

HOUSE BILL 441

IN THE HOUSE

January 27, 1979	Introduced and referred to Committee on Business and Industry.
February 9, 1979	Committee recommend bill, do pass, as amended.
February 10, 1979	Printed and placed on members' desks.
February 12, 1979	On motion, taken from second reading and referred to printing.
February 13, 1979	Printed and placed on members' desks.
February 14, 1979	Second reading, as amended, do not pass.

1 HOUSE BILL NO. 441  
 2 INTRODUCED BY BURNETT Johnson The FT Johnston  
 3 Underdahl

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE  
 5 LAW RELATING TO HORSERACING; AMENDING SECTIONS 2-8-103,  
 6 23-4-101, 23-4-204, AND 23-4-304, MCA; RENUMBERING AND  
 7 AMENDING SECTION 2-15-1662, MCA."  
 8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 NEW SECTION. Section 1. Purpose. The legislature  
 11 finds that it is in the interest of the state to foster and  
 12 promote the breeding of valuable thoroughbred, purebred,  
 13 quarter horse, appaloosa, and registered horses because of  
 14 the economic and social benefit arising from the enjoyment  
 15 of fine horseflesh. [This chapter] is designed to promote  
 16 and foster the breeding of fine horses by amending and  
 17 strengthening the laws relating to horseracing.

18 Section 2. Section 2-8-103, MCA, is amended to read:

19 "2-8-103. Agencies to terminate. (1) The following  
 20 agencies shall terminate on July 1, 1979:

21 (a) board of abstracters, department of professional  
 22 and occupational licensing, created by 2-15-1643;

23 (b) board of public accountants, department of  
 24 professional and occupational licensing, created by  
 25 2-15-1641;

1 (c) board of architects, department of professional  
 2 and occupational licensing, created by 2-15-1651;

3 (d) state banking board, department of business  
 4 regulation, created by 2-15-1803;

5 (e) state electrical board, department of professional  
 6 and occupational licensing, created by 2-15-1654;

7 (f) board of professional engineers and land  
 8 surveyors, department of professional and occupational  
 9 licensing, created by 2-15-1653;

10 (g) office of commissioner of insurance and the  
 11 insurance department, state auditor's office, created by  
 12 2-15-1902 and 2-15-1903;

13 (h) office of the investment commissioner, state  
 14 auditor's office, created by 2-15-1901;

15 (i) board of landscape architects, department of  
 16 professional and occupational licensing, created by  
 17 2-15-1652;

18 (j) board of county printing, department of community  
 19 affairs, created by 2-15-1102;

20 (k) board of plumbers, department of professional and  
 21 occupational licensing, created by 2-15-1655;

22 (l) board of real estate, department of professional  
 23 and occupational licensing, created by 2-15-1642;

24 (m) state board of warm air heating, ventilation, and  
 25 air conditioning, department of professional and

1 occupational licensing, created by 2-15-1656;  
 2 (n) board of institutions, department of institutions,  
 3 created by 2-15-2303.  
 4 (2) The following agencies shall terminate on July 1,  
 5 1981:  
 6 (a) commission for human rights, department of labor  
 7 and industry, created by 2-15-1706;  
 8 (b) board of athletics, department of professional and  
 9 occupational licensing, created by 2-15-1661;  
 10 (c) board of barbers, department of professional and  
 11 occupational licensing, created by 2-15-1625;  
 12 (d) board of chiropractors, department of professional  
 13 and occupational licensing, created by 2-15-1613;  
 14 (e) board of cosmetologists, department of  
 15 professional and occupational licensing, created by  
 16 2-15-1626;  
 17 (f) board of dentists, department of professional and  
 18 occupational licensing, created by 2-15-1606;  
 19 (g) board of hearing aid dispensers, department of  
 20 professional and occupational licensing, created by  
 21 2-15-1616;  
 22 (h) board of massage therapists, department of  
 23 professional and occupational licensing, created by  
 24 2-15-1627;  
 25 (i) Montana state board of medical examiners,

