this chapter, shall be published
26 by the lieutenant governor as a candidate pamphlet.

27 * Sec. 7. AS 15.57.040 (a) is amended by adding a new subparagraph
28 to read:

29 (5) no charge for statements and recommendations submitted
by the judicial council concerning judicial retention elections.

1 If a majority of those voting on the question rejects his candidacy,
2 he shall not for a period of four years thereafter be appointed to
3 fill any vacancy in the supreme or superior courts of the state.

4 * Sec. 3. AS 22.15 is amended by adding a new section to read:

5 Sec. 22.15.195. APPROVAL OR REJECTION. Each district court
6 judge is subject to approval or rejection as provided in the Alaska
7 Election Code (AS 15.05 - 15.60). The judicial council shall conduct
8 an evaluation of each judge before his retention election and shall
9 provide to the public both information about the judge and may
10 provide a recommendation regarding his retention or rejection. Such
11 information and the recommendation shall be made public at least 30
12 days before the election. The judicial council shall also provide such
13 information and any recommendation to the office of the lieutenant
14 governor in time for publication in the election pamphlet pursuant
15 to AS 15.57.025. If a majority of those voting on the question
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18 or district courts of the state.
19
20
21
22
23
24
25
26
27
28
29

A M E N D M E N T

TO: HOUSE BILL NO. 384

The Jud. Com.
BY ~~BROWN~~

- Page 1, line 13: After "and" delete "may" and insert "shall"
- Page 1, line 14: After "public" delete "both" and after "and" insert "may provide"
- Page 1, line 15: Delete "if the information and the" and insert ". Such information and any"
- Page 1, line 16: Before "made" delete "are" and insert "shall be"
- Page 1, line 17: After the period insert: "The judicial council shall also provide such information and any recommendation to the office of the lieutenant governor in time for publication in the election pamphlet under AS 15.57.025."
- Page 1, line 23: After "council" delete "may" and insert "shall"
- Page 1, line 24: After "and" delete "may" and insert "shall"
- Page 1, line 25: After "public" delete "both" and after "and" insert "may provide"
- Page 1, line 26: Delete "if the information and the" and insert ". Such information and any"
- Page 1, line 27: Delete "are" and insert "shall be" and after the period insert: "The judicial council shall also provide such information and any recommendation to the office of the lieutenant governor in time for publication in the election pamphlet under AS 15.57.025."
- Page 2, line 5: After "council" delete "may" and insert "shall"
- Page 2, line 6: After "and" delete "may" and insert "shall"
- Page 2, line 7: After "public" delete "both" and after "and" insert "may provide"
- Page 2, line 8: Delete "if the" and insert ". Such"
- Page 2, line 9: Delete "are" and insert "shall be" and after the period insert: "The judicial council shall also provide such information and any recommendation to the office of the lieutenant governor in time for publication in the election pamphlet under AS 15.57.025."

A M E N D M E N T

TO: HOUSE BILL NO. 384 -- continued

Page 2, line 13: insert the following new matter:

" * Sec. 4. AS 15.57.010 is amended to read:

Sec. 15.57.010. CONTENTS OF PAMPHLET. The lieutenant governor shall mail to all voters of the state before each state general election a candidate pamphlet containing photographs and campaign statements of eligible nominees who desire to participate in the pamphlet, and information and any recommendations regarding the retention of judicial officers supplied by the judicial council.

The pamphlet shall also contain, for each ballot proposition, (1) a neutral summary of the proposition prepared by the Legislative Affairs Agency, and (2) a statement by persons or organizations supporting the proposition, and (3) a statement by persons or organizations opposing the proposition.

* Sec. 5. AS 15.57 is amended by adding a new section to read:

Sec. 15.57.025. INFORMATION AND RECOMMENDATIONS ON JUDICIAL OFFICERS. No later than 60 days before the applicable state election, the judicial council shall file with the lieutenant governor a statement including information about each supreme court justice, superior court judge, and district court judge who will be subject to a retention election, following the evaluation of each such justice or judge conducted by the judicial council according to law. Each such statement may not exceed 300 words.

* Sec. 6. AS 15.57.030 is amended to read:

Sec. 15.57.030. PUBLICATION. The statements and photographs of nominees and of judicial officers subject to retention elections, as well as statements and recommendations of the judicial council, as set out in secs. 10, [AND] 20 and 25 of this chapter, shall be published by the lieutenant governor as a candidate pamphlet.

* Sec. 7. AS 15.57.040(a) is amended by adding a new paragraph to read:

(5) no charge for statements and recommendations submitted by the judicial council concerning judicial retention elections."

