

SENATE BILL NO. 406

INTRODUCED BY GAGE, MANNING, BENGTSON, LYNCH, NISBET,
PAVLOVICH, IVERSON, WILLIAMS, SPAETH, GILBERT, NORMAN

IN THE SENATE

FEBRUARY 13, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
	FIRST READING.
FEBRUARY 17, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
	STATEMENT OF INTENT ADOPTED.
FEBRUARY 20, 1989	PRINTING REPORT.
	SECOND READING, DO PASS.
	ENGROSSING REPORT.
FEBRUARY 21, 1989	THIRD READING, PASSED. AYES, 40; NOES, 10.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 22, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
	FIRST READING.
MARCH 7, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 10, 1989	PASS CONSIDERATION UNTIL 58TH LEGISLATIVE DAY.
MARCH 14, 1989	SECOND READING, CONCURRED IN AS AMENDED.
MARCH 16, 1989	THIRD READING, CONCURRED IN.

AYES, 67; NOES, 29.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 1, 1989

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 4, 1989

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Sen. Bill NO. 406*
 2 INTRODUCED BY *Rep. Richard Manning*
 3 *Wesley Dueran*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXPAND THE SCOPE AND
 5 NUMBER OF ALLOWABLE SIMULCAST HORSERACES AND SIMULCAST RACE
 6 MEETS UNDER THE PARIMUTUEL SYSTEM OF WAGERING; DELEGATING
 7 AUTHORITY TO THE BOARD OF HORSERACING TO LICENSE, APPROVE,
 8 AND REGULATE SIMULCAST HORSERACES AND RACE MEETS BROADCAST
 9 BOTH INTRASTATE AND INTERSTATE UNDER THE PARIMUTUEL SYSTEM
 10 AND TO APPROVE AND REGULATE FACILITIES FOR THE CONDUCT OF
 11 SIMULCAST RACES AT TRACKS AND AT SATELLITE FACILITIES WITHIN
 12 THE STATE; IMPOSING ON SIMULCAST RACES THE SAME REQUIREMENTS
 13 FOR SET-ASIDES, LIABILITY INSURANCE, AND DISTRIBUTION OF
 14 DEPOSITS AS THOSE FOR LIVE RACES; AMENDING SECTIONS
 15 23-4-101, 23-4-104, 23-4-105, 23-4-201 THROUGH 23-4-205,
 16 23-4-301, 23-4-302, AND 23-4-304, MCA; AND PROVIDING AN
 17 IMMEDIATE EFFECTIVE DATE."

STATEMENT OF INTENT

20 A statement of intent is required for this bill because
 21 it delegates new rulemaking and licensing authority to the
 22 board of horseracing.

23 This bill will expand existing simulcast wagering and
 24 allow for regulated parimutuel wagering on simulcast races
 25 at satellite facilities year around. For this purpose, the

1 bill delegates authority to the board to adopt rules
 2 governing the time, conduct, and supervision of simulcast
 3 races and parimutuel betting with respect to simulcast
 4 races, as well as rules for licensing, approval, and
 5 regulation of simulcast facilities.

6 This bill authorizes the board to license simulcast
 7 facilities.

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

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

11 "23-4-101. Definitions. Unless the context requires
 12 otherwise, in this chapter, the following definitions apply:

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

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

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

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

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

25 (6) "Race meet" means racing of registered horses where

the parimutuel system of wagering is used. The term includes simulcast races.

(7) "Simulcast" means a live broadcast of an actual horserace at the time it is run. The term includes races of local or national prominence.

(8) "Simulcast facility" means a facility at which horseraces are simulcast and wagering on the outcome is permitted under the parimutuel system.

(9) "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.

(10) "Board of stewards" means a board composed of three stewards who supervise racing meets."

Section 2. Section 23-4-104, MCA, is amended to read:

"23-4-104. Duties of board. The board shall adopt rules to govern horserace meets and the parimutuel system. These rules shall include the following:

- (1) definitions;
- (2) auditing;
- (3) supervision of the parimutuel system;
- (4) corrupt practices;
- (5) supervision, duties, and responsibilities of the executive secretary, presiding steward, racing secretary, and other racing officials;

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

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

(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, 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;

(12) the time, conduct, and supervision of simulcast races and parimutuel betting on simulcast races; and

(13) licensing, approval, and regulation of simulcast facilities."

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 and review race meets held in this state under this chapter. If the board decides to authorize new forms of racing, including new forms of simulcast 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 23-4-201, MCA, is amended to read:

"23-4-201. Licenses. (1) It is unlawful for a person to hold a race meet, including simulcast race meets under the parimutuel system, in this state without a valid license issued by the department under this chapter. A person applying for a license to hold a race meet under this chapter shall file an application with the department which shall set forth the time, place, and number of days the license will continue and other information the board requires.

(2) A person who participates in a race meet shall be licensed and charged an annual fee set by the board, which shall be paid to the department and used for expenses of administering this chapter, subject to 37-1-101(6). Each person holding a license under this chapter shall comply with this chapter and with the rules adopted and orders issued by the board.

(3) No A license may not be issued to a person who has failed to pay the fees, taxes, or moneys money required under this chapter.

(4) Applications to hold race meets shall be submitted to the department, and the board shall act on the applications within 30 days. The board is the sole judge of whether the race meet may be licensed and the number of days the meet may continue.

(5) The board shall require that a fair board and an independent racing association conducting race meets meet the requirements of the rules adopted by the board before granting a license.

(6) A racing association consisting of a local fair board or an association approved by a local fair board may apply for a license to hold a simulcast race meet in a satellite facility.