1 department of professional and occupational licensing,  
 2 created by 2-15-1605;  
 3 (j) board of morticians, department of professional  
 4 and occupational licensing, created by 2-15-1619;  
 5 (k) board of nursing, department of professional and  
 6 occupational licensing, created by 2-15-1610;  
 7 (l) board of nursing home administrators, department  
 8 of professional and occupational licensing, created by  
 9 2-15-1611;  
 10 (m) board of optometrists, department of professional  
 11 and occupational licensing, created by 2-15-1612;  
 12 (n) board of osteopathic physicians, department of  
 13 professional and occupational licensing, created by  
 14 2-15-1607;  
 15 (o) board of pharmacists, department of professional  
 16 and occupational licensing, created by 2-15-1609;  
 17 (p) board of podiatry examiners, department of  
 18 professional and occupational licensing, created by  
 19 2-15-1608;  
 20 (q) board of psychologists, department of professional  
 21 and occupational licensing, created by 2-15-1617;  
 22 (r) board of radiologic technologists, department of  
 23 professional and occupational licensing, created by  
 24 2-15-1614;  
 25 (s) board of speech pathologists and audiologists,

1 department of professional and occupational licensing,  
2 created by 2-15-1615;

3 (t) board of veterinarians, department of professional  
4 and occupational licensing, created by 2-15-1618;

5 (u) board of veterans' affairs, department of social  
6 and rehabilitation services, created by 2-15-2202.

7 (3) The following units of state government shall  
8 terminate on July 1, 1983:

9 (a) board of aeronautics, department of community  
10 affairs, created by 2-15-1103;

11 (b) state board of hail insurance, department of  
12 agriculture, created by 2-15-3003;

13 (c) board of horseracing, department of professional  
14 and occupational licensing livestock, created by 2-15-1662  
15 2-15-3104;

16 (d) board of livestock, department of livestock,  
17 created by 2-15-3102;

18 (e) board of milk control, department of business  
19 regulation, created by 2-15-1802;

20 (f) board of oil and gas conservation, department of  
21 natural resources and conservation, created by 2-15-3303;

22 (g) Montana outfitters council, department of fish and  
23 game, created by 2-15-3403;

24 (h) public service commission, department of public  
25 service regulation, created by 69-1-102;

1 (i) board of sanitarians, department of professional  
2 and occupational licensing, created by 2-15-1631;

3 (j) board of water and wastewater operators,  
4 department of health and environmental sciences, created by  
5 2-15-2105;

6 (k) board of water well contractors, department of  
7 professional and occupational licensing, created by  
8 2-15-1632."

9 Section 3. Section 2-15-1662, MCA, is renumbered  
10 2-15-3104 and is amended to read:

11 ~~"2-15-1662~~ 2-15-3104. Board of horseracing. (1) There  
12 is a board of horseracing.

13 (2) The board consists of ~~five~~ three members appointed  
14 by the governor with the consent of the senate, who shall be  
15 ~~citizens, residents, and qualified electors of this state.~~  
16 ~~At least one member shall be a breeder of racing horses, one~~  
17 ~~member shall be a member of an independent horseracing~~  
18 ~~association, one member shall be a member of a county fair~~  
19 ~~board that conducts a fair featuring pari-mutuel betting, and~~  
20 ~~two members shall have occupations unrelated to horseracing.~~

21 (3) Not less than one member shall be a breeder of  
22 racing horses.

23 ~~(3)(4) The governor shall not appoint any member who~~  
24 ~~resides in the same county as a current member.~~ The governor  
25 shall appoint members on the basis of experience,

1 qualifications, and a reasonable geographical balance  
2 throughout the state.

3 (5) Any person who is a member or employee of a county  
4 fair board or who has a financial interest in a horserace  
5 track or the operation of any such track is disqualified  
6 from membership on the board or its immediate staff.

7 (6) No board member or any member of his immediate  
8 family may engage in horseracing in Montana during his term  
9 of office.

10 ~~(4)~~(7) Each member shall serve for a term of 3 years.  
11 A member may be removed from office by the governor only for  
12 cause.

13 ~~(5)~~(8) The board is allocated to the department of  
14 livestock for administrative purposes only as prescribed in  
15 2-15-121."

16 Section 4. Section 23-4-101, MCA, is amended to read:  
17 "23-4-101. Definitions. Unless the context requires  
18 otherwise, in this chapter the following definitions apply:

19 (1) "Board" means the board of horse--racing  
20 horseracing provided for in ~~2-15-1662~~ 2-15-3104.

21 (2) "Department" means the department of professional  
22 ~~and occupational licensing~~ livestock provided for in Title  
23 2, chapter 15, part ~~16~~ 31.

24 (3) "Persons" means individuals, firms, corporations,  
25 and associations.

1 (4) "Race meet" means an exhibition of thoroughbred,  
2 purebred, or registered horse--racing horseracing where the  
3 parimutuel system of wagering is used."

