

SENATE BILL NO. 233  
INTRODUCED BY MANNING, GRADY

IN THE SENATE

JANUARY 25, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION.  FIRST READING.
FEBRUARY 7, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 8, 1989	PRINTING REPORT.
FEBRUARY 9, 1989	SECOND READING, DO PASS.
FEBRUARY 10, 1989	ENGROSSING REPORT.
FEBRUARY 11, 1989	THIRD READING, PASSED. AYES, 46; NOES, 0.  TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 7, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION.
FEBRUARY 20, 1989	FIRST READING.
MARCH 4, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 7, 1989	SECOND READING, CONCURRED IN.
MARCH 8, 1989	THIRD READING, CONCURRED IN. AYES, 73; NOES, 20.  RETURNED TO SENATE.

IN THE SENATE

MARCH 9, 1989

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *233*  
2 INTRODUCED BY *Richard Manning Dwyer*  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING PARIMUTUEL  
5 BETTING ON MULE RACES; PROVIDING FOR REGULATION OF MULE  
6 RACES BY THE BOARD OF HORSERACING; AMENDING SECTIONS  
7 23-4-101, 23-4-104 THROUGH 23-4-106, AND 23-4-304, MCA; AND  
8 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

11 **Section 1.** Section 23-4-101, MCA, is amended to read:

12 "23-4-101. Definitions. Unless the context requires  
13 otherwise, in this chapter, the following definitions apply:

14 (1) "Board" means the board of horseracing provided  
15 for in 2-15-1881.

16 (2) "Department" means the department of commerce  
17 provided for in Title 2, chapter 15, part 18.

18 (3) "Immediate family" means the spouse, parents,  
19 children, grandchildren, brothers, or sisters of an official  
20 or licensee regulated by this chapter and all other persons  
21 who have a permanent or continuous residence in the  
22 household of the official or licensee.

23 (4) "Minor" means a person under 18 years of age.

24 (5) "Persons" means individuals, firms, corporations,  
25 fair boards, and associations.

1 (6) "Race meet" means racing of registered horses or  
2 mules where the parimutuel system of wagering is used.

3 (7) "Steward" means an official hired by the  
4 department and by persons sponsoring a race meet to regulate  
5 and control the day-to-day conduct and operation of a  
6 sanctioned meet.

7 (8) "Board of stewards" means a board composed of  
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9 **Section 2.** Section 23-4-104, MCA, is amended to read:

10 "23-4-104. Duties of board. The board shall adopt  
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19 and other racing officials;

20 (6) licensing of all personnel who have anything to do  
21 with the substantive operation of racing;

22 (7) the establishment of dates for race meets and  
23 meetings in the best interests of breeding and racing in  
24 this state; and

25 (8) the veterinary practices and standards which must

be observed in connection with race meets;

(9) absolute responsibility of trainers for the condition of horses and mules, regardless of the acts of third parties;

(10) licensing or renewal of a license of a person whose license has been suspended by the board or another horseracing jurisdiction; and

(11) setting license fees commensurate with the cost of issuing a license."

**Section 3.** Section 23-4-105, MCA, is amended to read:

"23-4-105. Authority of board. The board shall, subject to 37-1-101 and 37-1-121, license and regulate horseracing racing and review race meets held in this state under this chapter. If the board decides to authorize new forms of racing not currently engaged in in Montana, it shall do so after holding public hearings to determine the effects of these forms of racing on the existing saddle racing program in Montana. The board should consider both economic and safety impacts on the existing racing and breeding industry."

**Section 4.** Section 23-4-106, MCA, is amended to read:

"23-4-106. Executive secretary -- powers and duties -- staff -- prohibition on racing activities. (1) The department shall appoint an executive secretary for the board.

(2) The executive secretary, in accordance with rules adopted by the board and provisions of this chapter, shall:

(a) supervise race meets and activities of racing officials;

(b) hire all state racing officials for the department;

(c) inspect race facilities; and

(d) perform other duties as directed by the board.

(3) The executive secretary may, subject to the approval of the board, hire staff to assist him in performing his duties.