~~(6)~~ (7) An unexpired license held by a person who violates this chapter or who fails to pay to the department the sums required under this chapter is subject to cancellation and revocation by the board."

Section 5. Section 23-4-202, MCA, is amended to read:

"23-4-202. Penalty for violations of law -- authority of board -- judicial review. (1) A person holding a race meet, or an owner, trainer, or jockey participating in a race meet, without first being licensed under this chapter, and a person violating this chapter is guilty of a misdemeanor.

(2) The board or, upon the board's authorization, the

1 board of stewards of a race meet at which they officiate may
2 exclude from racecourses in this state a person whom the
3 board considers detrimental to the best interest of racing
4 as defined by rules of the board.

5 (3) As its own formal act or through an act of a board
6 of stewards of a race meet, the board may suspend or revoke
7 any license issued by the department to a licensee and
8 assess a fine, not to exceed \$1,000, against a licensee who
9 violates any of the provisions of this chapter or any rule
10 or order of the board. In addition to the suspension or
11 revocation and fine, the board may forbid application for
12 relicensure for a 2-year period.

13 (4) The board shall promulgate rules implementing this
14 chapter, including the right to a hearing for individuals
15 against whom action is taken or proposed herein. The rules
16 may include provisions for the following:

17 (a) summary imposition of penalty by the stewards of a
18 race meet, including a fine and license suspension, subject
19 to review under the contested case provisions of the Montana
20 Administrative Procedure Act;

21 (b) stay of summary imposition of penalty by either the
22 board or board of stewards;

23 (c) retention of purses pending final disposition of
24 complaints, protests, or appeals of stewards' rulings;

25 (d) setting aside of up to 2% of exotic wagering on

1 races, including simulcast races, to be used as a bonus for
2 owners pursuant to 23-4-304(2), and up to 30% of the amount
3 set aside may be used to defray administrative costs which
4 shall be in addition to the 20% already withheld under
5 23-4-302;

6 (e) assessment of penalty and interest on the late
7 payment of fines, which must be paid before licenses are
8 reinstated; and

9 (f) definition of exotic forms of wagering on races to
10 be allowed;

11 (g) standards for simulcast facilities; and

12 (h) conduct and supervision of simulcast races and
13 parimutuel betting or wagering on simulcast races.

14 (5) The district court of the first judicial district
15 of the state has exclusive jurisdiction for judicial review
16 of cases arising under this chapter."

17 **Section 6.** Section 23-4-203, MCA, is amended to read:

18 "23-4-203. Race meets -- when lawful. It is lawful to
19 conduct live or simulcast race meets at a racetrack or
20 simulcast facility or otherwise at any time during the
21 week."

22 **Section 7.** Section 23-4-204, MCA, is amended to read:

23 "23-4-204. Race exclusively for Montana-bred horses --
24 bonus for winner. (1) For the purpose of encouraging the
25 breeding in this state of valuable registered horses, at

1 least one race each day at each race meet shall be limited
2 to horses bred in this state unless, in the board's
3 judgment, there is an insufficient number of Montana-bred
4 horses for such a race. If in the opinion of the board
5 sufficient competition cannot be had among this class of
6 horses, the race may be eliminated for the day and a
7 substitute race provided instead.

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

13 (3) Two percent of exotic wagering on a simulcast race
14 shall be placed in a fund to be distributed by the board, in
15 addition to existing Montana breeders' awards, on a
16 percentage basis of actual breeders' awards earned.

17 (4) Up to 15% of the amount set aside for Montana
18 breeders' awards may be used to defray administrative costs
19 in addition to the 20% withheld under 23-4-302."

20 **Section 8.** Section 23-4-205, MCA, is amended to read:
21 "23-4-205. Public liability insurance. For the
22 protection of the public, exhibitors, and visitors, a person
23 licensed to conduct a race meet or operate a simulcast
24 facility under this chapter shall carry public liability
25 insurance in an amount and form of contract approved by the

1 board."

2 **Section 9.** Section 23-4-301, MCA, is amended to read:

3 "23-4-301. Parimutuel betting -- other betting illegal.

4 (1) It is unlawful to make, report, record, or register a
5 bet or wager on the result of a contest of speed, skill, or
6 endurance of an animal, whether the contest is held within
7 or outside of this state, except under this chapter.

8 (2) A licensee conducting a race meet under this
9 chapter may provide a place in the race meet grounds or
10 enclosure where the licensee may conduct or supervise the
11 use of the parimutuel system by patrons on the result of the
12 races conducted under this chapter and the rules of the
13 board.

14 (3) A person licensed under this chapter to hold a race
15 meet may, on the day a race meet is conducted, also provide
16 a place in the race meet grounds or enclosure simulcast
17 facility where the licensee may conduct or supervise the use
18 of the parimutuel system by patrons on the results of the
19 following simulcast or-televvised races:

20 {a)--the-Kentucky-derby;
21 {b)--the-Preakness;
22 {c)--the-Belmont;
23 {d)--the-Travers;
24 {e)--the-all-American-futurity;
25 {f)--the-Arlington-million;-and

1 ~~(g)--the-Mariboro-cup-~~
 2 approved by the board. The board shall approve only
 3 intrastate races and races of local or national prominence
 4 to the Montana racing season. However, the board has
 5 authority to approve races from other states during the
 6 off-season.

7 (4) It is unlawful to conduct pool selling, or
 8 bookmaking, or to circulate handbooks or to bet or wager on
 9 a race of a licensed race meet, other than by the parimutuel
 10 system and in the race meet grounds or enclosure where the
 11 race is held, or to permit a minor to use the parimutuel
 12 system.

