

Eighth Biennial Report . . .

8th Biennial
12/1/46-11/30/48

California

HORSE RACING BOARD

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



For the Period

DECEMBER 1, 1946

to

NOVEMBER 30, 1948

Eighth Biennial Report

To the Governor and the Legislature
of the State of California

California Horse Racing Board

For the Period December 1, 1946

to

November 30, 1948

CALIFORNIA HORSE RACING BOARD

BOARD MEMBERS

LOYD WRIGHT, *Chairman*
DWIGHT MURPHY, *Member*
NION R. TUCKER, *Member*
ALFRED B. FISKE, *Secretary*

OFFICES

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**EIGHTH BIENNIAL REPORT TO THE GOVERNOR AND THE
LEGISLATURE OF THE STATE OF CALIFORNIA**

For the Period December 1, 1946, to November 30, 1948

*To THE HONORABLE EARL WARREN, Governor, and
to Members of the Legislature:*

Pursuant to the provision of the law so requiring, the California Horse Racing Board presents, herewith, its biennial report, covering the period from December 1, 1946, to November 30, 1948.

The board submits its report in three (3) parts: Part I, consists of statistical data which should prove helpful to quickly appraise the present status of racing in California, the sums received by the State, the disbursement thereof, the amount of money returned to the public, the associations' commissions, as well as the funds derived from so-called charity days, and the dispersals of said funds; Part II, contains the affirmative suggestions of the board; Part III, poses certain questions which the board respectfully offers for the attention of the Legislature for whatever assistance it may render to this honorable body in revising the laws covering racing in California so as to meet the present day conditions.

Respectfully,

LOYD WRIGHT, Chairman
DWIGHT MURPHY, Member
NION TUCKER, Member

ALFRED B. FISKE,
Secretary

The following tabulations reflect the total statistical data compiled by the board since its last biennial report:

PART I

THE MAJOR RACING CIRCUIT

Meetings	Dates	Number of days	Number of races	Total mutuel pool
RUNNING RACES				
California Jockey Club, Bay Meadows.....	12/ 1/46-12/14/46	12	90	\$8,460,537
Los Angeles Turf Club, Santa Anita.....	12/28/46- 3/ 8/47	50	400	123,436,852
Tanforan Co., Ltd., Tanforan.....	3/14/47- 5/10/47	41	328	32,466,067
Hollywood Turf Club, Hollywood.....	5/24/47- 8/ 2/47	50	400	102,733,154
Del Mar Turf Club, Del Mar.....	8/ 5/47- 9/20/47	41	328	22,938,918
Pacific Turf Club, Inc., Golden Gate.....	9/ 9/47-10/25/47	41	328	29,723,914
California Jockey Club, Bay Meadows.....	10/28/47-12/13/47	41	328	28,338,624
Los Angeles Turf Club, Santa Anita.....	12/27/47- 3/ 6/48	50	400	108,727,729
California Jockey Club, Bay Meadows.....	3/13/48- 5/ 8/48	41	328	31,309,248
Hollywood Turf Club, Hollywood.....	5/18/48- 7/24/48	50	400	95,683,124
Del Mar Turf Club, Del Mar.....	7/27/48- 9/11/48	41	328	23,523,270
Pacific Turf Club, Inc., Golden Gate.....	9/14/48-10/30/48	41	328	29,839,541
Tanforan Co., Ltd., Tanforan.....	11/27/48-11/30/48	25	200	14,971,610
Total running races.....		524	4,192	\$651,957,588
HARNESSE MEETINGS				
Western Harness Racing Ass'n (H.P.).....	4/11/47- 5/17/47	27	216	\$13,559,161
Pacific Coast Trotting Ass'n (B.M.).....	5/29/47- 7/ 5/47	22	178	2,266,476
Western Harness Racing Ass'n (S.A.).....	4/ 2/48- 5/15/48	35	280	13,771,108
Pacific Coast Trotting Ass'n (B.M.).....	5/23/48- 7/ 5/48	23	224	2,814,416
Total harness meetings.....		112	896	\$32,411,161
GRAND TOTAL RUNNING AND HARNESSE MEETINGS.....		636	5,088	\$684,368,749
GRAND TOTAL RUNNING, HARNESSE AND FAIR MEETINGS.....		735	6,119	\$704,892,423

THE MAJOR RACING CIRCUIT

State revenue				Returned to public	Association commission
4 percent Fair and Exposition Fund	1 percent and 2 percent General Fund	1 percent, 2 percent Wildlife Restoration Fund (Stat. 19627)	State College Fund Breakage (Stat. 19620.1)		
\$338,421 48	\$169,210 74			\$7,296,404 40	\$592,237 59
4,937,474 08	2,168,737 04			106,506,719 30	8,940,579 64
1,298,642 68	349,321 34			27,999,573 85	2,572,624 69
4,109,326 16	1,754,663 08			88,588,978 15	7,491,320 78
017,556 72	71,509 46	\$87,268 90		19,765,953 10	1,905,724 26
1,188,956 56		294,478 28		25,026,211 15	2,380,673 98
1,133,544 96		266,772 48	\$9,992 40	24,450,705 10	2,283,703 68
4,349,109 16		1,874,554 58	599,383 95	93,783,727 55	7,910,941 03
1,252,369 92		326,184 96	32,470 51	27,021,662 00	2,401,647 36
3,827,224 96	767,475 88	846,186 60	560,272 07	82,400,166 50	6,997,818 08
941,130 80		170,565 40		20,270,267 05	1,946,978 90
1,185,581 64		292,790 82	21,702 10	25,557,645 90	2,374,767 87
598,864 40		49,716 10		12,907,674 90	1,297,728 80
\$26,078,303 52	\$5,280,917 54	\$4,208,518 12	\$1,223,821 03	\$562,235,688 95	\$49,186,747 26
\$542,366 44	\$35,591 61			\$11,676,412 25	\$1,184,732 88
90,659 04				1,964,001 00	203,982 84
550,844 32		\$37,711 08		11,861,264 35	1,201,688 64
112,576 64				2,423,664 50	253,297 44
\$1,296,446 44	\$35,591 61	\$37,711 08		\$27,915,342 10	\$2,843,701 80
\$27,374,749 96	\$5,316,509 15	\$4,246,229 20	\$1,223,821 03	\$590,151,031 05	\$52,030,449 06
\$28,195,696 92	\$5,316,509 15	\$4,246,229 20	\$1,223,821 03	\$607,827,389 65	\$53,877,579 72

