

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 24, 2010  
POSITION: Oppose

BILL NUMBER: AB 2215  
AUTHOR: F. Fuentes

**BILL SUMMARY: Horse Racing: Advance Deposit Wagering**

This bill would specify the California Horse Racing Board (CHRB) is required to adopt rules and regulations for advance deposit wagering (ADW) at minisatellite wagering facilities and is authorized to recover those costs, as specified. This bill also would make changes to the distribution of ADW takeout.

**FISCAL SUMMARY**

The CHRB indicates this bill would require additional resources to conduct inspections of ADW wagering accounts for compliance with Horse Racing Law. This bill would authorize the CHRB to recover any costs associated with licensing or regulation of ADW activities in a minisatellite wagering facility either directly from the ADW provider or through an increase in its funding formula, as specified. Any request for additional expenditure authority would be subject to review and approval through the annual budget process.

**COMMENTS**

The Department of Finance is opposed to this bill because it would result in additional costs that are not included in the 2010-11 Governor’s Budget.

Existing law authorizes ADW wagering to be conducted with the approval of the CHRB and requires the CHRB to develop and adopt rules to license and regulate all phases of operation of ADW.

This bill would:

- Specify the CHRB is required to adopt rules and regulations authorizing ADW providers to create and administer wagering accounts at minisatellite wagering facilities.
- Authorize the CHRB to recover any costs associated with licensing or regulation of ADW activities in a minisatellite wagering facility, either directly from the ADW provider or through an increase in its funding formula.
- Authorize a minisatellite wagering facility to enter into an agreement with an ADW provider to facilitate ADW.
- Combine the takeout reduction calculated for harness racing-generated ADW with the total takeout reduction for all forms of horseracing, rather than the current practice of calculating the reduction separately. This amendment also would reduce the maximum amount (from \$2.5 million to \$2 million) of the total ADW takeout reduction that can be distributed to the jockey contribution retirement plan, backstretch personnel pension plans, and the horsemen/backstretch personnel welfare fund.

Analyst/Principal (0221)John Fitzpatrick	Date	Assistant Program Budget Manager Nona Martinez	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

**AMENDMENT DATE**

**BILL NUMBER**

F. Fuentes

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AB 2215

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	
8550/Horse Racing	SO	No		-----	See Fiscal Summary	-----			3153
1109/Hors Rac Lic	RV	No		-----	See Fiscal Summary	-----			3153

<u>Fund Code</u>	<u>Title</u>
3153	Horse Racing Fund