AMENDMENT #2

OFFERED IN THE HOUSE:

By: _____

To: _____ HOUSE BILL No. _____

SENATE BILL No. _____

PAGE: _____

LINE: 16 27

"made public": add:
after" and included in the Alaska
Election ^{candidate} ~~Campaign~~ pamphlet with
a photograph"

from the desk of . . .

Representative Hugh Malone

Terry

[Faint handwritten notes, possibly including the word "PI-TURE"]

Compliments of Alaska Legislative Report
four fifteen "E" Street Anchorage, Alaska 99501 (907) 279-4531

Introduced: 4/7/75
Referred: Judiciary

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE
BY REQUEST

2 HOUSE BILL NO. 384

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to evaluations of judges before
7 retention elections."

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

9 * Section 1. AS 22.05.100 is amended to read:

10 Sec. 22.05.100. APPROVAL OR REJECTION. Each supreme court
11 justice is subject to approval or rejection as provided in the Alaska
12 Election Code (AS 15.05 - 15.60). The judicial council shall conduct an
13 evaluation of each justice before his retention election and ^{shall} provide
14 to the public both information about that justice and a recommendation
15 regarding his retention or rejection, if the information and the recom-
16 mendation are made public at least 30 days before the retention elec-
17 tion. If a majority of those voting on the question rejects his candi-
18 dacy, he shall not be appointed to fill any vacancy in the supreme or
19 superior courts of the state for a period of four years thereafter.

20 * Sec. 2. AS 22.10.150 is amended to read:

21 Sec. 22.10.150. APPROVAL OR REJECTION. Each superior court judge
22 is subject to approval or rejection as provided in the Alaska Election
23 Code (AS 15.05 - 15.60). The judicial council may conduct an evaluation
24 of each judge before his retention election and may provide to the
25 public both information about the judge and a recommendation regarding
26 his retention or rejection, if the information and the recommendation
27 are made public at least 30 days before the election. If a majority of
28 those voting on the question rejects his candidacy, he shall not for a
29 period of four years thereafter be appointed to fill any vacancy in the

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*remember back page
and
distribute to members*

PROPOSED JUDICIARY CS

HB 384

1 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA

2 *Section 1. AS 22.05.100 is amended to read:

3 Sec. 22.05.100 APPROVAL OR REJECTION. Each supreme court
 4 justice is subject to approval or rejection as provided in the Alaska
 5 Election Code (AS 15.05 - 15.60). The judicial council shall conduct an
 6 evaluation of each justice before his retention election and shall provide
 7 to the public information about that justice and may provide a recommendation
 8 regarding his retention or rejection. Such information and any
 9 recommendation shall be made public at least 30 days before the
 10 retention election. The judicial council shall also provide such
 11 information and any recommendation to the office of the lieutenant
 12 governor in time for publication in the election pamphlet pursuant to
 13 AS 15.57.025. If a majority of those voting on the question rejects
 14 his candidacy, he shall not be appointed to fill any vacancy in the
 15 supreme or superior courts of the state for a period of four years
 16 thereafter.

17 * Sec. 2. AS 22.10.150 is amended to read:

18 Sec. 22.10.150. APPROVAL OR REJECTION. Each superior court judge
 19 is subject to approval or rejection as provided in the Alaska Election
 20 Code (AS 15.05 - 15.60). The judicial council shall conduct an evaluation
 21 of each judge before his retention election and shall provide to the
 22 public information about the judge and may provide a recommendation
 23 regarding his retention or rejection. Such information and any
 24 recommendation shall be made public at least 30 days before the election.
 25 The judicial council shall also provide such information and any
 26 recommendation to the office of the lieutenant governor in time
 27 for publication in the election pamphlet pursuant to AS 15.57.025.

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1 If a majority of those voting on the question rejects his candidacy,
2 he shall not for a period of four years thereafter be appointed to
3 fill any vacancy in the supreme or superior courts of the state.

