

HORSE RACING AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Michael K. McKell

Senate Sponsor: _____

LONG TITLE

General Description:

This bill addresses licensing related to horse racing.

Highlighted Provisions:

This bill:

- ▶ permits the commission to contract with a private person to issue licenses related to horse racing;
- ▶ addresses powers of stewards;
- ▶ provides for exclusion of horses;
- ▶ addresses fines;
- ▶ directs the commission to make rules regarding money; and
- ▶ makes technical and conforming amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 4-38-102**, as renumbered and amended by Laws of Utah 2017, Chapter 345
- 4-38-104**, as renumbered and amended by Laws of Utah 2017, Chapter 345
- 4-38-201**, as renumbered and amended by Laws of Utah 2017, Chapter 345



28 4-38-202, as renumbered and amended by Laws of Utah 2017, Chapter 345

29 4-38-203, as renumbered and amended by Laws of Utah 2017, Chapter 345

30 4-38-301, as renumbered and amended by Laws of Utah 2017, Chapter 345

31 4-38-401, as renumbered and amended by Laws of Utah 2017, Chapter 345



33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section 4-38-102 is amended to read:

35 **4-38-102. Definitions.**

36 As used in this chapter:

37 (1) "Commission" means the Utah Horse Racing Commission created by this chapter.

38 (2) "Executive director" means the executive director of the commission.

39 (3) "Mixed meet" means a race meet that includes races by more than one breed of
40 horse.

41 (4) "Race meet" means the entire period of time for which a licensee has been
42 approved [~~by the commission~~] to hold horse races.

43 (5) "Racetrack facility" means a racetrack within Utah approved by the commission for
44 the racing of horses, including the track surface, grandstands, clubhouse, all animal housing
45 and handling areas, and other areas in which a person may enter only upon payment of an
46 admission fee or upon presentation of authorized credentials.

47 (6) "Recognized race meet" means a race meet recognized by a national horse breed
48 association.

49 (7) "Utah bred horse" means a horse that is sired by a stallion standing in Utah at the
50 time the dam was bred.

51 Section 2. Section 4-38-104 is amended to read:

52 **4-38-104. Powers and duties of commission.**

53 (1) The commission shall:

54 (a) subject to Subsection (3), license, regulate, and supervise [~~and~~] the persons involved
55 in the racing of horses as provided in this chapter;

56 (b) subject to Subsection (3), license, regulate, and supervise [~~and~~] the recognized race
57 meets held in this state under the terms of this chapter;

58 (c) cause the various places where recognized race meets are held to be visited and

59 inspected at least once a year;

60 (d) assist in procuring public liability insurance coverage from a private insurance
61 company for those licensees unable to otherwise obtain the insurance required under this
62 chapter;

63 (e) make rules in accordance with Title 63G, Chapter 3, Utah Administrative
64 Rulemaking Act, to govern race meets, including rules:

65 (i) to resolve scheduling conflicts and settle disputes among licensees;

66 (ii) to supervise, discipline, suspend, fine, and bar from events ~~[all persons]~~ a person
67 required to be licensed by this chapter; ~~[and]~~

68 (iii) to exclude a horse from a racetrack facility in this state, or prohibit a horse from
69 participating in a horse race or race meet; and

70 ~~[(iii)]~~ (iv) to hold, conduct, and operate [a] a recognized race [meets] meet conducted
71 pursuant to this chapter;

72 (f) determine which persons participating, directly or indirectly, in recognized race
73 meets require licenses;

74 (g) announce the time, place, and duration of a recognized race ~~[meets]~~ meet for which
75 ~~[licenses shall be]~~ a license is required; and

76 (h) establish reasonable fees for all licenses provided for under this chapter.

