

SIXTH BIENNIAL REPORT

CALIFORNIA
HORSE RACING BOARD

TO THE GOVERNOR AND TO THE
LEGISLATURE OF THE STATE
OF CALIFORNIA



FOR THE PERIOD DECEMBER 1, 1942
TO NOVEMBER 30, 1944

44145

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CALIFORNIA HORSE RACING BOARD

BOARD MEMBERS

GEORGE H. PAYNE, Chairman

DWIGHT MURPHY

LOYD WRIGHT

W. C. BUCHANAN, Secretary

OFFICES

Los Angeles Office

**591 CHAMBER OF COMMERCE BUILDING
LOS ANGELES, CALIFORNIA**

Sacramento Office

**637 FORUM BUILDING
SACRAMENTO, CALIFORNIA**

To the HONORABLE GOVERNOR, and
 To the Legislature of the State of California.

Pursuant to the provisions of Sections 19432, of Article 2, Chapter 4, Division 8, Business and Professions Code, the California Horse Racing Board presents herewith its biennial report covering the period from December 1, 1942 to November 30, 1944.

The receipts of this board from all sources during the period covered by this report totaled \$5,663,379.87. As provided by law the revenue received by the board has been forwarded to the State Treasurer to be credited, as provided by statute, \$4,740,549.26 to Fair and Exposition Fund and \$922,830.61 to General Fund. The California Horse Racing Board derives its revenue from collection of percentages of pari-mutuel pools handled at licensed race meetings, from the fees collected for certain licenses and registrations and from fines levied against associations licensed to conduct race meetings.

The revenue derived by the State for this biennium shows an increase of \$1,069,543.61 over the biennium ending November 30, 1942. This increase was occasioned by the partial resumption of racing during the period covered by this report.

At the 1941 Session of the Legislature the support appropriation of the board was increased to \$75,000 per annum to provide for much needed increase in personnel owing to continued expansion of racing in the State. However, in view of the curtailment of racing, and in line with the general effort to reduce expenditures to the minimum during the war emergency, the board, by strict economy and reduction of personnel where possible, kept its expenditures well within the old support appropriation of \$30,000 per annum. The cost of administering the act for the biennium ending November 30, 1944 was \$49,100.71. (The members of this board receive no compensation for their services.) The net revenue to the State was \$5,614,279.16.

As an indication of the progress of the sport of thoroughbred racing in California prior to the curtailment in 1942 there is shown below a statement of revenue received by the State each fiscal year since racing was legalized:

85th Fiscal Year, 1933-1934—Total revenue to State.....	\$259,657 36
86th Fiscal Year, 1934-1935—Total revenue to State.....	1,005,103 36
87th Fiscal Year, 1935-1936—Total revenue to State.....	1,587,373 44
88th Fiscal Year, 1936-1937—Total revenue to State.....	1,933,259 84
89th Fiscal Year, 1937-1938—Total revenue to State.....	2,661,142 32
90th Fiscal Year, 1938-1939—Total revenue to State.....	3,030,689 56
91st Fiscal Year, 1939-1940—Total revenue to State.....	2,832,230 66
92nd Fiscal Year, 1940-1941—Total revenue to State.....	3,799,115 10
93rd Fiscal Year, 1941-1942—Total revenue to State.....	1,515,435 18
94th Fiscal Year, 1942-1943—Total revenue to State.....	1,077,685 21
95th Fiscal Year, 1943-1944—Total revenue to State.....	2,372,392 16
Total	\$22,074,084 19

Owing to the uncertainties prevailing at this time as to the future of racing no estimate can be made as to the probable revenue for the present fiscal year.

With the exception of specific appropriation of \$75,000 for the support of the Racing Board and \$30,000 to the Department of Finance all revenue credited to the Fair and Exposition Fund is allocated to State, county, agricultural district and citrus fairs, and to our agricultural schools and colleges, for their support and improvement. Many of the organizations are largely dependent upon these funds for their support and continuation of activities so vital to the agricultural progress of the State.

The following taken from the Department of Finance report of distribution of revenue derived from racing for the fiscal year ending June 30, 1944, will be of especial interest to those citizens of the State who are engaged in agricultural, horticultural, livestock and other activities benefited by the operation of our fairs and colleges:

REPORT OF DEPARTMENT OF FINANCE

Distribution of Revenue Received, Ninety-fifth Fiscal Year
July 1, 1943, to June 30, 1944

Total Revenue for Distribution.....		\$1,997,274 56
Less Fixed Annual Appropriations:		
California Horse Racing Board.....	\$24,782 00	
Department of Finance		
Division of Audits.....	7,500 00	
Division of Fairs and Expositions.....	11,474 00	
California State Fair.....	125,000 00	
Los Angeles County Fair.....	125,000 00	
Sixth District Agricultural Association.....	15,000 00	
Contribution to State Employees' Retirement Fund	10,000 00	318,756 00
First Balance		\$1,678,518 56
Less Allocation to Fairs:		
5% of First Balance to Citrus Fairs.....	\$83,925 93	
40% of First Balance to Agricultural Fairs..	671,407 43	755,333 36
Second Balance		\$923,185 20
Less Other Allocations:		
25% for California Polytechnic Schools.....	\$230,796 29	
33% for University of California.....	304,651 11	
42% for Construction, Improvements and Purchase of Land at State, County, District and Citrus Fairs ⁽²⁾	\$387,737 80	\$923,185 20

⁽²⁾ Appropriation of \$100,000 annually from these funds to I-A District Agricultural Association under Section 19626.5 Business and Professions Code.

