

1 HB773  
2 137402-3  
3 By Representative McClendon  
4 RFD: Economic Development and Tourism  
5 First Read: 01-MAY-12

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8 SYNOPSIS: Under existing law, horse racing operators  
9 are required to deduct a percentage of the moneys  
10 deposited in pari-mutuel pools for horse races.

11 This bill would provide that takeout  
12 deducted by a racing operator shall be used for  
13 horse activities for Alabama-bred horses.

14 This bill would create the Alabama Equine  
15 Commission and provide for the members, duties,  
16 responsibilities, compensation, and expenses of the  
17 commission.

18  
19 A BILL

20 TO BE ENTITLED

21 AN ACT

22  
23 To amend Section 11-65-31 of the Code of Alabama  
24 1975, relating to purses for horse races and greyhound races  
25 to provide that the takeout deducted by a racing operator  
26 shall be used for horse activities for Alabama bred horses; to  
27 establish the Alabama Equine Commission; to provide for the

1 members, duties, responsibilities, compensation, and expenses  
2 of the commission; and to subject the commission to the  
3 Alabama Sunset Law.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. Section 11-65-31 of the Code of Alabama  
6 1975, is amended to read as follows:

7 "§11-65-31.

8 "(a) From the moneys deposited in pari-mutuel pools  
9 for ~~horse~~ races which constitute the "takeout" deducted by a  
10 ~~horse~~ racing operator pursuant to Section 11-65-28(b), each  
11 ~~horse~~ racing operator including operators who may cause  
12 televised simulcast programming of racing events held at  
13 racetracks located outside the state and are transmitted for  
14 public viewing to a racetrack facility within the sponsoring  
15 municipality and which is under the jurisdiction of the  
16 commission and there by made the subject of pari-mutuel  
17 wagering, shall apply an amount equal to seven percent of its  
18 total ~~horse~~ racing handle to provide ~~purse~~ moneys for Alabama  
19 Equine Commission ~~horse races conducted by such operator.~~

20 Prior to the commencement of any race meeting, the ~~horse~~  
21 racing operator conducting ~~such~~ the meeting shall estimate the  
22 amount of its ~~horse~~ racing handle to be derived from ~~such~~ the  
23 meeting. Based upon ~~such~~ the estimate, the ~~horse~~ racing  
24 operator shall adopt a schedule providing for a reasonable  
25 allocation of purse moneys over the period of the anticipated  
26 race meeting. Any ~~such~~ schedule may be amended from time to  
27 time during the course of a race meeting if it becomes

1       apparent that the operator's actual horse racing handle for  
2       such race meeting will not match its original estimate. The  
3       money shall be sent from racing operators directly to the  
4       Alabama Equine Association on the last day of each month. All  
5       funds shall be used for horse activities for Alabama-bred  
6       horses as follows:

7               "(1) Ten percent of the total amount of the funds  
8       shall be set aside for starving program, adoption program,  
9       retirement program, education program, special equestrian  
10       program, incentive funds, breeders fund, domicile inspection  
11       program, building or construction funds, and any equine events  
12       in Alabama as determined by Equine Commission.

13               "(2) Forty percent for the Alabama Quarter Horse  
14       Racing Association for breeding and racing.

15               "(3) Fifty percent for the Alabama Thoroughbred  
16       Breeders Racing Association for breeding and racing.

17               "(b) Each ~~horse~~ racing operator shall provide the  
18       commission licensing ~~such~~ the operator with periodic reports  
19       respecting the amounts applied by ~~such~~ the operator to provide  
20       purse moneys for ~~horse~~ races. If at the close of any race  
21       meeting it is determined that the operator conducting ~~such~~ the  
22       meeting failed to apply an amount equal to seven percent of  
23       its ~~horse~~ racing handle for ~~such~~ the meeting to provide purse  
24       moneys, then any excess shall be deducted from, and any  
25       deficiency shall be added to, the amount which ~~such~~ the  
26       operator shall be required to provide as purse moneys for

1 ~~horse~~ races conducted as part of its next succeeding race  
2 meeting.