77 (2) The commission may:

78 (a) grant, suspend, ~~[or]~~ revoke ~~[licenses]~~, or contract under Subsection (3) for the
79 granting of a license issued under this chapter;

80 (b) impose fines as provided in this chapter;

81 (c) access criminal history record information for ~~[a] the~~ the licensees and commission or
82 contracted employees; ~~[and]~~

83 (d) exclude from any racetrack facility in this state ~~[any]~~ a person who the commission
84 considers detrimental to the best interests of racing or ~~[any]~~ a person who violates ~~[any~~
85 ~~provisions of]~~ this chapter or any rule or order of the commission~~[-]; and~~

86 (e) (i) exclude from a racetrack facility in this state, or prohibit from participating in a
87 horse race or race meet, a horse that is owned, in full or part by a person:

88 (A) who the commission considers detrimental to the best interests of racing; or

89 (B) who violates this chapter or a rule or order of the commission.

90 (ii) For purposes of this Subsection (2)(e), ownership includes a horse for which an
91 individual or entity has a beneficial or other interest, as defined by rule.

92 (iii) The period of time a horse may be excluded or prohibited from racing under this
93 Subsection (2)(e) may not exceed one calendar year from the date of the initial oral or written
94 ruling by the stewards.

95 (iv) A change in ownership or beneficial interest in a horse excluded or prohibited
96 from racing under this Subsection (2)(e) does not affect the horse's exclusion from a racetrack
97 or prohibition from racing unless otherwise determined by the commission.

98 (3) The commission may contract, in accordance with Title 63G, Chapter 6a, Utah
99 Procurement Code, with a private person to issue a license required under Subsection (1)(a) or
100 (b).

101 Section 3. Section **4-38-201** is amended to read:

102 **4-38-201. Licenses -- Fees -- Duties of licensees.**

103 (1) The commission may grant [~~licenses~~], or contract under Subsection [4-38-104\(3\)](#) for
104 the granting of a license, for participation in racing and other activities associated with
105 [~~racetracks~~] a racetrack.

106 (2) The commission shall establish a schedule of fees for the application for and
107 renewal and reinstatement of [~~all~~] licenses issued under this chapter.

108 (3) [~~Each~~] A person holding a license under this chapter shall comply with this chapter
109 and with [~~all~~] the rules issued and [~~all~~] the orders issued by the commission under this chapter.

110 (4) [~~Any~~] A person who holds a recognized race meet or who participates directly or
111 indirectly in a recognized race meet without being first licensed [~~by the commission~~] as
112 required under this chapter and any person violating [~~any provisions of~~] this chapter is subject
113 to penalties under Section [~~4-2-305~~] [4-2-304](#).

114 Section 4. Section **4-38-202** is amended to read:

115 **4-38-202. Stewards.**

116 (1) (a) The commission may delegate authority to enforce commission rules and this
117 chapter to three stewards [~~employed by the commission~~] at each recognized race meet. At least
118 one of the stewards shall be selected by the commission.

119 (b) A decision made by the stewards shall be made by a vote of two stewards.

120 [~~(b)~~] (c) Stewards shall exercise reasonable and necessary authority as designated by

121 rules of the commission including the following:

122 (i) enforce rules of the commission;

123 (ii) rule on the outcome of events;

124 (iii) evict from an event any person who has been convicted of bookmaking, bribery, or
 125 attempts to alter the outcome of any race through tampering with any animal that is not in
 126 accordance with this chapter or the rules of the commission;

127 (iv) levy fines not to exceed \$2,500 for violations of rules of the commission, which
 128 fines shall be reported daily and paid to the commission within 48 hours of imposition and
 129 notice;

130 (v) suspend licenses not to exceed one year for violations of rules of the commission,
 131 which suspension shall be reported to the commission daily; and

132 (vi) recommend that the commission impose fines or suspensions greater than
 133 permitted by Subsections ~~[(1)(b)(iv)]~~ (1)(c)(iv) and (v)~~[-]; and~~

134 (vii) exclude a horse from a racetrack facility in this state, or prohibit a horse from
 135 participating in a horse race or race meet.

136 (2) If a majority of the stewards agree, they may impose fines or suspend licenses.