THE MAJOR RACING CIRCUIT—Continued

Meetings	Association breakage	Total attendance	Daily average attendance
RUNNING RACES			
California Jockey Club, Bay Meadows.....	\$64,309 69	98,511	8,209
Los Angeles Turf Club, Santa Anita.....	881,851 44	1,762,211	35,244
Tanforan Co., Ltd., Tanforan.....	244,797 24	442,402	10,790
Hollywood Turf Club, Hollywood.....	796,092 98	1,460,471	29,209
Del Mar Turf Club, Del Mar.....	191,614 65	342,702	8,359
Pacific Turf Club, Inc., Golden Gate.....	211,380 66	483,929	11,803
California Jockey Club, Bay Meadows.....	197,192 38	394,183	9,614
Los Angeles Turf Club, Santa Anita.....	207,924 28	1,641,040	32,821
California Jockey Club, Bay Meadows.....	184,096 85	472,999	11,537
Hollywood Turf Club, Hollywood.....	222,739 61	1,394,529	27,891
Del Mar Turf Club, Del Mar.....	199,508 85	339,550	8,282
Pacific Turf Club, Inc., Golden Gate.....	206,641 42	470,065	11,465
Tanforan Co., Ltd., Tanforan.....	117,625 80	223,600	8,944
Total running races.....	\$3,725,865 85	9,526,192	-----
HARNESSE MEETINGS			
Western Harness Racing Ass'n (H.P.).....	\$119,917 32	252,653	9,358
Pacific Coast Trotting Ass'n (B.M.).....	18,526 57	54,313	2,469
Western Harness Racing Ass'n (S.A.).....	119,605 61	245,412	7,013
Pacific Coast Trotting Ass'n (B.M.).....	24,754 72	64,334	2,299
Total harness meetings.....	\$282,804 22	616,712	-----
GRAND TOTAL RUNNING AND HARNESSE MEETINGS.....	\$4,008,670 07	10,142,904	-----
GRAND TOTAL RUNNING, HARNESSE AND FAIR MEETINGS.....	\$4,183,199 17	10,795,512	-----

THE MAJOR RACING CIRCUIT—Continued

Daily average pool	Purses	Daily average purse	California bred winners	Awarded California breeders
\$705,045	\$246,600	\$20,550	49	\$6,455 50
2,468,737	2,231,000	44,620	189	74,837 00
791,855	881,000	21,488	189	31,262 50
2,054,663	1,970,500	40,215	233	84,787 50
559,486	698,400	17,034	192	25,071 25
724,973	999,450	24,377	181	31,266 50
691,185	867,950	21,170	185	32,276 00
2,174,555	2,412,500	48,250	162	51,058 50
763,640	913,000	22,270	185	27,268 00
1,913,663	1,954,500	39,090	203	62,012 50
573,860	785,800	17,941	208	25,695 00
722,916	899,950	21,950	185	25,731 50
598,864	502,650	20,106	111	16,711 50
	\$15,313,100		2,272	\$494,423 25
\$502,191	\$417,250	\$15,455	54	3,387 50
103,022	135,500	6,159	71	2,305 00
393,460	512,510	14,643	73	4,400 00
100,515	131,825	4,708	127	3,325 02
	\$1,197,085		325	\$13,417 52
	\$16,510,185		2,597	\$507,840 77
	\$17,343,849		3,180	\$535,726 77