(4) The executive secretary, a member of his staff, and any member of the executive secretary's or a staff member's immediate family are prohibited from owning, training, or having any interest in a racehorse or mule running on a Montana track or having any financial interest in any Montana racing association. No racing official hired by the department or approved by the board may wager at a racing race meet at which he presides."

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

"23-4-304. Gross receipts -- department's percentage -- collection and allocation. (1) The licensee shall pay to the department 1% of the gross receipts of each day's parimutuel betting at each race meet, ~~and which sums~~ The 1% of gross receipts shall be paid to the department within 5 days

after receipt by the licensee. At the end of each race meet the licensee shall prepare a report to the department showing the amount of the overpayments and underpayments. If the report shows the underpayments to be in excess of the overpayments, the balance shall be paid to the department. Money paid to the department may be used for the expenses incurred in carrying out this chapter. The licensee shall, at the same time, pay to the department all sums collected under 23-4-202(4)(d) on exotic wagering on races.

(2) At the end of the racing season, sums collected under 23-4-202(4)(d) must be distributed by the department, after first passing through the board's agency fund account, to the licensed owners of those Montana-bred horses or mules finishing in the money at the meet from which the sums derived. The owner's award must be calculated as follows:

(a) divide the total amount collected under 23-4-202(4)(d) by the total amount won by Montana-bred horses or mules;

(b) multiply the quotient derived under subsection (2)(a) by the total amount of money won by each owner's Montana-bred horses or mules.

(3) For purposes of the owner's award under subsection (2), "owner" means the individual, partnership, corporation, person, or other entity that owns the horse or mule at the time of entry.

(4) Licensees may not consider the sums available under 23-4-202(4)(d) when establishing purses."

NEW SECTION. **Section 6.** Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. **Section 7.** Effective date. [This act] is effective on passage and approval.

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## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB233, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

SB233 would authorize parimutuel betting on mule races and provide for regulation of mule races by the Board of Horseracing.

ASSUMPTIONS:

1. Because mule races will run in conjunction with existing races of Quarter horses and other breeds, the expenditures of the Board of Horseracing will remain at current level.
2. The board's share of the parimutuel handle is 1%.
3. Assume 20 mule races per year at an average handle of \$7,000 per race for a total of \$140,000 per year.
4. Assume 50 additional people with a \$20 licensing fee will generate \$1,000 additional licensing fees revenue for the board.

FISCAL IMPACT:

<u>Expenditures:</u>	<u>Current</u>	<u>FY90</u>		<u>Current</u>	<u>FY91</u>	
	<u>Law</u>	<u>Proposed</u>	<u>Difference</u>	<u>Law</u>	<u>Proposed</u>	<u>Difference</u>
Dept. of Commerce						
Board of Horseracing	No Impact					
<u>Revenues:</u>						
Licensing Fees	\$ 60,000	\$ 61,000	\$1,000	\$ 60,000	\$ 61,000	\$1,000
Parimutuel Fees	160,000	161,400	1,400	162,000	163,400	1,400
Violations	5,000	5,000	-0-	5,500	5,500	-0-
Photocopy & Misc.	500	500	-0-	500	500	-0-
Total	\$225,500	\$227,900	\$2,400	\$230,000	\$232,400	\$2,400

Ray Shackelford 1/31/89  
 RAY SHACKLEFORD, BUDGET DIRECTOR DATE  
 OFFICE OF BUDGET AND PROGRAM PLANNING

Richard E. Manning 1/31/88  
 RICHARD E. MANNING, PRIMARY SPONSOR DATE

Fiscal Note for SB233, as introduced

**SB 233**

APPROVED BY COMMITTEE  
ON AGRICULTURE LIVESTOCK  
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(4) "Minor" means a person under 18 years of age.

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(6) "Race meet" means racing of registered horses or mules where the parimutuel system of wagering is used.

(7) "Steward" means an official hired by the department and by persons sponsoring a race meet to regulate and control the day-to-day conduct and operation of a sanctioned meet.

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(6) licensing of all personnel who have anything to do with the substantive operation of racing;

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be observed in connection with race meets;

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