The allocation of these funds to the State, county and agricultural district fairs of California carries out in a substantial manner the declared purpose of the Racing Act—encouragement of agriculture and breeding. Prior to the curtailment of racing, on account of the war emergency, the progress and expansion of the breeding industry in the State was highly gratifying, many millions of dollars having been invested in the industry. The breeding stock of the State was being constantly improved by the addition of new stallions and brood mares from

other sections of this Country and abroad, and many new breeding farms were being established. The curtailment of racing is, of course, having a serious effect on the industry.

The provisions of the Racing Act that 10 per cent of the first money of every purse won by a horse bred in the State of California shall be paid to the breeder of such animal, and that there shall be at least one race each day limited to horses foaled in California has been strictly complied with. This bonus to breeders, together with many valuable stakes established for California-bred horses constituted a splendid inducement to California breeders, and created a ready market for California-bred horses.

The record shows that for the biennium covered by this report, the sum of \$2,960,910 was paid in purses and stakes by the licensed associations and fairs operating under license by this board and that by far the major portion was won by our Western breeders and owners. During that same period California-bred horses won 1025 races run on California tracks.

This board and the racing associations of the State have cooperated fully and effectively with the armed forces and Federal agencies during the war emergency to the end that there be no damage to the war effort as a result of racing. The two race tracks operated during the period covered by this report made possible the distribution of large sums to war effort service organizations and to other worthy charitable agencies. The California Jockey Club contributed \$2,516,283.35 from the six meetings held at Bay Meadows and the Hollywood Turf Club contributed \$1,013,-481.26 from one meeting of 34 days held at Hollywood Park.

Herewith is the financial statement of this board for the period December 1, 1942, to November 30, 1944:

STATEMENT OF EXPENDITURES—SIXTH BIENNIAL REPORT

For the Period December 1, 1942, to November 30, 1944

<i>Function</i>	<i>Salaries and wages</i>	<i>Operating expenses</i>	<i>Property and equipment</i>	<i>Total</i>
Administration:				
Board members traveling----		\$2,385 75		\$2,385 75
Other traveling -----		5,446 53		5,446 53
General office -----	\$26,746 35	833 56	\$34 64	
Materials and supplies,				
Printing -----		1,228 88		28,843 43
Postage -----		425 00		425 00
Pro-rata general fiscal admin- istration -----		171 36		171 36
Pro-rata Attorney-General ---		6,000 00		6,000 00
Pro-rata Personnel Board---		157 73		157 73
Rent -----		3,928 80		3,928 80
Tel., Tel. and Tel.-----		1,535 76		1,535 76
Freight, cartage, express----		206 35		206 35
Totals -----	\$26,746 35	\$22,310 72	\$34 64	\$49,100 71

STATEMENT OF INCOME—SIXTH BIENNIAL REPORT

From 4% of Total Mutuel Pools, \$118,068,444.00.	
Fair and Exposition Fund.....	\$4,722,737 76
From License Fees, Registrations, etc.	
Fair and Exposition Fund.....	17,811 50
From 1%—General Fund.....	435,064 97
From 2%—General Fund.....	484,971 64
From Unclaimed Pari-Mutuel Wagers—General Fund.....	2,794 00
Total	\$5,663,379 87

RACING PERMITS GRANTED

Name	Number of days	Total Mutuel Pool	4% State Fair and Exposition Fund	State General Fund	
				1%	2%
Bay Meadows (Fall)— December 1, 1942- December 19, 1942.....	15	\$3,508,497 00	\$140,259 88	\$35,084 97	
Bay Meadows (Early Spring)— February 20, 1943- April 3, 1943.....	25	4,616,166 00	184,646 64		
Bay Meadows (Late Spring)— April 6, 1943-May 8, 1943.....	25	5,897,199 00	227,887 96		
Bay Meadows (Fall)— October 2, 1943- December 18, 1943.....	64	22,100,855 00	884,034 20	100,000 00	\$42,017 10
Bay Meadows (Spring)— March 18, 1944-June 17, 1944.....	65	27,292,281 00	1,091,691 24	100,000 00	145,345 62
Bay Meadows (Fall)— September 9, 1944- October 26, 1944.....	41	20,237,128 00	809,485 12	100,000 00	4,742 56
Hollywood (Fall)— November 1, 1944- November 30, 1944.....	22	34,618,318 00	1,384,732 72	100,000 00	292,266 36
Totals	257	\$118,068,444 00	\$4,722,737 76	\$435,084 97	\$484,971 64

PURSE AND STAKES DISTRIBUTION

<i>Name</i>	<i>Total purse and stakes</i>
Bay Meadows.....	\$2,458,410 00
Hollywood Park.....	502,500 00
Total	\$2,960,910 00

LICENSES AND REGISTRATIONS ISSUED

Owners' Licenses.....	\$1,358 00
Trainers.....	6,840 00
Jockeys.....	1,340 00
Apprentice Jockeys.....	58 00
Jockey Agents.....	320 00
Grooms.....	1,318 00
Exercise Boys.....	218 00
Miscellaneous, Handlers, etc.....	175 00
Officials.....	54 00
Pari-Mutuel Operators.....	1,618 00
Authorized Agents.....	2,010 00
Assumed Name Registered.....	2,475 00
Duplicate Licenses Issued.....	27 50
Total	\$17,811 50

FINES AGAINST ASSOCIATIONS

None

SUSPENSION OF PERMITS ISSUED TO ASSOCIATIONS

None

LICENSEES SUSPENDED OR RULED OFF BY BOARD

Trainer	-----	1
Groom	-----	1

All of which is respectfully submitted.

CALIFORNIA HORSE RACING BOARD,

GEORGE H. PAYNE, Chairman

DWIGHT MURPHY, Member

LOYD WRIGHT, Member

W. C. BUCHANAN, Secretary

12/1/42-11/30/44