THE FAIR RACING CIRCUIT

Meetings	Dates	Number of days	Number of races	Total mutual pool	4 percent State Fair and Exposition Fund	Returned to public	Association commission
FAIRS							
Sacramento County, Galt.....	7/23/47- 7/26/47	4	40	\$265,725	\$10,629 00	\$229,071 35	\$33,915 25
Sonoma County, Santa Rosa.....	8/ 2/47- 8/ 9/47	7	31	1,049,729	41,989 16	905,037 55	94,475 61
Humboldt County, Ferndale.....	8/12/47- 8/17/47	4	24	108,219	4,328 78	930,058 10	9,739 71
San Joaquin County, Stockton.....	8/16/47- 8/23/47	7	78	814,765	32,590 60	700,703 45	73,328 85
California State, Sacramento.....	8/29/47- 9/ 6/47	8	82	2,004,207	80,168 28	1,723,456 10	180,378 63
Alameda County, Pleasanton.....	7/ 9/48- 7/17/48	8	93	1,498,185	59,927 40	1,285,544 20	134,836 65
Sacramento County, Galt.....	7/21/48- 7/24/48	4	40	345,426	13,817 04	297,633 90	31,088 34
Sonoma County, Santa Rosa.....	7/30/48- 8/ 7/48	8	97	1,320,433	52,817 32	1,137,855 40	118,838 97
Humboldt County, Ferndale.....	8/11/48- 8/14/48	4	25	118,488	4,739 52	101,833 30	10,663 92
San Mateo County, Bay Meadows.....	8/10/48- 8/20/48	10	110	2,398,318	95,932 72	2,068,379 60	215,848 62
San Joaquin County, Stockton.....	8/21/48- 8/28/48	7	72	882,039	35,281 56	759,355 20	79,383 51
California State, Sacramento.....	9/ 2/48- 9/11/48	9	99	2,287,145	91,485 80	1,971,934 95	205,843 05
Los Angeles County, Pomona.....	9/17/48-10/ 2/48	14	144	6,915,644	276,625 76	5,958,395 25	622,407 96
Fresno District, Fresno.....	10/ 5/48-10/ 9/48	5	46	515,351	20,614 04	444,100 25	46,381 59
Total fair meetings.....		99	1,031	\$20,523,674	\$820,946 96	\$17,676,358 60	\$1,847,130 66

Meetings	Dates	Association breakage	Total attendance	Daily average attendance	Daily average pool	Purses	Daily average purse	California bred winners	Awarded California breeders
FAIRS									
Sacramento County, Galt.....	7/23/47- 7/26/47	\$2,052 70	11,214	2,803	\$66,431	\$18,800	\$4,700	27	\$776 25
Sonoma County, Santa Rosa.....	8/ 2/47- 8/ 9/47	8,226 68	49,577	7,082	149,961	52,000	7,428	45	1,720 00
Humboldt County, Ferndale.....	8/12/47- 8/17/47	1,092 43	11,500	2,875	27,055	9,200	2,300	11	257 50
San Joaquin County, Stockton.....	8/16/47- 8/23/47	8,142 10	27,994	3,999	116,395	49,300	7,043	47	1,715 00
California State, Sacramento.....	8/29/47- 9/ 6/47	20,203 99	80,031	10,004	250,528	82,964	10,370	53	3,569 70
Alameda County, Pleasanton.....	7/ 9/48- 7/17/48	13,375 27	30,562	3,820	187,298	55,600	6,950	49	1,294 50
Sacramento County, Galt.....	7/21/48- 7/24/48	2,849 97	13,859	3,465	86,357	18,650	4,663	20	407 25
Sonoma County, Santa Rosa.....	7/30/48- 8/ 7/48	10,921 31	20,000	3,625	185,054	60,900	7,613	52	1,487 00
Humboldt County, Ferndale.....	8/11/48- 8/14/48	1,251 26	16,632	4,158	29,622	9,050	2,263	11	260 00
San Mateo County, Bay Meadows.....	8/10/48- 8/20/48	18,021 81	42,614	4,262	239,832	107,600	10,760	59	3,130 50
San Joaquin County, Stockton.....	8/21/48- 8/28/48	8,040 23	26,562	3,795	126,006	47,000	6,714	42	1,315 00
California State, Sacramento.....	9/ 2/48- 9/11/48	17,881 20	78,361	8,707	254,127	112,300	12,478	46	3,058 55
Los Angeles County, Pomona.....	9/17/48-10/ 2/48	58,215 03	211,169	15,084	493,975	182,700	13,050	95	7,939 75
Fresno District, Fresno.....	10/ 5/48-10/ 9/48	4,255 12	23,533	4,707	103,070	27,600	5,520	28	975 00
Total fair meetings.....		\$174,529 10	652,608			\$633,664		583	\$27,886 00

FIFTEEN YEARS OF RACING

The following tabulation with comparisons illustrates the yearly revenue derived by the State from racing since its inception in 1933 and up to and including the end of the fiscal year which ended on June 30th, 1948.

The figures hereunder portrayed show that while the revenue for the 1947-1948 fiscal year was the second largest on record for the State of California, received from Pari-Mutuel Wagering, that the cost of operation was less than one-half of 1 percentum of this impressive sum.

The ever-increasing number of California-foaled thoroughbred and standardbred winners on the racing circuits is also of interest and indicative of the benefits derived by owners under Section 19562 of the Racing Act, and as reflected in the figures hereunder and the foregoing biennial statistical table. Purses to owners likewise show a beneficial increase in size and in number.