13 (5) Each licensee conducting a parimutuel system for an
 14 interstate simulcast race meet shall combine the parimutuel
 15 pools at a simulcast facility with those at the actual
 16 racing facility for the purpose of determining the odds and
 17 computing payoffs. The amount of the handle at the simulcast
 18 race meet must be combined with the amount of parimutuel
 19 handle at the live racing facility for the purposes of
 20 distribution of money derived from parimutuel betting under
 21 23-4-302 and 23-4-304.

22 (6) Negotiated purse money from intrastate and
 23 interstate simulcast parimutuel handles at racing
 24 associations that do not conduct live racing will be pooled
 25 and distributed to all tracks conducting live racing, all

1 moneys to be distributed on a percent, based on each track's
 2 percent, of total annual on-track parimutuel handle."

3 **Section 10.** Section 23-4-302, MCA, is amended to read:

4 "23-4-302. Distribution of deposits -- breakage. (1)
 5 Each licensee conducting the parimutuel system shall
 6 distribute all sums deposited in any pool to the winner
 7 thereof, less an amount which, in the case of exotic
 8 wagering on races, shall not exceed 22%, and in all other
 9 races, shall not exceed 20% of the total deposits plus the
 10 odd cents of all redistribution to be based on each dollar
 11 deposited exceeding a sum equal to the next lowest multiple
 12 of 10, known as "breakage".

13 (2) Each licensee conducting the parimutuel system for
 14 a simulcast race meet shall distribute to the winner of the
 15 race all sums deposited with the licensee in any pool for
 16 such simulcast race meet, less an amount which, in the case
 17 of exotic wagering on such races, shall not exceed 24%, and
 18 in all other such races, shall not exceed 20% of the total
 19 deposits plus the odd cents of all redistribution to be
 20 based on each dollar deposited exceeding a sum equal to the
 21 next lowest multiple of 10, known as "breakage".

22 (3) Each licensee conducting a parimutuel system for a
 23 simulcast race meet shall deduct 1% of its total parimutuel
 24 handle for the race meet facility and give it to the county
 25 treasurer or financial officer, who shall deposit it in the

1 county general fund. The money must be used to operate the
2 county fairgrounds."

3 **Section 11.** Section 23-4-304, MCA, is amended to read:

4 **"23-4-304. Gross receipts -- department's percentage --**
5 **collection and allocation.** (1) (a) The licensee shall pay to
6 the department 1% of the gross receipts of each day's
7 parimutuel betting at each race meet, which sums shall be
8 paid to the department within 5 days after receipt by the
9 licensee. At the end of each race meet the licensee shall
10 prepare a report to the department showing the amount of the
11 overpayments and underpayments. If the report shows the
12 underpayments to be in excess of the overpayments, the
13 balance shall be paid to the department. Money paid to the
14 department may be used for the expenses incurred in carrying
15 out this chapter. The licensee shall, at the same time, pay
16 to the department all sums collected under 23-4-202(4)(d) on
17 exotic wagering on races.

18 (b) Each licensed simulcast facility shall pay to the
19 department either 1% of the gross receipts of each day's
20 parimutuel betting at each race meet or the actual cost to
21 the board of regulating the simulcast race meet, whichever
22 is higher. The money must be paid to the department within
23 5 days after receipt of the money by the licensee. At the
24 end of each race meet the licensed simulcast facility shall
25 prepare a report to the department showing the amount of the

1 overpayments and underpayments. If the report shows the
2 underpayments to be in excess of the overpayments, the
3 balance must be paid to the department. Money paid to the
4 department must be deposited in an account in the state
5 special revenue fund and must be used for the administration
6 of this chapter. The licensed simulcast facility shall, at
7 the same time, pay to the department all sums collected
8 under 23-4-202(4)(d) on exotic wagering on races.

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

15 (a) divide the total amount collected under
16 23-4-202(4)(d) by the total amount won by Montana-bred
17 horses;

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

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

25 (4) Licensees may not consider the sums available under

LC 0959/01

1 23-4-202(4)(d) when establishing purses."

2 NEW SECTION. **Section 12.** Extension of authority. Any
3 existing authority to make rules on the subject of the
4 provisions of [this act] is extended to the provisions of
5 [this act].

6 NEW SECTION. **Section 13.** Effective date. [This act] is
7 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB406, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:


SB406 would expand the scope and number of allowable simulcast horseracing and simulcast race meets under the parimutuel system of wagering, delegating authority to the Board of Horseracing to license, approve and regulate meets broadcast and race facilities at tracks and satellite facilities; imposing on simulcast races the same requirements for set-asides, liability insurance and distribution of deposits as those for live races.

ASSUMPTIONS:

1. The total handle will be \$4,000,000 based on 100 simulcast race days times \$40,000 average handle derived from average of six facilities and feasibility of the area.
2. Exotic wagering will be 75% of the total handle, based on current percentages, or \$3,000,000.
3. The breeders bonus is 2% of the exotic wagering portion of the handle or \$60,000.
4. Likewise, the owners bonus is 2% of the exotic wagering portion of the handle or \$60,000.
5. The Board of Horseracing will receive \$67,000 more per year in parimutuel fees comprised of 1% of the total handle or \$40,000; plus 15% of the breeders bonus or \$9,000; and 30% of the owners bonus or \$18,000.
6. Licensing fees will increase by \$4,000 per annum based upon 12 facilities at \$100 each plus 280 licensees at \$10 each.
7. There will be 40 additional rule books sold at \$5 each for a total of \$200 per year.
8. Personal services expenses will increase by \$30,100 each year, including \$10,000 for office help to handle licensing and bonuses increased workload, \$15,000 for stewards on 100 simulcast race days and \$5,100 for additional stewards on 34 days when multiple races.
9. Operating expenses will increase by \$32,000 per year, including \$10,000 for contract auditors, \$11,000 for issuing warrants and administering the bonuses, \$7,000 travel and \$4,000 licensing forms and related expenses.
10. These assumptions result in a \$9,100 net increase each year in the board's state special revenue account.