137 (3) (a) ~~[Any]~~ A fine or license suspension imposed by a steward may be appealed in
 138 writing to the commission within five days after the fine or license suspension imposition. The
 139 commission may affirm or reverse the decision of a steward or may increase or decrease any
 140 fine or suspension.

141 (b) A fine imposed by the commission under this section or Section 4-38-301 may not
 142 exceed ~~[\$10,000]~~ \$5,000.

143 (c) Suspensions of a license may be for any period of time but shall be commensurate
 144 with the seriousness of the offense.

145 Section 5. Section **4-38-203** is amended to read:

146 **4-38-203. Race meets -- Licenses -- Fairs.**

147 (1) ~~[Each]~~ A person making application for a license to hold a race meet under this
 148 chapter shall file an application ~~[with the commission which shall set]~~ that sets forth the time,
 149 place, and number of days the race meet will continue, and other information the commission
 150 may require.

151 (2) A person who has been convicted of a crime involving moral turpitude may not be

152 issued a license to hold a race meet.

153 (3) (a) The license issued shall specify the kind and character of the race meet to be
154 held, the number of days the race meet shall continue, and the number of races per day.

155 (b) The licensee shall pay in advance of the scheduled race meet to the commission a
156 fee of not less than \$25. If unforeseen obstacles arise ~~[which]~~ that prevent the holding or
157 completion of any race meet, the license fee held may be refunded to the licensee if the
158 commission considers the reason for failure to hold or complete the race meet sufficient.

159 (4) (a) ~~[Any]~~ An unexpired license held by any person who violates ~~[any of the~~
160 ~~provisions of]~~ this chapter, or fails to pay to the commission any fees required under this
161 chapter, ~~[shall be]~~ is subject to cancellation and revocation by the commission.

162 (b) This cancellation shall be made only after a summary hearing before the
163 commission, of which seven days notice in writing shall be given the licensee, specifying the
164 grounds for the proposed cancellation. At the hearing, the licensee shall be given an
165 opportunity to be heard in opposition to the proposed cancellation.

166 (5) (a) ~~[Fair boards or fair districts that conduct race meets]~~ A fair board or fair district
167 that conducts a race meet in connection with a regularly scheduled annual ~~[fairs shall be]~~ fair is
168 exempt from payment of the fees provided in this section, unless ~~[they sponsor]~~ the fair board
169 or fair district sponsors a race in which the speed indexes are officially recognized under breed
170 requirements.

171 (b) ~~[All fair boards and fair meets shall be]~~ A race meet in connection with a fair is
172 limited to 14 race days, unless otherwise permitted by a unanimous vote of the commission.

173 (6) The exemption from the payment of fees under Subsection (5)(a) does not apply to
174 ~~[those]~~ a race meet qualifying for official speed index races.

175 Section 6. Section **4-38-301** is amended to read:

176 **4-38-301. Investigation -- License denial and suspension -- Grounds for**
177 **revocation -- Fines.**

178 (1) The commission or board of stewards of a recognized race meet, upon their own
179 motion may, and upon verified complaint in writing of any person shall, investigate the
180 activities of ~~[any]~~ a licensee within the state or ~~[any]~~ a licensed person upon the premises of a
181 racetrack facility.

182 (2) The commission or board of stewards may fine, suspend a license, or deny an

183 application for a license.

184 (3) A person with whom the commission contracts under Subsection 4-38-104(3) may
185 deny an application for a license.

186 [~~3~~] (4) The commission may revoke a license, if the licensee has committed any of
187 the following violations:

188 (a) substantial or willful misrepresentation;

189 (b) disregard for or violation of [~~any provisions of~~] this chapter or of [~~any~~] a rule issued
190 by the commission;

191 (c) conviction of a felony under the laws of this or any other state or of the United
192 States, a [~~certified~~] true and correct copy of the judgment of the court of conviction of which
193 shall be presumptive evidence of the conviction in any hearing held under this section;

194 (d) fraud, willful misrepresentation, or deceit in racing;

195 (e) falsification, misrepresentation, or omission of required information in a license
196 application [~~to the commission~~];