	1933-1934	1934-1935	1935-1936	1936-1937	1937-1938	1938-1939	1939-1940	1940-1941
Total pool.....	\$6,315,634 00	\$24,862,484 00	\$39,359,361 00	\$47,976,296 00	\$66,142,358 00	\$75,371,789 00	\$70,423,604 00	\$94,553,615 00
4 percent State revenue.....	252,625 36	994,499 36	1,574,394 44	1,919,051 84	2,645,694 32	3,014,871 56	2,816,944 16	3,782,144 60
1 percent State revenue.....								
2 percent State revenue.....								
Breakage—State revenue.....								
License fee revenue.....	7,032 00	10,604 00	12,979 00	14,208 00	15,448 00	15,818 00	15,286 50	16,970 50
Unclaimed pari-mutual—State revenue.....								
Total revenue.....	\$259,657 36	\$1,005,103 36	\$1,587,373 44	\$1,933,259 84	\$2,661,142 32	\$3,030,689 56	\$2,832,230 66	\$3,799,115 10
Operating cost.....	\$19,146 01	\$18,670 56	\$18,082 28	\$19,391 11	\$24,445 74	\$25,064 12	\$26,135 57	\$31,038 50
a. Percent relationship to revenue.....	.07373	.01857	.01139	.01003	.00918	.00827	.00922	.00816
Purses.....				\$1,497,275 00	\$2,052,600 00	\$2,419,055 00	\$2,360,395 00	\$2,295,761 25
Number of meetings.....	5	7	11	16	21	18	18	19
Number of days raced.....	112	134	192	212	253	272	263	284
Personnel employed.....	4½	4½	4½	4½	5	5	5	6
a. Los Angeles office.....	2	2	2	2	2	2	2	3
b. Sacramento office.....	1	1	1	1	1	1	1	1
c. San Francisco office.....	0	0	0	0	0	0	0	0
d. Track (clerical).....	1½	1½	1½	1½	1	2	2	2
e. Investigators.....	0	0	0	0	1	0	0	0
Number saliva tests.....			328	913	1,834	2,108	2,003	3,519
Number urine tests.....								624
Horses claimed.....			320	362	440	502	405	621
California bred winners.....				551	705	680	653	792

FIFTEEN YEARS OF RACING—Continued

	1941-1942	1942-1943	1943-1944	1944-1945	1945-1946	1946-1947	1947-1948
Total pool.....	\$37,816,692 00	\$25,569,145 00	\$49,393,136 00	\$152,394,493 00	\$414,767,035 00	\$343,884,702 00	\$354,242,360 00
4 percent State revenue.....	1,512,667 68	1,022,765 80	1,975,725 44	6,095,779 72	16,590,681 40	13,755,388 08	14,169,694 40
1 percent State revenue.....		47,115 91	200,000 00	300,000 00	620,191 00	535,591 61	663,430 72
2 percent State revenue.....			187,862 72	1,847,889 86	5,546,367 00	4,431,685 36	4,244,135 46
Breakage—State revenue.....							900,375 75
License fee revenue.....	2,767 50	7,803 50	8,804 00	14,899 00	21,431 00	18,834 50	18,851 50
Unclaimed pari-mutuel—State revenue.....				2,794 00	730 55	121,018 95	284,052 85
Total revenue.....	\$1,515,435 18	\$1,077,685 21	\$2,372,392 16	\$8,261,362 58	\$22,779,400 55	\$18,862,518 50	\$19,996,487 83
Operating cost.....	28,117 45	25,192 75	25,179 13	22,626 53	40,402 84	50,606 00	91,281 00
a. Percent relationship to revenue.....	.01855	.02337	.01061	.00274	.00178	.00269	.00459
Purses.....	\$1,377,478 75	\$959,010 00	\$1,387,700 00	\$2,578,200 00	\$7,574,080 00	\$7,312,100 00	\$8,891,499 00
Number of meetings.....	15	4	2	3	13	13	13
Number of days raced.....	165	117	129	110	340	306	363
Personnel employed.....	6	4	4	6	7	11	15
a. Los Angeles office.....	3	2	2	3	3	3	5
b. Sacramento office.....	1	1	1	1	1	1	0
c. San Francisco office.....	0	0	0	0	0	0	1
d. Track (clerical).....	2	1	1	1	1	3	3
e. Investigators.....	0	0	0	1	2	4	6
Number saliva tests.....	2,115	940	1,049	973	2,985	2,744	3,213
Number urine tests.....	927	316	935	900	2,653	2,513	2,894
Horses claimed.....	203	93	443	333	488	355	393
California bred winners.....	530	437	512	405	1,285	1,300	1,516

The summary hereunder of the individual licenses and registrations issued for the past two years shows that the total number issued resulted in an increase in revenue of almost \$4,000 over the previous biennium.

INDIVIDUAL LICENSES AND REGISTRATIONS ISSUED

Southern Major Race Tracks

(January 1, 1947-December 31, 1948)

3,411	Owners.....	@ \$1 00	\$3,411 00
1,192	Trainers.....	@ 10 00	11,920 00
301	Jockeys.....	@ 10 00	3,010 00
101	Apprentice jockeys.....	@ 1 00	101 00
119	Jockey agents.....	@ 5 00	595 00
3,567	Grooms.....	@ 1 00	3,567 00
820	Exercise boys.....	@ 1 00	820 00
657	Miscellaneous.....	@ 1 00	657 00
166	Officials.....	@ 1 00	166 00
2,789	Pari-mutuel.....	@ 1 00	2,789 00
388	Authorized agents.....	@ 10 00	3,880 00
268	Assumed names.....	@ 25 00	6,700 00
105	Duplicates.....	@ 50	52 50
230	Special trainers.....	@ 1 00	230 00
369	Harness horse trainers and drivers.....	@ 1 00	369 00
			<hr/>
			\$38,267 50

TOTAL PARI-MUTUEL WAGERING SINCE 1933

Since racing was legalized in 1933, almost \$2,000,000,000 has passed through the pari-mutuel machines in the State of California. Of this amount, almost \$95,000,000 has been received by the State as revenue. The major portion of this \$95,000,000 has been distributed to the Fair and Exposition Fund. The remainder has gone into the State General Fund, the Wildlife Restoration Fund and the State College Fund.

The total amount of money received by the Race Track Managements from the pari-mutuel tax was approximately \$160,000,000.

For those who may wish to study the total pari-mutuel handle of individual major tracks, the following figures were prepared from data acquired through the Board's Statistical Department.