DATE 2/18/89

RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING


DELWYN GAGE, PRIMARY SPONSORDATE 2/17/89

Fiscal Note for SB406, as introduced

SB 406

Fiscal Note Request SB406 as introduced
Form BD-15
Page 1

FISCAL IMPACT:

Expenditures:

Dept. of Commerce	Current	FY90 Proposed		Current	FY91 Proposed	
Board of Horseracing	Law	Law	Difference	Law	Law	Difference
Personal Services	\$125,315	\$155,415	\$30,100	\$125,390	\$155,490	\$30,100
Operating & Capital	111,229	143,229	32,000	111,071	143,071	32,000
Total	\$236,544	\$298,644	\$62,100	\$236,461	\$298,561	\$62,100

Funding:

State Special Revenue						
Board Account	\$236,544	\$298,644	\$62,100	\$236,461	\$298,561	\$62,100

Revenues:

Licensing Fees	\$ 60,000	\$ 64,000	\$ 4,000	\$ 62,000	\$ 66,000	\$ 4,000
Parimutuel Fees	160,000	227,000	67,000	162,000	229,000	67,000
Books Fees	500	700	200	500	700	200
Violations	5,000	5,000	-0-	5,500	5,500	-0-
Total	\$225,500	\$296,700	\$71,200	\$230,000	\$301,200	\$71,200

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Local county facilities would receive 1% of the handle or \$40,000 per year. The remaining 19% withheld or \$760,000 would go to the facility, race track and horsemen with the amount to be negotiated between the three groups. Breeders of Montana-bred horses that win a race in Montana would receive \$51,000 in bonuses and owners of Montana-bred horses that earn money at Montana race tracks would receive \$42,000 in bonuses.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Increased revenue to Montana race tracks for purses and improvement of fairground facilities, as well as increased revenue to breeders and owners of Montana-bred horses would be ongoing.

APPROVED BY COMM. ON
BUSINESS & INDUSTRY

SENATE BILL NO. 406

INTRODUCED BY GAGE, MANNING, BENGTSON, LYNCH, NISBET,
PAVLOVICH, IVERSON, WILLIAMS, SPAETH, GILBERT, NORMAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXPAND THE SCOPE AND
NUMBER OF ALLOWABLE SIMULCAST HORSERACES AND SIMULCAST RACE
MEETS UNDER THE PARIMUTUEL SYSTEM OF WAGERING; DELEGATING
AUTHORITY TO THE BOARD OF HORSERACING TO LICENSE, APPROVE,
AND REGULATE SIMULCAST HORSERACES AND RACE MEETS BROADCAST
BOTH INTRASTATE AND INTERSTATE UNDER THE PARIMUTUEL SYSTEM
AND TO APPROVE AND REGULATE FACILITIES FOR THE CONDUCT OF
SIMULCAST RACES AT TRACKS AND AT SATELLITE SIMULCAST
FACILITIES WITHIN THE STATE; IMPOSING ON SIMULCAST RACES THE
SAME REQUIREMENTS FOR SET-ASIDES, LIABILITY INSURANCE, AND
DISTRIBUTION OF DEPOSITS AS THOSE FOR LIVE RACES; AMENDING
SECTIONS 23-4-101, 23-4-104, 23-4-105, 23-4-201 THROUGH
23-4-205, 23-4-301, 23-4-302, AND 23-4-304, MCA; AND
PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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A statement of intent is required for this bill because
it delegates new rulemaking and licensing authority to the
board of horseracing.

This bill will expand existing simulcast wagering and
allow for regulated parimutuel wagering on simulcast races

at satellite facilities year around. For this purpose, the
bill delegates authority to the board to adopt rules
governing the time, conduct, and supervision of simulcast
races and parimutuel betting with respect to simulcast
races, as well as rules for licensing, approval, and
regulation of simulcast facilities.

This bill authorizes the board to license simulcast
facilities.

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(3) "Immediate family" means the spouse, parents,
children, grandchildren, brothers, or sisters of an official
or licensee regulated by this chapter and all other persons
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household of the official or licensee.

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5 horserace at the time it is run. The term includes races of
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11 department and by persons sponsoring a race meet to regulate
12 and control the day-to-day conduct and operation of a
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1 and other racing officials;

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

4 (7) the establishment of dates for race meets and
5 meetings in the best interests of breeding and racing in
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7 (8) the veterinary practices and standards which must
8 be observed in connection with race meets;

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10 condition of horses, regardless of the acts of third
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13 whose license has been suspended by the board or another
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15 (11) setting license fees commensurate with the cost of
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20 facilities."

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22 "23-4-105. Authority of board. The board shall,
23 subject to 37-1-101 and 37-1-121, license and regulate
24 horseracing and review race meets held in this state under
25 this chapter. If the board decides to authorize new forms of

1 racing, including new forms of simulcast racing, not
 2 currently engaged in in Montana, it shall do so after
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 4 forms of racing on the existing saddle racing program in
 5 Montana. The board should consider both economic and safety
 6 impacts on the existing racing and breeding industry."

