

Representative Michael K. McKell proposes the following substitute bill:

HORSE RACING AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Michael K. McKell

Senate Sponsor: David P. Hinkins

LONG TITLE

General Description:

This bill addresses licensing related to horse racing.

Highlighted Provisions:

This bill:

- ▶ addresses powers and duties of the commission, including permitting the commission to contract with a person to issue licenses related to horse racing;
- ▶ provides for exclusion of horses and owners under certain circumstances;
- ▶ addresses powers of stewards;
- ▶ modifies harboring or employing an unlicensed person;
- ▶ 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:



- 26 **4-38-102**, as renumbered and amended by Laws of Utah 2017, Chapter 345
- 27 **4-38-104**, as renumbered and amended by Laws of Utah 2017, Chapter 345
- 28 **4-38-201**, as renumbered and amended by Laws of Utah 2017, Chapter 345
- 29 **4-38-202**, as renumbered and amended by Laws of Utah 2017, Chapter 345
- 30 **4-38-203**, as renumbered and amended by Laws of Utah 2017, Chapter 345
- 31 **4-38-301**, as renumbered and amended by Laws of Utah 2017, Chapter 345
- 32 **4-38-401**, as renumbered and amended by Laws of Utah 2017, Chapter 345

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

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

36 **4-38-102. Definitions.**

37 As used in this chapter:

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

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

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

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

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

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

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

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

53 **4-38-104. Powers and duties of commission.**

54 (1) The commission shall:

55 (a) license, regulate, and supervise [~~all~~] the persons involved in the racing of horses as
56 provided in this chapter;

57 (b) license, regulate, and supervise ~~[aH]~~ the recognized race meets held in this state
58 under the terms of this chapter;

59 (c) cause the various places where recognized race meets are held to be visited and
60 inspected at least once a year;

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

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

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

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

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

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

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

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

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

78 (2) The commission may:

79 (a) grant, suspend, or revoke licenses issued under this chapter;

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

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

83 (d) exclude from any racetrack facility in this state ~~[any]~~ a person, including an owner,
84 who:

85 (i) the commission considers detrimental to the best interests of racing; or [any person
86 who violates any provisions of]

87 (ii) violates this chapter or any rule or order of the commission[-]; and

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

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

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

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

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

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

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

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

103 **4-38-201. Licenses -- Fees -- Duties of licensees.**

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

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

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

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

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

116 **4-38-202. Stewards.**

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

119 one of the stewards shall be selected by the commission.

120 (b) For the purpose of enforcing this chapter and the rules and orders of the
 121 commission, a decision by the stewards shall be passed by a majority vote.

122 ~~[(b)]~~ (c) Stewards shall exercise reasonable and necessary authority as designated by
 123 rules of the commission including the following:

124 (i) enforce rules of the commission;

125 (ii) rule on the outcome of events;

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

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

132 (v) suspend licenses not to exceed one year for violations of rules of the commission,
 133 which suspension shall be reported to the commission daily; ~~[and]~~

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

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

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

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

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

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

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

148 **4-38-203. Race meets -- Licenses -- Fairs.**

149 (1) ~~[Each]~~ A person making application for a license to hold a race meet under this

150 chapter shall file an application [~~with the commission which shall set~~] that sets forth the time,
151 place, and number of days the race meet will continue, and other information the commission
152 may require.

153 (2) A person who has been convicted of a crime involving moral turpitude may not be
154 issued a license to hold a race meet.

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

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

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

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

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

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

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

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

178 **4-38-301. Investigation -- License denial and suspension -- Grounds for**
179 **revocation -- Fines.**

180 (1) The commission or board of stewards of a recognized race meet, upon their own

181 motion may, and upon verified complaint in writing of any person shall, investigate the
182 activities of ~~[any]~~ a licensee within the state or ~~[any]~~ a licensed person upon the premises of a
183 racetrack facility.

184 (2) The commission or board of stewards may fine, suspend a license, or deny an
185 application for a license.

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

188 ~~[(3)]~~ (4) The commission may revoke a license, if the licensee has committed any of
189 the following violations:

190 (a) substantial or willful misrepresentation;

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

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

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

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

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

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

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

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

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

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

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

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

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

215 (i) firearms; or

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

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

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

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

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

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

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

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

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

242 (u) racing at a racetrack facility without having that horse registered to race at that

243 racetrack facility.

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

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

251 Section 7. Section ~~4-38-401~~ is amended to read:

252 **4-38-401. Race meet escrow.**

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

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