3 "(c) The amount of purses to be paid with respect to  
4 greyhound races conducted by any greyhound racing operator  
5 shall be determined by ~~such~~ the operator through negotiation  
6 with the kennel owners providing the greyhounds for ~~such~~ the  
7 races. Nothing contained in this chapter shall be construed to  
8 require, or to permit the commission by regulation or order to  
9 require, any minimum level of purses for greyhound racing,  
10 whether based on a percentage of the greyhound racing handle  
11 or any other benchmark, or to limit, or to permit the  
12 commission by regulation or order to limit, the amount that a  
13 greyhound racing operator may agree to pay for such purposes."

14 Section 2. (a) There is created the Alabama Equine  
15 Commission which shall be composed of the following members:

16 (1) A member of the Alabama Quarter Horse Racing  
17 Association appointed by the board of directors of the  
18 association.

19 (2) A member of the House of Representatives  
20 appointed by the Speaker of the House of Representatives.

21 (3) A member of the Senate appointed by the  
22 President Pro Tempore of the Senate.

23 (4) A member of the Alabama Thoroughbred Breeders  
24 and Racing Association appointed by the board of directors of  
25 the association.

26 (5) An individual who owns a horse for non-breeding  
27 and non-racing purposes appointed by the Governor.

1 (b) (1) The term of the members shall be six years  
2 except for legislative members who shall serve until the end  
3 of the quadrennium in which each was appointed, and a member  
4 shall serve until a successor is appointed and qualified. The  
5 membership of the commission shall be inclusive and reflect  
6 the racial, gender, geographic, urban/rural, and economic  
7 diversity of the state; provided, however, no more than three  
8 members of the commission at any time may be members of the  
9 same race.

10 (2) If any one or more of the commission members  
11 dies, resigns, or is removed from office, the Governor shall  
12 fill the vacancy by appointment for the unexpired term.

13 (c) The commission shall elect from its members a  
14 chair. Four members of the board shall constitute a quorum for  
15 the transaction of the official business of the commission.

16 (d) Each legislative member of the commission shall  
17 be entitled to his or her regular legislative compensation,  
18 per diem, and travel expenses for each day he or she attends a  
19 meeting of the commission, which shall be paid out of any  
20 funds appropriated for the use of the Legislature, upon  
21 warrants drawn by the Comptroller, upon requisitions signed by  
22 the commission chair; provided, however, legislative members  
23 shall not receive additional legislative compensation or per  
24 diem for a regular or special session meeting day or committee  
25 meeting day of any special or regular session, or if a member  
26 is being paid any other payments on the same dates for  
27 attendance on other state business. Non-legislative members of

1 the commission may be reimbursed for meetings according to the  
2 policies and procedures of the respective agencies and groups  
3 represented.

4 (e) The necessary office supplies, stationery, and  
5 equipment shall be provided for the commission in the manner  
6 that the same are furnished to other departments, boards,  
7 commissions, bureaus, and offices of this state.

8 (f) Meetings of the commission shall be held at the  
9 call of the chair or as may be determined by the commission.

10 (g) The Alabama Equine Commission shall be  
11 responsible for and have the authority to administer the  
12 proceeds from the takeout.

13 (h) The Alabama Equine Commission shall be subject  
14 to the Alabama Sunset Law, Chapter 20, Title 41, Code of  
15 Alabama 1975, as an enumerated agency as provided in Section  
16 41-20-3, Code of Alabama 1975, and shall have a termination  
17 date of October 1, 2014, and every four years thereafter,  
18 unless continued pursuant to the Alabama Sunset Law.

19 Section 3. This act shall become effective on the  
20 first day of the third month following its passage and  
21 approval by the Governor, or its otherwise becoming law.