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 13 chapter shall file an application with the department which
 14 shall set forth the time, place, and number of days the
 15 license will continue and other information the board
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17 (2) A person who participates in a race meet shall be
 18 licensed and charged an annual fee set by the board, which
 19 shall be paid to the department and used for expenses of
 20 administering this chapter, subject to 37-1-101(6). Each
 21 person holding a license under this chapter shall comply
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24 (3) No A license may not be issued to a person who has
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 3 to the department, and the board shall act on the
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 8 independent racing association conducting race meets meet
 9 the requirements of the rules adopted by the board before
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 21 of board -- judicial review. (1) A person holding a race
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 24 and a person violating this chapter is guilty of a
 25 misdemeanor.

(2) The board or, upon the board's authorization, the board of stewards of a race meet at which they officiate may exclude from racecourses in this state a person whom the board considers detrimental to the best interest of racing as defined by rules of the board.

(3) As its own formal act or through an act of a board of stewards of a race meet, the board may suspend or revoke any license issued by the department to a licensee and assess a fine, not to exceed \$1,000, against a licensee who violates any of the provisions of this chapter or any rule or order of the board. In addition to the suspension or revocation and fine, the board may forbid application for relicensure for a 2-year period.

(4) The board shall promulgate rules implementing this chapter, including the right to a hearing for individuals against whom action is taken or proposed herein. The rules may include provisions for the following:

(a) summary imposition of penalty by the stewards of a race meet, including a fine and license suspension, subject to review under the contested case provisions of the Montana Administrative Procedure Act;

(b) stay of summary imposition of penalty by either the board or board of stewards;

(c) retention of purses pending final disposition of complaints, protests, or appeals of stewards' rulings;

(d) setting aside of up to 2% of exotic wagering on races, including simulcast races, to be used as a bonus for owners pursuant to 23-4-304(2), and up to 30% of the amount set aside may be used to defray administrative costs which shall be in addition to the 20% already withheld under 23-4-302;

(e) assessment of penalty and interest on the late payment of fines, which must be paid before licenses are reinstated; and

(f) definition of exotic forms of wagering on races to be allowed;

(g) standards for simulcast facilities; and

(h) conduct and supervision of simulcast races and parimutuel betting or wagering on simulcast races.

(5) The district court of the first judicial district of the state has exclusive jurisdiction for judicial review of cases arising under this chapter."

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"23-4-203. Race meets -- when lawful. It is lawful to conduct live or simulcast race meets at a racetrack or simulcast facility or otherwise at any time during the week."

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"23-4-204. Race exclusively for Montana-bred horses -- bonus for winner. (1) For the purpose of encouraging the

1 breeding in this state of valuable registered horses, at
 2 least one race each day at each race meet shall be limited
 3 to horses bred in this state unless, in the board's
 4 judgment, there is an insufficient number of Montana-bred
 5 horses for such a race. If in the opinion of the board
 6 sufficient competition cannot be had among this class of
 7 horses, the race may be eliminated for the day and a
 8 substitute race provided instead.

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

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 15 shall be placed in a fund to be distributed by the board, in
 16 addition to existing Montana breeders' awards, on a
 17 percentage basis of actual breeders' awards earned.

18 (4) Up to 15% of the amount set aside for Montana
 19 breeders' awards may be used to defray administrative costs
 20 in addition to the 20% withheld under 23-4-302."

21 **Section 8.** Section 23-4-205, MCA, is amended to read:

22 "23-4-205. Public liability insurance. For the
 23 protection of the public, exhibitors, and visitors, a person
 24 licensed to conduct a race meet or operate a simulcast
 25 facility under this chapter shall carry public liability

1 insurance in an amount and form of contract approved by the
 2 board."

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4 "23-4-301. Parimutuel betting -- other betting
 5 illegal. (1) It is unlawful to make, report, record, or
 6 register a bet or wager on the result of a contest of speed,
 7 skill, or endurance of an animal, whether the contest is
 8 held within or outside of this state, except under this
 9 chapter.

10 (2) A licensee conducting a race meet under this
 11 chapter may provide a place in the race meet grounds or
 12 enclosure where the licensee may conduct or supervise the
 13 use of the parimutuel system by patrons on the result of the
 14 races conducted under this chapter and the rules of the
 15 board.

16 (3) A person licensed under this chapter to hold a
 17 race meet may, on the day a race meet is conducted, also
 18 provide a place in the race meet grounds or enclosure
 19 simulcast facility where the licensee may conduct or
 20 supervise the use of the parimutuel system by patrons on the
 21 results of the following simulcast or televised races:

- 22 (a)--the-Kentucky-derby;
- 23 (b)--the-Preakness;
- 24 (c)--the-Belmont;
- 25 (d)--the-Travers;

(e)--the-all-American-futurity;

(f)--the-Arlington-million;-and

(g)--the-Marlboro-cup;

approved by the board. The board shall approve only intrastate races and races of local or national prominence to the Montana racing season. However, the board has authority to approve races from other states during the off-season.

(4) It is unlawful to conduct pool selling, or bookmaking, or to circulate handbooks or to bet or wager on a race of a licensed race meet, other than by the parimutuel system and in the race meet grounds or enclosure where the race is held, or to permit a minor to use the parimutuel system.

(5) Each licensee conducting a parimutuel system for an interstate INTRASTATE simulcast race meet shall combine the parimutuel pools at a simulcast facility with those at the actual racing facility for the purpose of determining the odds and computing payoffs. The amount of the handle at the simulcast race meet must be combined with the amount of parimutuel handle at the live racing facility for the purposes of distribution of money derived from parimutuel betting under 23-4-302 and 23-4-304.

(6) Negotiated purse money from intrastate and interstate simulcast parimutuel handles at racing

associations that do not conduct live racing will be pooled and distributed to all tracks conducting live racing, all moneys to be distributed on a percent, based on each track's percent, of total annual on-track parimutuel handle."