4 Section 5. Section 23-4-204, MCA, is amended to read:  
5 "23-4-204. Race Races exclusively for Montana-bred  
6 horses -- bonus for winner. (1) For the purpose of  
7 encouraging the breeding in this state of valuable  
8 thoroughbred, purebred, quarter horse, appaloosa, or  
9 registered horses, at least one race each day at each race  
10 meet shall be limited to horses bred in this state. If in  
11 the opinion of the board sufficient competition cannot be  
12 had among this class of horses, the race may be eliminated  
13 for the day and a substitute race provided instead.

14 (2) A sum equal to 10% of the first money of every  
15 purse won by a horse bred in this state shall be paid by the  
16 licensee conducting the race meet to the breeder of the  
17 horse. Only the money contributed by the licensee conducti  
18 the race meet may be considered in computing the bonus.

19 (3) Montana-bred horses shall receive first preference  
20 as entrants in all maiden races."

21 NEW SECTION. Section 6. Maximum number of races for  
22 each breed of horses. To prevent discrimination no more than  
23 nine races per day may be run exclusively for any one breed  
24 of horses.

25 NEW SECTION. Section 7. Stall accommodations. The

1 licensee shall allocate stalls as follows:

- 2 (1) horses bred in Montana;  
3 (2) all other horses.

4 Section 8. Section 23-4-304, MCA, is amended to read:

5 "23-4-304. Gross receipts ~~---department's percentage~~  
6 ~~-- collection and allocation. The licensee shall pay to the~~  
7 ~~department--~~ withhold 20% of the gross receipts of each  
8 day's parimutuel betting at each race meet, which ~~sums~~ sum  
9 shall be distributed as follows:

10 (1) 1% of the gross receipts to the board of  
11 horseracing, which shall be paid to the department within 5  
12 days after receipt by the licensee. At the end of each race  
13 meet the licensee shall ~~prepare a~~ report to the department  
14 showing the amount of the overpayments and underpayments. If  
15 the report shows the underpayments to be in excess of the  
16 overpayments, the balance shall be paid to the department.  
17 Money paid to the department may be used for the expenses  
18 incurred in carrying out this chapter.

19 (2) 1% of the gross receipts to the owners of  
20 Montana-bred horses, divided proportionally according to the  
21 amount of purse won by each such horse;

22 (3) 8 1/2% of the gross receipts plus 50% of the  
23 breakage to the owners of all participating horses, divided  
24 proportionally according to the amount of purse won by each  
25 horse;

1 (4) 9 1/2% of the gross receipts plus 50% of the  
2 breakage to the licensee."

3 Section 9. Transition schedule. (1) Notwithstanding  
4 the provisions of subsection (7) of section 3 of this act,  
5 the term of office of all present members of the board  
6 expires on January 1, 1980.

7 (2) It is intended that three members be appointed  
8 pursuant to section 2 prior to January 1, 1980, whose term  
9 of office shall commence January 1, 1980.

10 Section 10. Transfer of horseracing funds. All funds  
11 in the account of the board of horseracing as of the  
12 effective date of this act are transferred to the credit of  
13 the department of livestock to be used for the purposes of  
14 the act.

15 Section 11. Codification. Sections 1, 6, and 7 are  
16 intended to be codified as an integral part of Title 23,  
17 chapter 4, part 3, and the provisions contained in Title 23,  
18 chapter 4, part 3, apply to this act.

-End-

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15 2-15-3104;

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15 ~~citizens, residents, and qualified electors of this state.~~  
16 ~~At least one member shall be a breeder of racing horses, one~~  
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22 racing horses.

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25 shall appoint members on the basis of experience.

HB 441

1 qualifications, and a reasonable geographical balance  
2 throughout the state.

3 ~~(5) Any person who is a member or employee of a county~~  
4 ~~fair board or who has a financial interest in a horserace~~  
5 ~~track or the operation of any such track is disqualified~~  
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9 ~~of office.~~

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 2 (n) board of institutions, department of institutions,  
 3 created by 2-15-2303.  
 4 (2) The following agencies shall terminate on July 1,  
 5 1981:  
 6 (a) commission for human rights, department of labor  
 7 and industry, created by 2-15-1706;  
 8 (b) board of athletics, department of professional and  
 9 occupational licensing, created by 2-15-1661;  
 10 (c) board of barbers, department of professional and  
 11 occupational licensing, created by 2-15-1625;  
 12 (d) board of chiropractors, department of professional  
 13 and occupational licensing, created by 2-15-1613;  
 14 (e) board of cosmetologists, department of  
 15 professional and occupational licensing, created by  
 16 2-15-1626;  
 17 (f) board of dentists, department of professional and  
 18 occupational licensing, created by 2-15-1606;  
 19 (g) board of hearing aid dispensers, department of  
 20 professional and occupational licensing, created by  
 21 2-15-1616;  
 22 (h) board of massage therapists, department of  
 23 professional and occupational licensing, created by  
 24 2-15-1627;  
 25 (i) Montana state board of medical examiners,

