

**Introduced by Senator Soto**

February 12, 2004

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An act to add Sections 19531.1 and 19614.6 to the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1227, as introduced, Soto. Horse racing: fairs: allocation of racing dates.

(1) Existing law authorizes the California Horse Racing Board to allocate racing weeks to an applicant or applicants, and to specify the racing days, dates, and hours for horse racing meetings. Existing law entitles any fair racing association that conducted racing in the central or southern zone prior to January 1, 1980, to be allocated up to 3 weeks of racing.

This bill would prohibit the board from allocating racing dates to a private thoroughbred association in the central or southern zone for the purpose of conducting thoroughbred racing during daytime or nighttime hours if a fair racing association is conducting racing in the central zone on the same dates and if that fair is obligated to make payments on a capital expense loan incurred for the purpose of improving its facilities for horse racing.

(2) Existing law permits any county or district agricultural association fair that is licensed to conduct racing meetings for the first time on or after January 1, 1979, to retain the license fee applicable to its meeting for payment of a capital expense loan incurred for the purpose of preparing its facilities for horse racing.

This bill would permit any county fair in the central zone that conducted fair racing meetings prior to January 1, 1980, commencing with the 2006 racing session, to retain a specified portion of the license

fee applicable to its meeting for payment of a capital expense loan incurred for the purpose of improving its facilities for horse racing, and a specified portion of the license fee as a guarantee of loan repayment.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 19531.1 is added to the Business and  
2 Professions Code, to read:

3 19531.1. Notwithstanding any other provision of law, the  
4 board shall not allocate racing dates to a private thoroughbred  
5 racing association in the central or southern zone for the purpose  
6 of conducting thoroughbred racing during daytime or nighttime  
7 hours if a fair racing association is conducting racing in the central  
8 zone on the same dates and if that fair is obligated to make  
9 payments on a capital expense loan incurred for the purpose of  
10 improving its facilities for horse racing.

11 SEC. 2. Section 19614.6 is added to the Business and  
12 Professions Code, to read:

13 19614.6. (a) Notwithstanding Section 19614, any county fair  
14 in the central zone that conducted fair racing meetings prior to  
15 January 1, 1980, commencing with the 2006 racing season, may  
16 retain that portion of the license fee applicable to its live racing  
17 meeting that exceeds the amount of license fees paid during its  
18 2004 live racing meeting for payment of a capital expense loan  
19 incurred for the purpose of improving its facilities for horse racing.  
20 The license fee retention shall be applicable only during the loan  
21 period, only in an amount equal to the loan payments, and only if  
22 all the moneys retained are used to pay off the loan for those capital  
23 expenses. Any portion of the license fee in excess of the amount  
24 needed to make loan payments pursuant to this section shall be  
25 deposited in the Fair and Exposition Fund. However, if after the  
26 effective date of this section, the rate of the license fee imposed on  
27 fairs is reduced, the county fair may retain that portion of the  
28 license fee applicable to its live racing meeting that exceeds the  
29 amount of the license fees that would have been paid on its 2004  
30 live racing meeting at the reduced rate.

31 (b) Commencing with the 2006 racing season, the license fees  
32 equal to the amount of license fees paid during the 2004 live racing



1 meeting, or that would have been paid on its 2004 live racing  
2 meeting, are pledged as a guarantee of repayment of the capital  
3 expense loan, and those fees may be retained by the county fair  
4 until the debt service on that loan has been repaid from license fees  
5 retained by the county pursuant to subdivision (a) and from  
6 commissions generated by the county fair racing meeting in excess  
7 of commissions generated during the 2004 live racing meeting.  
8 Any amount that the county fair retains pursuant to this  
9 subdivision that is not required to satisfy the capital expense loan  
10 because of the inadequacy of funds retained by the county fair  
11 pursuant to subdivision (a) shall be deposited in the Fair and  
12 Exposition Fund.

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