Section 10. Section 23-4-302, MCA, is amended to read:

"23-4-302. Distribution of deposits -- breakage. (1)

Each licensee conducting the parimutuel system shall distribute all sums deposited in any pool to the winner thereof, less an amount which, in the case of exotic wagering on races, shall not exceed 22%, and in all other races, shall not exceed 20% of the total deposits plus the odd cents of all redistribution to be based on each dollar deposited exceeding a sum equal to the next lowest multiple of 10, known as "breakage".

(2) Each licensee conducting the parimutuel system for a simulcast race meet shall distribute ~~to-the-winner-of--the race~~ all sums deposited with the licensee in any pool for such simulcast race meet, less an amount which, in the case of exotic wagering on such races, shall not exceed 24%, and in all other such races, shall not exceed 20% of the total deposits plus the odd cents of all redistribution to be based on each dollar deposited exceeding a sum equal to the next lowest multiple of 10, known as "breakage".

(3) Each licensee conducting a parimutuel system for a simulcast race meet shall deduct 1% of its total parimutuel

1 ~~handle for-the-race-meet~~ OF THE SIMULCAST facility and give
 2 ~~it to the county-treasurer-or-financial-officer, who shall~~
 3 ~~deposit-it-in-the-county-general-fund~~ LOCAL FAIR BOARD. The
 4 money must be used to operate OR ENHANCE the county
 5 fairgrounds FACILITY."

6 **Section 11.** Section 23-4-304, MCA, is amended to read:

7 "23-4-304. Gross receipts -- department's percentage
 8 -- collection and allocation. (1) (a) The licensee shall pay
 9 to the department 1% of the gross receipts of each day's
 10 parimutuel betting at each race meet, which sums shall be
 11 paid to the department within 5 days after receipt by the
 12 licensee. At the end of each race meet the licensee shall
 13 prepare a report to the department showing the amount of the
 14 overpayments and underpayments. If the report shows the
 15 underpayments to be in excess of the overpayments, the
 16 balance shall be paid to the department. Money paid to the
 17 department may be used for the expenses incurred in carrying
 18 out this chapter. The licensee shall, at the same time, pay
 19 to the department all sums collected under 23-4-202(4)(d) on
 20 exotic wagering on races.

21 (b) Each licensed simulcast facility shall pay to the
 22 department either 1% of the gross receipts of each day's
 23 parimutuel betting at each race meet or the actual cost to
 24 the board of regulating the simulcast race meet, whichever
 25 is higher. The money must be paid to the department within

1 5 days after receipt of the money by the licensee. At the
 2 end of each race meet the licensed simulcast facility shall
 3 prepare a report to the department showing the amount of the
 4 overpayments and underpayments. If the report shows the
 5 underpayments to be in excess of the overpayments, the
 6 balance must be paid to the department. Money paid to the
 7 department must be deposited in an account in the state
 8 special revenue fund and must be used for the administration
 9 of this chapter. The licensed simulcast facility shall, at
 10 the same time, pay to the department all sums collected
 11 under 23-4-202(4)(d) on exotic wagering on races.

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

18 (a) divide the total amount collected under
 19 23-4-202(4)(d) by the total amount won by Montana-bred
 20 horses;

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

24 (3) For purposes of the owner's award under subsection
 25 (2), "owner" means the individual, partnership, corporation,

1 person, or other entity that owns the horse at the time of
2 entry.

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

5 NEW SECTION. **Section 12.** Extension of authority. Any
6 existing authority to make rules on the subject of the
7 provisions of [this act] is extended to the provisions of
8 [this act].

9 NEW SECTION. **Section 13.** Effective date. [This act]
10 is effective on passage and approval.

-End-

1 SENATE BILL NO. 406

2 INTRODUCED BY GAGE, MANNING, BENGTSON, LYNCH, NISBET,

3 PAVLOVICH, IVERSON, WILLIAMS, SPAETH, GILBERT, NORMAN

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXPAND THE SCOPE AND
6 NUMBER OF ALLOWABLE SIMULCAST HORSERACES AND SIMULCAST RACE
7 MEETS UNDER THE PARIMUTUEL SYSTEM OF WAGERING; DELEGATING
8 AUTHORITY TO THE BOARD OF HORSERACING TO LICENSE, APPROVE,
9 AND REGULATE SIMULCAST HORSERACES AND RACE MEETS BROADCAST
10 BOTH INTRASTATE AND INTERSTATE UNDER THE PARIMUTUEL SYSTEM
11 AND TO APPROVE AND REGULATE FACILITIES FOR THE CONDUCT OF
12 SIMULCAST RACES AT TRACKS AND AT ~~SAFEHALLS~~ SIMULCAST
13 FACILITIES WITHIN THE STATE; IMPOSING ON SIMULCAST RACES THE
14 SAME REQUIREMENTS FOR SET-ASIDES, LIABILITY INSURANCE, AND
15 DISTRIBUTION OF DEPOSITS AS THOSE FOR LIVE RACES; AMENDING
16 SECTIONS 23-4-101, 23-4-104, 23-4-105, 23-4-201 THROUGH
17 23-4-205, 23-4-301, 23-4-302, AND 23-4-304, MCA; AND
18 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

19

20

STATEMENT OF INTENT

21 A statement of intent is required for this bill because
22 it delegates new rulemaking and licensing authority to the
23 board of horseracing.

24 This bill will expand existing simulcast wagering and
25 allow for regulated parimutuel wagering on simulcast races

There is no change on SB 406 and will not
be reprinted. Please refer to second reading
(yellow) for complete text.