4 * Sec. 3. AS 22.15 is amended by adding a new section to read:

5 Sec. 22.15.195. APPROVAL OR REJECTION. Each district court
6 judge is subject to approval or rejection as provided in the Alaska
7 Election Code (AS 15.05 - 15.60). The judicial council shall conduct
8 an evaluation of each judge before his retention election and shall
9 provide to the public both information about the judge and may
10 provide a recommendation regarding his retention or rejection. Such
11 information and the recommendation shall be made public at least 30
12 days before the election. The judicial council shall also provide such
13 information and any recommendation to the office of the lieutenant
14 governor in time for publication in the election pamphlet pursuant
15 to AS 15.57.025. If a majority of those voting on the question
16 rejects his candidacy, he shall not for a period of four years
17 thereafter be appointed to fill any vacancy in the supreme, superior
18 or district courts of the state.
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additional sections for HB 384

* Sec. ~~4~~. AS 15.57.010 is amended to read:

1 Sec. 15.57.010. Contents of Pamphlet. The lieutenant governor
 2 shall mail to all voters of the state before each state general
 3 election a candidate pamphlet containing photographs and campaign
 4 statements of eligible nominees who desire to participate in the
 5 pamphlet, and information and any recommendations regarding the
 6 retention of judicial officers supplied by the judicial council.
 7 The pamphlet shall also contain, for each ballot proposition,
 8 (1) a neutral summary of the proposition prepared by the Legislative
 9 Affairs Agency, and (2) a statement by persons or organizations
 10 supporting the proposition, and (3) a statement by persons or organi-
 11 zations opposing the proposition.

title

12 * Sec. ~~5~~. AS 15.57 is amended by adding a new section to read:
 13 Information and recommendations on judicial officers.
 14 Sec. 15.57.025. No later than 60 days before the applicable
 15 state election, the Judicial Council shall file with the lieutenant
 16 governor a statement including information about each Supreme
 17 Court Justice, Superior Court Judge, and District Court Judge who
 18 will be subject to a retention election, following the evaluation
 19 of each such justice or judge conducted by the judicial council
 20 according to law. Each such statement may not exceed 300 words.

* Sec. ~~6~~. AS 15.57.030 is amended to read:

22 Sec. 15.57.030. Publication. The statements and photographs
 23 of nominees and of judicial officers subject to retention elections,
 24 as well as statements and recommendations of the judicial council,
 25 as set out in §§ 10, 20 and 25 of this chapter, shall be published
 26 by the lieutenant governor as a candidate pamphlet.

* Sec. ~~7~~. AS 15.57.040 (a) is amended by adding a new subparagraph to read:

27 (5) no charge for statements and recommendations submitted
 28 by the judicial council concerning judicial retention elections.
 29

85

House Judiciary Committee
April 9, 1975
page 3

HB 384 Evaluation of Judges

Since the committee had previously heard testimony on this bill from the Judicial Council, HB 384 was passed out of committee, do pass.

HB 241 Fishing gear

Rep. Malone, sponsor of the bill, testified that this bill would correct the situation where the owner of a license was determined to be required to have his hand on the nets at all times when they were being used. A court interpretation of the bill required the licensee to personally participate in all work. This was not the legislative intent in passing the original bill, so HB 241 would give clear legislative intent.

Mr. Brown moved CS HB 241 (incorporating the Resources amendment) out of committee do pass. There being no objection, it was so ordered.

*Am 4 - Sect 8 cont.
Sect 9*

House Judiciary Committee
April 2, 1975

At 2 p.m. the committee met with the members of the Judicial Council for an exchange of information and suggestions. The Council has completed reports on Bail in Anchorage, Sentencing, Grand Jury and is working on reports on The District Court System, Plea Bargaining, Bush Justice, Evaluation of Judges.

The Council recommended the following:
The present time frame in which the Council must screen and nominate applicants sometimes does not leave enough time to the person selected to clean up his affairs before assuming the position. The Council would like to be able to send names to the Governor earlier so that the appointment could be made by the Governor earlier.

The Council does not have specific statutory authority to evaluate judges' qualifications and convey this information and recommendation to the public. They feel it is a legitimate function of the Council and would like specific authorization.

The Council, after public hearings, has recommended the proposal for seven judicial districts.

HB

385

COMMITTEE REPORT

4/7/75

HOUSE

Mr. Speaker:

Date _____

The Committee on JUDICIARY has had HB 385

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

| | | |
|-----------------------------|-------|-------|
| <u><i>Jerry Gardner</i></u> | _____ | _____ |
| <u><i>Blaine ...</i></u> | _____ | _____ |
| <u><i>J.S. ...</i></u> | _____ | _____ |
| <u><i>...</i></u> | _____ | _____ |

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Jerry Gardner Chairman

AMENDMENT

OFFERED IN THE HOUSE:

By: House Judiciary

To: _____ HOUSE BILL No. 385

SENATE BILL No. _____

PAGE: 1 and 2

LINE: _____

page 1, line 22: after "governor" ADD: no more than sixty days

page 2, line 9: after "governor" ADD: no more than sixty days