197 (f) failure to disclose to the commission a complete ownership or beneficial interest in
198 a horse entered to be raced;

199 (g) misrepresentation or attempted misrepresentation in connection with the sale of a
200 horse or other matter pertaining to racing or registration of racing animals;

201 (h) failure to comply with [~~any~~] an order or [~~rulings~~] ruling of the commission, the
202 stewards, or a racing official pertaining to a racing matter;

203 (i) ownership of any interest in or participation by any manner in any bookmaking,
204 pool-selling, touting, bet solicitation, or illegal enterprise;

205 (j) being unqualified by experience or competence to perform the activity permitted by
206 the license possessed or being applied for;

207 (k) employment or harboring of any unlicensed person on the premises of a racetrack
208 facility if a license is required by this chapter or rule;

209 (l) discontinuance of or ineligibility for the activity for which the license was issued;

210 (m) being currently under suspension or revocation of a racing license in another racing
211 jurisdiction;

212 (n) possession on the premises of a racetrack facility of:

213 (i) firearms; or

214 (ii) a battery, buzzer, electrical device, or other appliance other than a whip which
215 could be used to alter the speed of a horse in a race or while working out or schooling;

216 (o) possession, on the premises of a racetrack facility, by a person other than a licensed
217 veterinarian of a hypodermic needle, hypodermic syringe, or other similar device that may be
218 used in administering medicine internally in a horse, or any substance, compound items, or
219 combination of any medicine, narcotic, stimulant, depressant, or anesthetic which could alter
220 the normal performance of a horse unless;

221 (i) specifically authorized by a commission-approved veterinarian; or

222 (ii) as otherwise allowed by the stewards for the conditions of that horse race or race
223 meet;

224 (p) cruelty to or neglect of a horse;

225 (q) offering, promising, giving, accepting, or soliciting a bribe in any form, directly or
226 indirectly, to or by a person having any connection with the outcome of a race, or failure to
227 report knowledge of such act immediately to the stewards, the patrol judges, or the
228 commission;

229 (r) causing, attempting to cause, or participation in any way in any attempt to cause the
230 prearrangement of a race result, or failure to report knowledge of such act immediately to the
231 stewards, the patrol judges, or the commission;

232 (s) entering, or aiding and abetting the entry of, a horse ineligible or unqualified for the
233 race entered;

234 (t) willfully or unjustifiably entering or racing any horse in any race under any name or
235 designation other than the name or designation assigned to the animal by and registered with
236 the official recognized registry for that breed of animal, or willfully setting on foot, instigating,
237 engaging in, or in any way furthering any act by which any horse is entered or raced in any race
238 under any name or designation other than the name or designation duly assigned by and
239 registered with the official recognized registry for the breed of animal; or

240 (u) racing at a racetrack facility without having that horse registered to race at that
241 racetrack facility.

242 [~~4~~] (5) (a) [~~Any~~] A person who fails to pay in a timely manner [~~any~~] a fine imposed
243 pursuant to this chapter shall pay, in addition to the fine due, a penalty amount equal to the
244 fine.

245 (b) ~~[Any]~~ A person who submits to the commission a check in payment of a fine or
246 license fee requirement imposed pursuant to this chapter, which is not honored by the financial
247 institution upon which ~~[it]~~ the check is drawn, shall pay, in addition to the fine or fee due, a
248 penalty amount equal to the fine.

249 Section 7. Section **4-38-401** is amended to read:

250 **4-38-401. Race meet escrow.**

251 (1) ~~[Each race meet licensee shall deposit in escrow all added money and money from~~
252 ~~payment races in a FDIC bank that has received prior approval from the commission]~~ The
253 commission shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
254 Rulemaking Act, to determine how all the added money and money from payment races shall
255 be collected and disbursed.

256 (2) ~~[All payment]~~ Payment deposits shall be made in a timely manner determined by
257 the commission, and each licensee shall provide proof of deposits as required by the
258 commission.