1 department of professional and occupational licensing,  
 2 created by 2-15-1605;  
 3 (j) board of morticians, department of professional  
 4 and occupational licensing, created by 2-15-1619;  
 5 (k) board of nursing, department of professional and  
 6 occupational licensing, created by 2-15-1610;  
 7 (l) board of nursing home administrators, department  
 8 of professional and occupational licensing, created by  
 9 2-15-1611;  
 10 (m) board of optometrists, department of professional  
 11 and occupational licensing, created by 2-15-1612;  
 12 (n) board of osteopathic physicians, department of  
 13 professional and occupational licensing, created by  
 14 2-15-1607;  
 15 (o) board of pharmacists, department of professional  
 16 and occupational licensing, created by 2-15-1609;  
 17 (p) board of podiatry examiners, department of  
 18 professional and occupational licensing, created by  
 19 2-15-1608;  
 20 (q) board of psychologists, department of professional  
 21 and occupational licensing, created by 2-15-1617;  
 22 (r) board of radiologic technologists, department of  
 23 professional and occupational licensing, created by  
 24 2-15-1614;  
 25 (s) board of speech pathologists and audiologists,

1 department of professional and occupational licensing,  
2 created by 2-15-1615;

3 (t) board of veterinarians, department of professional  
4 and occupational licensing, created by 2-15-1618;

5 (u) board of veterans' affairs, department of social  
6 and rehabilitation services, created by 2-15-2202.

7 (3) The following units of state government shall  
8 terminate on July 1, 1983:

9 (a) board of aeronautics, department of community  
10 affairs, created by 2-15-1103;

11 (b) state board of hail insurance, department of  
12 agriculture, created by 2-15-3003;

13 (c) board of horseracing, department of professional  
14 and occupational licensing livestock, created by 2-15-1662  
15 2-15-3104;

16 (d) board of livestock, department of livestock,  
17 created by 2-15-3102;

18 (e) board of milk control, department of business  
19 regulation, created by 2-15-1802;

20 (f) board of oil and gas conservation, department of  
21 natural resources and conservation, created by 2-15-3303;

22 (g) Montana outfitters council, department of fish and  
23 game, created by 2-15-3403;

24 (h) public service commission, department of public  
25 service regulation, created by 69-1-102;

1 (i) board of sanitarians, department of professional  
2 and occupational licensing, created by 2-15-1631;

3 (j) board of water and wastewater operators,  
4 department of health and environmental sciences, created by  
5 2-15-2105;

6 (k) board of water well contractors, department of  
7 professional and occupational licensing, created by  
8 2-15-1632."

9 Section 3. Section 2-15-1662, MCA, is renumbered  
10 2-15-3104 and is amended to read:

11 "~~2-15-1662 2-15-3104~~. Board of horseracing. (1) There  
12 is a board of horseracing.

13 (2) The board consists of ~~five~~ three FIVE members  
14 appointed by the governor with the consent of the senate,  
15 who shall be citizens, residents, and qualified electors of  
16 this state. ~~At least one member shall be a breeder of racing~~  
17 ~~horses, one member shall be a member of an independent~~  
18 ~~horseracing association, one member shall be a member of a~~  
19 ~~county fair board that conducts a fair featuring pari-mutuel~~  
20 ~~betting, and two members shall have occupations unrelated to~~  
21 ~~horseracing.~~

22 ~~(3) Not less than one member shall be a breeder of~~  
23 ~~racing horses.~~

24 ~~(4) The governor shall not appoint any member who~~  
25 ~~resides in the same county as a current member.~~ The governor

1 shall appoint members on the basis of experience,  
2 qualifications, and a reasonable geographical balance  
3 throughout the state.