TOTAL PARI-MUTUEL HANDLE FROM THOROUGHBRED RACING**Southern Major Race Tracks****(November 1, 1933-November 30, 1948)**

	Days	Santa Anita	Days	Hollywood	Days	Del Mar
1933.....						
1934.....						
1935.....	65	\$15,897,684				
1936.....	58	25,251,933				
1937.....	55	30,068,466			22	\$2,224,301
1938.....	53	37,889,491	34	\$16,858,398	25	3,920,251
1939.....	54	36,386,263	46	19,567,045	24	3,469,965
1940.....	45	28,376,066	51	26,713,728	23	4,417,733
1941.....	51	35,989,166	51	32,186,042	32	7,852,745
1942.....						
1943.....						
1944.....			34	59,608,966		
1945.....	40	87,634,421	35	78,816,501	40	23,846,789
1946.....	55	140,686,541	53	125,819,342	35	23,806,005
1947.....	50	123,436,852	50	102,733,154	41	22,938,918
1948.....	50	108,727,729	50	95,683,124	41	23,528,270
Track totals.....	581	\$670,344,612	406	\$557,936,300	283	\$116,004,977

The Board's Statistical Department has also prepared figures indicating the revenue received by the State from 1933 through November 30, 1948, separated by the various tracks.

STATE REVENUE *

	Santa Anita		Hollywood		Del Mar State tax	Bay Meadows		Tanforan State tax	Golden Gate	
	State tax	Breakage	State tax	Breakage		State tax	Breakage		State tax	Breakage
1933								\$88,402 84		
1934						\$155,045 04		152,369 80		
1935	\$635,907 36					102,583 56		80,922 60		
1936	1,010,077 32					117,050 24		109,108 48		
1937	1,202,738 64				\$88,972 04	146,846 40		157,388 20		
1938	1,515,579 64		\$674,335 92		156,810 04	169,236 16		141,168 96		
1939	1,455,450 52		782,681 80		138,798 60	174,530 92		169,792 04		
1940	1,135,042 64		1,068,549 12		176,709 32	193,781 72		180,764 68		
1941	1,439,566 64		1,285,441 68		314,109 80	159,570 36		136,634 08		
1942						147,527 32		125,176 68		
1943						125,285 04		130,676 72		
1944			3,276,537 96			142,216 20		155,487 56		
1945	4,958,065 26		4,428,990 06		1,130,807 34	635,579 55		394,479 64	\$22,301 52	
1946	8,141,192 46		7,249,160 52		1,128,360 30	184,646 64				
1947	7,106,211 12		5,863,989 24		1,076,335 08	227,387 96				
1948	6,223,663 74	599,383 95	5,440,987 44	560,272 07	1,111,696 20	1,026,051 30	9,992 40	1,647,964 02	1,483,434 84	
Totals	\$34,823,495 34	\$599,383 95	\$30,070,673 74	\$560,272 07	\$5,322,598 72	\$15,051,304 75	\$42,462 91	\$4,600,361 36	\$2,984,108 82	\$21,702 10
	\$35,422,879 29		\$30,630,945 81		\$5,322,598 72	\$15,093,767 66		\$4,600,361 36	\$3,005,810 92	

CALIFORNIA HORSE RACING BOARD

GRAND TOTAL—\$94,076,363.76.
* Sec. 19485.1—Sept. 19, 1947, State receives breakage after \$27,000,000 handle of each meeting.

ASSOCIATION'S COMMISSION AND BREAKAGE, 1933-1948

Year	Days	Tanforan	Days	Bay Meadows	Days	Santa Anita	Days	Del Mar	Days	Hollywood	Days	Golden Gate
1933	41	\$212,237 06										
1934	60	359,283 90	38	\$372,181 96	65	\$1,456,158 74						
1935	24 26	193,076 20 259,218 42	29 21	248,432 34 275,035 26	58	1,924,863 38						
1936	25 25	330,299 10 344,011 24	25 25	352,367 30 403,172 04	55	2,286,780 06						
1937	25 25	407,475 56 433,453 62	25 25	415,749 68 456,780 08	58	2,875,965 96	22	\$219,103 66				
1938	25 25	333,580 02 300,169 52	25 25	386,361 44 350,078 18	54	2,735,206 02	25	376,954 08	34	\$1,606,091 78		
1939	24 25	309,300 98 370,651 64	24 26	300,109 18 341,946 80	45	2,688,618 10	24	334,647 70	46	1,864,941 24		
1940	41	672,167 34	46	779,608 10	51	2,691,512 06	23	423,687 98	51	2,558,697 18		
1941	46	934,543 26	39	807,350 56			32	751,976 78	51	3,077,059 66	5	\$52,514 38
1942			57	1,391,340 55								
1943			25 25 64	453,882 16 560,182 94 2,034,134 05								
1944			65 41	2,414,843 49 1,878,218 42					34	4,949,801 54		
1945			49	3,243,169 09	40	7,179,513 72	40	2,179,119 87	35	6,477,261 25		
1946			45 45	3,084,975 50 2,756,249 03	55	11,175,363 17	35	2,149,819 04	55	10,057,749 72		
1947	41	2,817,421 93	41	2,480,778 46	50	9,822,431 08	41	2,097,338 91	50	8,287,413 76	41	2,592,054 64
1948	25	1,415,354 60	41	2,675,744 21	50	8,118,865 31	41	2,146,577 75	50	7,220,558 29	41	2,581,409 29
Totals	493	\$9,742,334 39	871	\$23,482,690 80	581	\$52,955,277 60	283	\$11,679,225 77	406	\$46,099,574 42	87	\$5,225,978 31

COMBINED GRAND TOTAL FOR ALL MEETINGS (2,721 Days)—\$154,165,081.29.

