

SENATE BILL NO. 16

INTRODUCED BY T. BROWN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A PERSON CONDUCTING SIMULCAST RACING
5 THROUGH A SIMULCAST PARIMUTUEL NETWORK TO ENTER INTO A CONTRACT WITH THE BOARD OF
6 HORSERACING; PROVIDING THAT A PERSON CONDUCTING SIMULCAST RACING WITHOUT A
7 CONTRACT IS GUILTY OF A MISDEMEANOR; AUTHORIZING THE BOARD OF HORSERACING TO ACT AS
8 A SIMULCAST PARIMUTUEL NETWORK PROVIDER WITH RESPECT TO SIMULCAST RACES;
9 APPROPRIATING CERTAIN FUNDS TO THE BOARD OF HORSERACING; AMENDING SECTIONS 23-4-101,
10 23-4-105, 23-4-201, AND 23-4-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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14 **Section 1.** Section 23-4-101, MCA, is amended to read:
15 **"23-4-101. Definitions.** Unless the context requires otherwise, in this chapter, the following definitions
16 apply:

17 (1) "Advance deposit wagering" means a form of parimutuel wagering in which a person deposits money
18 in an account with an advance deposit wagering hub operator licensed by the board to conduct advance deposit
19 wagering. The money is used to pay for parimutuel wagers made in person, by telephone, or through a
20 communication by other electronic means on horse or greyhound races held in or outside this state.

21 (2) "Advance deposit wagering hub operator" means a simulcast and interactive wagering hub business
22 licensed by the board that, through a subscriber-based service located in this or another state, conducts
23 parimutuel wagering on the races that it simulcasts and on other races that it carries in its wagering menu and
24 that uses a computer that registers bets and divides the total amount bet among those who won.

25 (3) "Board" means the board of horseracing provided for in 2-15-3106.

26 (4) "Board of stewards" means a board composed of three stewards who supervise race meets.

27 (5) "Department" means the department of livestock provided for in Title 2, chapter 15, part 31.

28 (6) "Fantasy sports league" has the meaning provided in 23-5-801.

29 (7) "Immediate family" means the spouse, parents, children, grandchildren, brothers, or sisters of an
30 official or licensee regulated by this chapter who have a permanent or continuous residence in the household of

1 the official or licensee and all other persons who have a permanent or continuous residence in the household of
2 the official or licensee.

3 (8) "Match bronc ride" means a saddle bronc riding contest consisting of two sections known as a "long
4 go" and a "short go" in which the win, place, and show winners are determined by judges of the rides for each
5 go.

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

7 (10) "Parimutuel facility" means a facility licensed by the board at which fantasy sports leagues are
8 conducted and wagering on the outcome under a parimutuel system is permitted.

9 (11) "Parimutuel network" means an association licensed by the board to compile and distribute fantasy
10 sports league rosters and weekly point totals for licensed parimutuel facilities and to manage statewide parimutuel
11 wagering pools on fantasy sports leagues.

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

13 (13) (a) "Race meet" means racing of registered horses or mules, match bronc rides, and wild horse rides
14 at which the parimutuel system of wagering is used. The term includes horseraces, mule races, and greyhound
15 races that are simulcast.

16 (b) The term does not include live greyhound racing.

17 (14) "Racing" means live racing of registered horses or mules and simulcast racing of horses, mules, and
18 greyhounds.

19 (15) "Simulcast" means a live broadcast of an actual horserace, mule race, or greyhound race at the time
20 it is run. The term includes races of local or national prominence.

21 (16) "Simulcast facility" means a facility at which horseraces, mule races, or greyhound races are
22 simulcast and wagering on the outcome is permitted under the parimutuel system.

23 (17) "Simulcast parimutuel network" means an association ~~licensed by~~ that has contracted with the board
24 to receive or originate intrastate and interstate simulcast race signals, relay the race signals to licensed simulcast
25 facilities, and manage statewide parimutuel wagering pools on simulcast races. ~~A simulcast parimutuel network~~
26 ~~may be or has been~~ licensed by the board to operate a statewide parimutuel wagering pool for fantasy sports
27 leagues. The board may act as a simulcast parimutuel network provider with respect to simulcast races.

28 (18) "Source market fee" means the portion of a wager made with a licensed advance deposit wagering
29 hub operator by a Montana resident that is paid to the board.

30 (19) "Steward" means an official hired by the department and by persons sponsoring a race meet to

1 regulate and control the day-to-day conduct and operation of a sanctioned meet.

2 (20) "Wild horse ride" means a wild horse riding contest in which three-person teams attempt to saddle
3 a wild horse and ride it completely around a track with the first to do so declared the winner."