4 ~~(1) Any person who is a member or employee of a county~~  
5 ~~fair board or who has a financial interest in a horserace~~  
6 ~~track or the operation of any such track is disqualified~~  
7 ~~from membership on the board or its immediate staff.~~

8 ~~(6) No board member or any member of his immediate~~  
9 ~~family may engage in horseracing in Montana during his term~~  
10 ~~of office.~~

11 ~~(7) Each member shall serve for a term of 3 years.~~  
12 ~~A member may be removed from office by the governor only for~~  
13 ~~cause.~~

14 ~~(8) The board is allocated to the department of~~  
15 ~~livestock for administrative purposes only as prescribed in~~  
16 ~~2-15-121."~~

17 Section 4. Section 23-4-101, MCA, is amended to read:

18 "23-4-101. Definitions. Unless the context requires  
19 otherwise, in this chapter the following definitions apply:

20 (1) "Board" means the board of horse---racing  
21 horseracing provided for in 2-15-1662 2-15-3104.

22 (2) "Department" means the department of profession~~t~~  
23 ~~and-occupation~~t~~-licensing livestock~~ provided for in Title  
24 2, chapter 15, part 16 31.

25 (3) "Persons" means individuals, firms, corporations,

1 and associations.

2 (4) "Race meet" means an exhibition of thoroughbred,  
3 purebred, or registered horse-racing horseracing where the  
4 pari-mutuel system of wagering is used."

5 Section 5. Section 23-4-204, MCA, is amended to read:

6 "23-4-204. Race Races exclusively for Montana-bred  
7 horses -- bonus for winner. (1) For the purpose of  
8 encouraging the breeding in this state of valuable  
9 thoroughbred, purebred, quarter horse, appaloosa, or  
10 registered horses, at least one race each day at each race  
11 meet shall be limited to horses bred in this state. If in  
12 the opinion of the board sufficient competition cannot be  
13 had among this class of horses, the race may be eliminated  
14 for the day and a substitute race provided instead.

15 (2) A sum equal to 10% of the first money of every  
16 purse won by a horse bred in this state shall be paid by the  
17 licensee conducting the race meet to the breeder of the  
18 horse. Only the money contributed by the licensee conducting  
19 the race meet may be considered in computing the bonus.

20 ~~(3) Montana-bred horses shall receive first preference~~  
21 ~~as entrants in all maiden races."~~

22 ~~NEW SECTION.~~ Section 6. Maximum number of races for  
23 each breed of horses. To prevent discrimination no more than  
24 nine races per day may be run exclusively for any one breed  
25 of horses.

1 NEW SECTION. Section 7. Stall accommodations. The  
2 licensee shall allocate stalls as follows:

- 3 (1) horses bred in Montana;  
4 (2) all other horses.

5 Section 8. Section 23-4-304, MCA, is amended to read:

6 "23-4-304. Gross receipts ~~---department's percentage~~  
7 -- collection and allocation. The licensee shall pay to the  
8 department ~~---2%~~ withhold 20% of the gross receipts of each  
9 day's parimutuel betting at each race meet, which ~~sums sum~~  
10 shall be distributed as follows:

11 (1) 1% of the gross receipts to the board of  
12 horseracing, which shall be paid to the department within 5  
13 days after receipt by the licensee. At the end of each race  
14 meet the licensee shall prepare a report to the department  
15 showing the amount of the overpayments and underpayments. If  
16 the report shows the underpayments to be in excess of the  
17 overpayments, the balance shall be paid to the department.  
18 Money paid to the department may be used for the expenses  
19 incurred in carrying out this chapter.

20 (2) 1% of the gross receipts to the owners of  
21 Montana-bred horses, divided proportionally according to the  
22 amount of purse won by each such horse;

23 (3) 8 1/2% of the gross receipts plus 50% of the  
24 breakage to the owners of all participating horses, divided  
25 proportionally according to the amount of purse won by each

1 horse;

2 (4) 9 1/2% of the gross receipts plus 50% of the  
3 breakage to the licensee."

4 Section 9. Transition schedule. (1) Notwithstanding  
5 the provisions of subsection (7) of section 3 of this act,  
6 the term of office of all present members of the board  
7 expires on January 1, 1980.

8 (2) It is intended that three members be appointed  
9 pursuant to section 2 prior to January 1, 1980, whose term  
10 of office shall commence January 1, 1980.

11 Section 10. Transfer of horseracing funds. All funds  
12 in the account of the board of horseracing as of the  
13 effective date of this act are transferred to the credit of  
14 the department of livestock to be used for the purposes of  
15 the act.

16 Section 11. Codification. Sections 1, 6, and 7 are  
17 intended to be codified as an integral part of Title 23,  
18 chapter 4, part 3, and the provisions contained in Title 23,  
19 chapter 4, part 3, apply to this act.

-End-