**FAIR AND EXPOSITION FUND REVENUE RECEIVED FROM HORSE RACING BY THE
STATE CONTROLLER AND DISTRIBUTION OF THE REVENUE**

July 1, 1946, to June 30, 1947--Ninety-eighth Fiscal Year

DISTRIBUTION	
Total available for distribution.....	\$14,005,652 34
Less fixed annual appropriations:	
California Horse Racing Board.....	\$81,402 50
Fairs and Expositions Division.....	38,947 50
State Agricultural Society	
Support—California State Fair.....	125,000 00
Support—Junior Agricultural Fair.....	15,000 00
Los Angeles County Fair.....	125,000 00
I-A District Agricultural Association.....	100,000 00
6th District Agricultural Association.....	15,000 00
Contributions to Employees Retirement Fund.....	25,000 00
Total, fixed annual appropriations.....	\$525,350 00
First balance.....	\$13,480,302 34
Less allocations to fairs	
5% of First Balance to citrus fairs.....	\$674,015 14
40% of First Balance to district and county agricultural fairs.....	\$5,392,120 93
Total, allocation to fairs.....	\$6,066,136 07
Add excess in prior years 5% for citrus fairs redistributed during 98th Fiscal Year.....	706,417 81
Second balance.....	\$8,120,584 08
Distribution of Second Balance:	
25% for California Polytechnic School.....	\$2,030,146 02
33% for University of California.....	2,679,792 75
42% for capital outlay for State, county district and citrus fairs ¹	3,410,645 31

¹ Any amount in excess of the maximum amount which may be apportioned to fairs under Section 19624 of the Business and Professions Code shall be transferred to the second balance and distributed as provided under Section 19626 of said code. The actual redistribution will be made following the close of the fiscal year.

² Appropriations as follows were made during the Ninety-eighth Fiscal Year out of the unallocated balance of funds previously appropriated for capital outlay for fairs.

Chapter 954, Statutes 1947	
Poultry Improvement Commission—additional support Ninety-eighth Fiscal Year.....	\$3,500 00
Chapter 11, Statutes 1947	
Encouragement of 1946 agricultural fairs (Secs. 92 and 92.1, Agri. Code).....	\$250,510 62

³ An additional amount of \$5.35 was made available during the Ninety-eighth Fiscal Year under Section 92.5, Agricultural Code.

July 1, 1947, to June 30, 1948—Ninety-ninth Fiscal Year

DISTRIBUTION OF FAIR AND EXPOSITION FUND REVENUE

Total available for distribution.....		\$14,350,626 59
Less fixed annual appropriations:		
California Horse Racing Board.....	\$102,000 00	
Fairs and Expositions Division.....	2,368 00	
Audits Division.....	30,000 00	
State Agricultural Society		
Support—California State Fair.....	125,000 00	
Support—Junior Agricultural Fair.....	15,000 00	
Los Angeles County Fair.....	125,000 00	
1-A District Agricultural Association.....	100,000 00	
6th District Agricultural Association.....	15,000 00	
Contributions to Employees Retirement Fund.....	55,000 00	
Total, fixed annual appropriations.....		\$569,358 00
First balance.....		\$13,781,268 59
Less allocations to fairs:		
5% of First Balance to citrus fairs ¹	\$689,063 41	
40% of First Balance to district and county agricultural fairs ^{1 2}	5,512,507 43	
Total, allocations to fairs.....		\$6,201,570 84
		\$7,579,697 75
Add excess in prior years 5% for citrus fairs redistributed during 1947-48 Fiscal Year ³		569,015 14
Second balance.....		\$8,148,712 89
Distribution of Second Balance:		
25% for California Polytechnic School.....	\$2,037,178 24	
33% for University of California.....	2,689,075 25	
42% for capital outlay for fairs ³	3,422,459 40	

¹ Any amount in excess of the maximum amount which may be apportioned to fairs under Section 19624 of the Business and Professions Code shall be transferred to the second balance and distributed as provided under Section 19628 of said code. The actual redistribution will be made following the close of the fiscal year.

² Appropriations as follows were made during the 1947-48 Fiscal Year out of the unallocated balance of funds previously appropriated for capital outlay for fairs:

Poultry Improvement Commission, Chapter 486/1947, Item 41.....	\$38,760 00
Poultry Improvement Commission, Chapter 486/1947, Item 42.....	50,150 00
Poultry Improvement Commission, Chapter 486/1947, Item 42.5.....	5,000 00
Audits Division—Finance, Chapter 486/1947, Item 135.....	7,904 80
Fairs and Expositions Division—Finance, Chapter 486/1947, Item 147.....	51,084 00
State Agricultural Society, Chapter 486/1947, Item 149.....	168,300 00
Sixth District Agricultural Association, Chapter 486/1947, Item 153.....	125,000 00
Board of Control Claim, Chapter 1576/1947.....	17 88

³ An additional amount of \$20 was made available during the 1947-48 Fiscal Year under Section 92.5, Agricultural Code.