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5 **SECTION 2.** SECTION 23-4-105, MCA, IS AMENDED TO READ:

6 **"23-4-105. Authority of board.** (1) The board shall license and regulate racing, match bronc rides, and
7 wild horse rides and review race meets held in this state under this chapter. All percentages withheld from
8 amounts wagered, amounts set aside pursuant to 23-4-202(4)(d), percentages collected pursuant to 23-4-204(3),
9 percentages collected pursuant to 23-4-302(3) and (5)(b)(iii), and money collected pursuant to 23-4-304(1)(a)
10 and (1)(b) must be deposited in a state special revenue account and are statutorily appropriated to the board as
11 provided in 17-7-502. The board shall then distribute all funds collected under 23-4-202(4)(d), 23-4-204(3),
12 23-4-302(3) and (5)(b)(iii), and 23-4-304(1)(a) and (1)(b) to live race purses or for other purposes for the good
13 of the existing horseracing industry. If the board decides to authorize new forms of racing, including new forms
14 of simulcast racing, not currently authorized in Montana the board shall do so after holding public hearings to
15 determine the effects of these forms of racing on the existing saddle racing program in Montana. The board shall
16 consider both the economic and safety impacts on the existing racing and breeding industry.

17 (2) Funds retained by the board in a state special revenue fund pursuant to 23-4-302(1) and (4) are
18 statutorily appropriated to the board as provided in 17-7-502 for the operation of a simulcast parimutuel network
19 and for other purposes that the board considers appropriate for the good of the existing horseracing industry."

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21 **Section 3.** Section 23-4-201, MCA, is amended to read:

22 **"23-4-201. Licenses -- contracts.** (1) (a) A person may not hold a race meet, ~~including simulcast race~~
23 ~~meets under the parimutuel system,~~ or conduct fantasy sports league wagering through a parimutuel facility,
24 parimutuel network, or a simulcast parimutuel network conducting a fantasy sports league in this state without
25 a valid license issued by the department under this chapter. A person applying for a license to hold a race meet
26 under this chapter shall file with the department an application that must set forth the time, place, and number
27 of days the license will continue and other information the board requires.

28 (b) A person may not conduct simulcast racing through a simulcast parimutuel network without having
29 entered into a contract with the board.

30 (2) A person who participates in a race meet, except for a match bronc ride or a wild horse ride, must

1 be licensed and charged an annual fee set by the board. The annual fee must be paid to the department and
2 used for expenses of administering this chapter. Each person holding a license under this chapter shall comply
3 with this chapter and with the rules adopted and orders issued by the board.

4 (3) A license may not be issued to a person who has failed to pay the fees, taxes, or money required
5 under this chapter.

6 (4) An application to hold a race meet must be submitted to the department, and the board shall act on
7 the application within 30 days. The board is the sole judge of whether the race meet may be licensed and the
8 number of days the meet may continue.

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

11 (6) A racing association consisting of a local fair board or an association approved by a local fair board
12 ~~may apply for a license~~ submit a contract proposal to the board to hold a simulcast race meet in a simulcast
13 facility.

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

16 (8) A license to operate a parimutuel facility conducting fantasy sports league wagering may not be
17 issued to an applicant unless the applicant is also licensed under Title 23, chapter 5."

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

20 **"23-4-202. Penalty for violations of law -- authority of board -- judicial review.** (1) (a) A person
21 holding a race meet or an owner, trainer, or jockey participating in a race meet, except a participant in a match
22 bronc ride or a wild horse ride, without first being licensed under this chapter or a person violating this chapter
23 is guilty of a misdemeanor.

24 (b) A person operating a parimutuel facility, parimutuel network, or simulcast parimutuel network that
25 conducts fantasy sports league wagering without first being licensed under this chapter or a person violating this
26 chapter is guilty of a misdemeanor.

27 (c) A person conducting simulcast racing through a simulcast parimutuel network without having entered
28 into a contract with the board is guilty of a misdemeanor.

29 (2) The board or, upon the board's authorization, the board of stewards of a race meet at which the
30 stewards officiate may exclude from racecourses a person whom the board or board of stewards considers

1 detrimental to the best interest of racing as defined by rules of the board.

2 (3) As its own formal act or through an act of a board of stewards of a race meet, the board may suspend
3 or revoke any license issued by the department to a licensee and assess a fine, not to exceed \$1,000, against
4 a licensee who violates any of the provisions of this chapter or any rule or order of the board. In addition to the
5 suspension or revocation and fine, the board may prohibit application for relicensure for a 2-year period. Fines
6 collected under this subsection must be deposited in the general fund.

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

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

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

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

14 (d) setting aside of up to 3% of exotic wagering on races, including simulcast races, to be deposited in
15 a state special revenue account. The board shall then distribute all funds collected under this subsection (4)(d)
16 to live race purses or for other purposes that the board considers appropriate for the good of the existing
17 horseracing industry.

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

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

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

23 (h) standards for simulcast facilities;

24 (i) conduct and supervision of simulcast races and parimutuel betting or wagering on simulcast races;

25 (j) conduct and supervision of parimutuel facilities, parimutuel networks, simulcast parimutuel networks,
26 and parimutuel wagering on fantasy sports leagues conducted at parimutuel facilities;

27 (k) conduct and supervision of match bronc rides and wild horse rides; and

28 (l) conduct and supervision of advance deposit wagering.

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

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2 NEW SECTION. **Section 5. Effective date.** [This act] is effective on passage and approval.

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