

## **SITE-ONLY SIMULCASTING**

### **House Bill 5287**

**Sponsor: Rep. Judith Scranton**

**Committee: Agriculture and Resource  
Management**

**Complete to 11-8-02**

## **A SUMMARY OF HOUSE BILL 5287 AS INTRODUCED 10-18-01**

House Bill 5287 would create the Telecommunications Wagering Act to allow for certain forms of site-only simulcasting or telephone wagering (off-track betting) on certain horse races.

Under the bill, the racing commissioner could annually issue not more than 15 licenses per year to conduct site-only simulcasting. Once approved, the licensee could establish site-only simulcasting facilities inside the racing enclosure at a horse racetrack operated by a race meeting licensee or at any other location. A race meeting licensee or racing corporation would be given priority by the racing commissioner when determining which applicant would receive a site-only simulcasting license. Two or more race meeting licensees could form a racing corporation for the operation of site-only simulcasting facilities.

The site-only simulcasting facility or racing theater could not be located less than 15 miles from another simulcasting or racing theater. A simulcasting facility could use any information as necessary to conduct site-only simulcasting on licensed horse races. The simulcasting facility would compensate each race meeting licensee for the use of its racing program and any racing information by paying a percentage of the site-only simulcasting. All expenses and operating costs of the site-only simulcasting facility would be paid by the facility from its operating revenues, which would include a surcharge not exceeding five percent imposed on all winning wagers from site-only simulcasting.

A site-only simulcasting licensee could conduct a pari-mutuel system of site-only simulcasting by patrons on the results of horse races held in the state under the Horse Racing Law of 1995 or on the results of special event horse races held in other states. No other method of betting, pool making, wagering, or gaming could be used or would be permitted in site-only simulcasting.

The system of site-only simulcasting would combine all of the wagers placed at site-only simulcasting facilities and on-track wagers made within the state. This combination would result in common pari-mutuel betting pools for the determination of odds and payouts from the pools. The payout would be the same for all winning tickets regardless of whether a wager is placed at a site-only simulcasting facility or at an on-track facility within the state. Any off-track bets accepted by a site-only simulcasting facility would conform in denomination, character, terms, conditions, and all other respects to on-track wagers accepted for the same race. With the approval of the racing commissioner, a simulcasting facility could establish and accept other wager types on out-of-state races. In addition, the takeout (the 3.5 percent tax, pursuant to section 22 of the Horse Racing Law of 1995, on all money wagered on all interstate and

intertrack simulcast races conducted at the holder's licensed race meetings each calendar year) at a site-only simulcasting facility would be the same as the takeout of a race meeting licensee.

Each site-only simulcasting facility would pay to the state treasurer from the facility's commission 3 percent of all money wagered on pari-mutuel wagering in a manner as the commission requires. However, the commissioner would discount the 3 percent tax for intrastate simulcasts. Any money received by the state treasurer under the bill would be used to fund agriculture and equine industry programs to encourage the breeding and ownership of horses to provide for horse races, as found in section 20 of the Horse Racing Law of 1995.

Audits would be done daily on each day's site-only simulcasting wagering. The auditors would have free and full access to the facility where the site-only simulcasting is being conducted, the calculating room where payoff prices are determined, the rooms and totalisator equipment (which collects wagers, calculates odds, and determines payoffs), the money rooms and cashier terminals, and all site-only wagering records. The auditors would be responsible for the accuracy of the calculations on which payoffs are based, the amount of racetrack commission, state tax, and breaks (the cents over any multiple of 10 otherwise payable to a patron on a wager of \$1), and the amount withheld for payment of uncashed tickets.

The racing commissioner would promulgate any rules necessary for the implementation of the bill. The rules could include, but would not be limited to, the method of application for and conditions of issuing a site-only simulcasting license; the procedure for revoking a license; any application fees and/or license fees; requirements for approval of simulcasting facilities; and how simulcasting would be conducted. In addition, the rules would provide for the placing and receiving of wagers by telephone; the prohibition of the accepting or placing of a wager by an individual less than 18 years of age; and prohibiting placing wagers on credit.

The bill is tie-barred to a bill that has not been introduced.

Analyst: M. Wolf

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.