DISTRIBUTION OF RACING REVENUE

July 1, 1933-June 30, 1948

Since racing was legalized in California in 1933, the number of Fairs has grown from nine until at the present time there are seventy-eight Fairs, all of which are eligible for distribution of Horse Racing Funds, received by the State. The distribution of State Racing Revenue through the Fair and Exposition Fund since July 1, 1933, is shown below:

Fair and Exposition Fund	
Appropriations	
California Horse Racing Board.....	\$646,564 00
Department of Finance—Supervision and Auditing Fairs.....	237,306 00
State Agricultural Society:	
Support—California State Fair.....	1,825,000 00
Support—Junior Agricultural Fair.....	45,000 00
Los Angeles County Fair.....	1,625,000 00
1-A District Agricultural Association.....	300,000 00
Sixth District Agricultural Association.....	195,000 00
Department of Public Works—Exhibit at San Diego Exposition.....	75,000 00
Support—California Polytechnic School.....	49,100 00
Miscellaneous claims.....	637 50
Contributions to State Employees' Retirement Fund.....	131,422 64
Total appropriations.....	\$5,130,030 14
Allocations from first balance	
Encouragement of citrus fairs—5% of first balance.....	\$1,937,616 87
Encouragement of district and county fairs—40% of first balance ¹	26,880,732 09
Total allocations from first balance.....	28,818,348 96
Allocations from second balance	
25%—California Polytechnic School.....	\$9,736,056 34
33%—University of California.....	12,631,835 11
42%—Capital outlay for fairs ²	13,874,787 71
Poultry Improvement Commission—Support.....	126,234 00
Division of Audits—Finance.....	57,904 80
Fairs and Exposition Division.....	51,034 00
State Agricultural Society.....	318,300 00
1-A District Agricultural Association.....	400,000 00
Sixth District Agricultural Association.....	125,000 00
State Relief Administration.....	686,747 70
Encouragement of Agricultural Fairs.....	250,510 62
Miscellaneous claims.....	17 38
Total allocations from second balance.....	38,257,477 66
Total appropriations and allocations.....	\$72,205,856 76

¹ Any amount in excess of the maximum amount which may be apportioned to fairs under Section 19624 of the Horse Racing Act shall be transferred to the second balance and distributed as provided under Section 10626 of said act. The actual redistribution will be made following the close of the fiscal year.

² Appropriations as follows were made during the fiscal years out of the unallocated balance of funds previously appropriated for capital outlay for fairs.

REVENUE RECEIVED BY THE STATE EACH FISCAL YEAR SINCE RACING WAS LEGALIZED

	Total revenue to State
Eighty-fifth Fiscal Year, 1933-1934.....	\$259,657 36
Eighty-sixth Fiscal Year, 1934-1935.....	1,005,103 36
Eighty-seventh Fiscal Year, 1935-1936.....	1,587,373 44
Eighty-eighth Fiscal Year, 1936-1937.....	1,933,259 84
Eighty-ninth Fiscal Year, 1937-1938.....	2,661,142 32
Ninetieth Fiscal Year, 1938-1939.....	3,030,689 56
Ninety-first fiscal year, 1939-1940.....	2,832,230 66
Ninety-second Fiscal Year, 1940-1941.....	3,799,116 10
Ninety-third Fiscal Year, 1941-1942.....	1,516,436 18
Ninety-fourth Fiscal Year, 1942-1943.....	1,077,685 21
Ninety-fifth Fiscal Year, 1943-1944.....	2,375,186 16
Ninety-sixth Fiscal Year, 1944-1945.....	8,258,568 58
Ninety-seventh Fiscal Year, 1945-1946.....	22,779,402 22
Ninety-eighth Fiscal Year, 1946-1947.....	18,741,499 55
Ninety-ninth Fiscal Year, 1947-1948.....	20,117,506 78
Total.....	\$91,973,855 32

CHARITY DAYS

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES RESULTING FROM CHARITY DAY OPERATIONS DURING THE CALENDAR YEAR 1947 AND AS PROVIDED FOR UNDER SECTION 19538 OF THE RACING ACT

Southern Tracks

	(5 Days) Santa Anita	(5 Days) Del Mar	(5 Days) Hollywood
Revenue			
Mutuel commissions and breakage.....	\$858,543 34	\$161,003 01	\$912,424 73
Admissions.....	166,180 00	32,795 64	171,543 83
Concessions.....	43,129 33	7,342 39	41,896 71
Programs.....	20,888 49	3,864 88	20,534 48
Parking.....	13,006 00	1,753 75	12,720 00
Miscellaneous.....	238 64		19 00
Total revenue.....	\$1,101,985 80	\$206,759 67	\$1,159,138 75
Expense			
Racing.....	\$245,638 63	\$102,058 85	\$266,730 76
Mutuels.....	90,534 43	42,524 30	97,573 67
Publicity.....	2,582 38	467 00	6,716 48
Buildings and grounds.....	68,211 66	42,695 30	77,106 21
Administration.....	13,295 37	6,863 66	36,615 10
Provision for Federal Income Tax.....			265,290 95
Total expense.....	\$429,262 47	\$194,609 11	\$750,032 17
	\$672,723 33*	\$12,150 56*	\$400,106 58