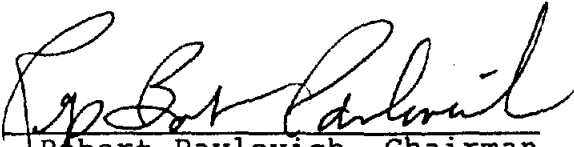
STANDING COMMITTEE REPORT

March 7, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that SENATE BILL 406 (third reading copy - blue) be concurred in as amended .

Signed:


Robert Pavlovich, Chairman

[REP. IVERSON WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Page 9, line 18.
Strike: "15%"
Insert: "10%"

SB 406

HOUSE

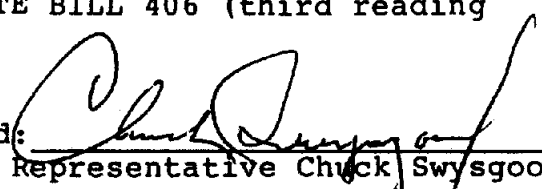
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COMMITTEE OF THE WHOLE AMENDMENT
SENATE BILL 406
Representative Chuck Swysgood

March 13, 1989 8:05 am
Page 1 of 1

Mr. Chairman: I move to amend SENATE BILL 406 (third reading copy -- blue).

Signed:


Representative Chuck Swysgood

And, that such amendments to SENATE BILL 406 read as follows:

1. Page 8, line 7.

Following: line 6

Insert: "(e) using 2% of exotic wagering on live racing to be immediately and equally distributed to all purses except stakes races;"

Renumber: subsequent subsections

2. Page 12, line 10.

Strike: "22%"

Insert: "24%"

ADOPT

REJECT

HOUSE

SB 406

SENATE BILL NO. 406

INTRODUCED BY GAGE, MANNING, BENGTSON, LYNCH, NISBET,
PAVLOVICH, IVERSON, WILLIAMS, SPAETH, GILBERT, NORMAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXPAND THE SCOPE AND
NUMBER OF ALLOWABLE SIMULCAST HORSERACES AND SIMULCAST RACE
MEETS UNDER THE PARIMUTUEL SYSTEM OF WAGERING; DELEGATING
AUTHORITY TO THE BOARD OF HORSERACING TO LICENSE, APPROVE,
AND REGULATE SIMULCAST HORSERACES AND RACE MEETS BROADCAST
BOTH INTRASTATE AND INTERSTATE UNDER THE PARIMUTUEL SYSTEM
AND TO APPROVE AND REGULATE FACILITIES FOR THE CONDUCT OF
SIMULCAST RACES AT TRACKS AND AT SATELLITE SIMULCAST
FACILITIES WITHIN THE STATE; IMPOSING ON SIMULCAST RACES THE
SAME REQUIREMENTS FOR SET-ASIDES, LIABILITY INSURANCE, AND
DISTRIBUTION OF DEPOSITS AS THOSE FOR LIVE RACES; AMENDING
SECTIONS 23-4-101, 23-4-104, 23-4-105, 23-4-201 THROUGH
23-4-205, 23-4-301, 23-4-302, AND 23-4-304, MCA; AND
PROVIDING AN IMMEDIATE EFFECTIVE DATE."

STATEMENT OF INTENT

A statement of intent is required for this bill because
it delegates new rulemaking and licensing authority to the
board of horseracing.

This bill will expand existing simulcast wagering and
allow for regulated parimutuel wagering on simulcast races

at satellite facilities year around. For this purpose, the
bill delegates authority to the board to adopt rules
governing the time, conduct, and supervision of simulcast
races and parimutuel betting with respect to simulcast
races, as well as rules for licensing, approval, and
regulation of simulcast facilities.

This bill authorizes the board to license simulcast
facilities.

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

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

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

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

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

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

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

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

(6) "Race meet" means racing of registered horses where the parimutuel system of wagering is used. The term includes simulcast races.

(7) "Simulcast" means a live broadcast of an actual horserace at the time it is run. The term includes races of local or national prominence.

(8) "Simulcast facility" means a facility at which horseraces are simulcast and wagering on the outcome is permitted under the parimutuel system.

~~(7)~~(9) "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.

~~(8)~~(10) "Board of stewards" means a board composed of three stewards who supervise racing meets."

Section 2. Section 23-4-104, MCA, is amended to read:

"23-4-104. Duties of board. The board shall adopt rules to govern horserace meets and the parimutuel system. These rules shall include the following:

(1) definitions;

(2) auditing;

(3) supervision of the parimutuel system;

(4) corrupt practices;

(5) supervision, duties, and responsibilities of the executive secretary, presiding steward, racing secretary,

and other racing officials;

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

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

(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, 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;

(12) the time, conduct, and supervision of simulcast races and parimutuel betting on simulcast races; and

(13) licensing, approval, and regulation of simulcast facilities."

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 and review race meets held in this state under this chapter. If the board decides to authorize new forms of

1 racing, including new forms of simulcast racing, not
 2 currently engaged in in Montana, it shall do so after
 3 holding public hearings to determine the effects of these
 4 forms of racing on the existing saddle racing program in
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 12 applying for a license to hold a race meet under this
 13 chapter shall file an application with the department which
 14 shall set forth the time, place, and number of days the
 15 license will continue and other information the board
 16 requires.

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 18 licensed and charged an annual fee set by the board, which
 19 shall be paid to the department and used for expenses of
 20 administering this chapter, subject to 37-1-101(6). Each
 21 person holding a license under this chapter shall comply
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(2) The board or, upon the board's authorization, the board of stewards of a race meet at which they officiate may exclude from racecourses in this state a person whom the board considers detrimental to the best interest of racing as defined by rules of the board.

(3) As its own formal act or through an act of a board of stewards of a race meet, the board may suspend or revoke any license issued by the department to a licensee and assess a fine, not to exceed \$1,000, against a licensee who violates any of the provisions of this chapter or any rule or order of the board. In addition to the suspension or revocation and fine, the board may forbid application for relicensure for a 2-year period.

(4) The board shall promulgate rules implementing this chapter, including the right to a hearing for individuals against whom action is taken or proposed herein. The rules may include provisions for the following:

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(b) stay of summary imposition of penalty by either the board or board of stewards;

(c) retention of purses pending final disposition of complaints, protests, or appeals of stewards' rulings;

(d) setting aside of up to 2% of exotic wagering on races, including simulcast races, to be used as a bonus for owners pursuant to 23-4-304(2), and up to 30% of the amount set aside may be used to defray administrative costs which shall be in addition to the 20% already withheld under 23-4-302;

(E) USING 2% OF EXOTIC WAGERING ON LIVE RACING TO BE IMMEDIATELY AND EQUALLY DISTRIBUTED TO ALL PURSES EXCEPT STAKES RACES;

~~(f)~~(F) assessment of penalty and interest on the late payment of fines, which must be paid before licenses are reinstated; and

~~(g)~~(G) definition of exotic forms of wagering on races to be allowed;

~~(h)~~(H) standards for simulcast facilities; and

~~(i)~~(I) conduct and supervision of simulcast races and parimutuel betting or wagering on simulcast races.

(5) The district court of the first judicial district of the state has exclusive jurisdiction for judicial review of cases arising under this chapter."

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 to horses bred in this state unless, in the board's
 judgment, there is an insufficient number of Montana-bred
 horses for such a race. If in the opinion of the board
 sufficient competition cannot be had among this class of
 horses, the race may be eliminated for the day and a
 substitute race provided instead.

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 horse. Only the money contributed by the licensee conducting
 the race meet may be considered in computing the bonus.

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 register a bet or wager on the result of a contest of speed,
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 held within or outside of this state, except under this
 chapter.

(2) A licensee conducting a race meet under this
 chapter may provide a place in the race meet grounds or
 enclosure where the licensee may conduct or supervise the
 use of the parimutuel system by patrons on the result of the
 races conducted under this chapter and the rules of the
 board.

(3) A person licensed under this chapter to hold a
 race meet may, on the day a race meet is conducted, also
 provide a place in the race meet grounds or enclosure
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(f)--the-Arlington-million;-and

(g)--the-Marlboro-cup-

approved by the board. The board shall approve only intrastate races and races of local or national prominence to the Montana racing season. However, the board has authority to approve races from other states during the off-season.

(4) It is unlawful to conduct pool selling, or bookmaking, or to circulate handbooks or to bet or wager on a race of a licensed race meet, other than by the parimutuel system and in the race meet grounds or enclosure where the race is held, or to permit a minor to use the parimutuel system.

(5) Each licensee conducting a parimutuel system for an interstate INTRASTATE simulcast race meet shall combine the parimutuel pools at a simulcast facility with those at the actual racing facility for the purpose of determining the odds and computing payoffs. The amount of the handle at the simulcast race meet must be combined with the amount of parimutuel handle at the live racing facility for the purposes of distribution of money derived from parimutuel

betting under 23-4-302 and 23-4-304.

(6) Negotiated purse money from intrastate and interstate simulcast parimutuel handles at racing associations that do not conduct live racing will be pooled and distributed to all tracks conducting live racing, all moneys to be distributed on a percent, based on each track's percent, of total annual on-track parimutuel handle."

Section 10. Section 23-4-302, MCA, is amended to read:

"23-4-302. Distribution of deposits -- breakage. (1)

Each licensee conducting the parimutuel system shall distribute all sums deposited in any pool to the winner thereof, less an amount which, in the case of exotic wagering on races, shall not exceed 22% 24%, and in all other races, shall not exceed 20% of the total deposits plus the odd cents of all redistribution to be based on each dollar deposited exceeding a sum equal to the next lowest multiple of 10, known as "breakage".

(2) Each licensee conducting the parimutuel system for a simulcast race meet shall distribute to-the-winner-of-the race all sums deposited with the licensee in any pool for such simulcast race meet, less an amount which, in the case of exotic wagering on such races, shall not exceed 24%, and in all other such races, shall not exceed 20% of the total deposits plus the odd cents of all redistribution to be based on each dollar deposited exceeding a sum equal to the

next lowest multiple of 10, known as "breakage".

(3) Each licensee conducting a parimutuel system for a simulcast race meet shall deduct 1% of its total parimutuel handle ~~for the race meet~~ OF THE SIMULCAST facility and give it to the ~~county treasurer or financial officer, who shall deposit it in the county general fund~~ LOCAL FAIR BOARD. The money must be used to operate OR ENHANCE the county fairgrounds FACILITY."

Section 11. Section 23-4-304, MCA, is amended to read:

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

(b) Each licensed simulcast facility shall pay to the department either 1% of the gross receipts of each day's

parimutuel betting at each race meet or the actual cost to the board of regulating the simulcast race meet, whichever is higher. The money must be paid to the department within 5 days after receipt of the money by the licensee. At the end of each race meet the licensed simulcast facility 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 must be paid to the department. Money paid to the department must be deposited in an account in the state special revenue fund and must be used for the administration of this chapter. The licensed simulcast facility 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 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;

(b) multiply the quotient derived under subsection (2)(a) by the total amount of money won by each owner's

1 Montana-bred horses.

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

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

8 NEW SECTION. Section 12. Extension of authority. Any
9 existing authority to make rules on the subject of the
10 provisions of [this act] is extended to the provisions of
11 [this act].

12 NEW SECTION. Section 13. Effective date. [This act]
13 is effective on passage and approval.

-End-