Northern Tracks

	(5 Days) Golden Gate	(5 Days) Tanforan	(5 Days) Bay Meadows
Revenue			
Mutuel commissions and breakage.....	\$284,961 71	\$274,170 18	\$262,135 25
Admissions.....		38,863 00	23,287 50
Concessions.....		11,568 48	8,833 99
Programs.....		5,972 84	5,176 51
Parking.....		2,654 75	
Total revenue.....	\$284,961 71	\$333,229 25	\$299,433 25
Expense			
Racing.....	\$107,088 91	\$118,996 50	\$167,433 50
Mutuels.....	52,493 58	47,413 71	50,400 32
Publicity.....	12,309 72	8,261 89	1,595 00
Buildings and grounds.....	32,044 40	42,672 66	22,725 70
Administration.....	8,677 34	10,683 86	5,069 22
Fixed expense allocated to charity.....			22,500 00
Provision for Federal Income Tax.....	21,153 35		11,289 61
Total expense.....	\$233,767 30	\$228,028 62	\$281,013 35
Net profit.....	\$51,194 41	\$105,200 63*	\$18,419 90

* NOTE: Net profit, inclusive of money held in escrow in lieu of tax determination.

**TOTAL ASSOCIATION COMMISSION AND BREAKAGE FROM CHARITY DAYS
AND NET AMOUNT RECEIVED BY CHARITY FOUNDATIONS**

1947 and 1948

	1947 charity days		1948 charity days	
	Commission and breakage	Net income to Foundation†	Commission and breakage	Net income to Foundation†
Bay Meadows.....	\$265,254 50	\$18,419 90	\$221,884 40	\$34,582 81
Del Mar.....	161,003 01	12,150 56	133,888 97	*10,000 00
Santa Anita.....	858,543 34	417,088 46	708,612 65	311,021 54
Hollywood Park.....	912,424 73	409,106 58	755,853 25	375,923 65
Golden Gate.....	284,961 71	48,734 50	153,572 79	17,000 00
Tanforan.....	274,170 18	60,000 00	109,272 29	*21,500 00
Totals.....	\$2,756,357 47	\$965,500 00	\$2,083,084 35	\$771,028 00

* Approximately.

† NOTE: Exclusive of money held in escrow

PART II

The California Horse Racing Board, in compliance with the mandate of the Racing Law, respectfully suggests that there are certain amendments seriously needed to clarify, expedite and advance the administration of racing.

Perhaps the best way to emphasize the terrific growth of racing in California and the constant necessity of amending the basic racing laws which were passed in 1933, is to point out the fact that the first "fiscal year" report discloses a total pool in California of \$6,315,634.00, whereas, the "fiscal year" for 1947-1948 amounted to \$354,242,360.00. The Racing Board feels that it and subsequent boards can more faithfully administer the laws of racing if the suggestions hereinafter contained are given favorable consideration by the Legislature.

We therefore respectfully recommend the following :

1. That **Section 19431** be amended to read as follows:

The Board shall establish and maintain a general office for the transaction of its business at a place to be determined by the board. The board may hold meetings at any other place when the convenience of the members of the board requires.

A majority of the board constitutes a quorum for the transaction of business or for the exercise of any power of the board.

A written concurrence of a majority of the board to any business other than hearings relating to the possible suspension or revocation of a license shall be deemed equivalent to a majority vote.

(The foregoing is desirable because of the many details which have to be passed upon by the board. Since the rendition of its last biennial report, this board has held thirty-two sessions. Frequently it becomes necessary, by reason of distance and time involved in calling a formal meeting and when dealing with ex parte detail, to have telephonic agreement of the members of the board and subsequently to ratify actions taken. It is the thought of the board that if the necessary detail could be handled by specific written approval of the board, without the necessity of a formal meeting, the true purposes of the Act could be faithfully performed, action could be expedited, and a considerable expense could be saved the State. Obviously, important matters are and always will be transacted at a formal meeting.)

2. The board respectfully recommends that **Section 19432** be amended to establish for the period of the biennial report the two fiscal years preceding each regular session of the Legislature, instead of the two years ending with the first day of December preceding the meeting of the Legislature. The reasons for this are obvious, viz.

The staff of the Racing Board keeps all of its records on a fiscal year basis; time, money and effort are frequently unnecessarily expended in

translating figures to meet the present requirement of Section 19432, which translation, in the opinion of the board, adds nothing to a clear and fair understanding of the problems involved.

3. The board urges that **Section 19435** should be clarified. There seem to be good grounds for differences in legal interpretation as the section is presently worded, in reference to the territorial jurisdiction of subpoenas issued by the board. We call your attention to the fact that those generally subpoenaed are transient. They may be racing in Southern California one week and in Northern California the next. To efficiently administer the Law, it is imperative that the board be privileged to subpoena before it, pursuant to its process, anyone within the territorial jurisdiction of the board, which must of necessity, be anyone in the State of California.

We therefore urge that this section be amended to provide that the board may subpoena the attendance of witnesses from any place within the State of California; that per diem payment of witness fees and costs of transportation and sustenance of any witness so subpoenaed, should be paid by the board; and, of course, that there be retained in this section the authority to administer oaths on the part of the Secretary.

4. The board respectfully urges that consideration be given **Section 19437**. Historically, the actual conduct of the races whether they be running or harness, is under the supervision of stewards. These men are trained and experienced in all phases relating to the running of races. It is incongruous that the racing laws and the rules and regulations of the board should be enforced by stewards being paid by the racing associations running the meetings over which they preside.

We have been extremely fortunate, in the State of California, in the high type of racing officials serving on the racing circuit, but the board feels that the present restrictive feature of the Civil Service Law that prevents it from freely engaging and paying—hiring and firing—the necessary stewards and other officials required for the proper supervision of the turf, prevents the racing board from obtaining the loyalty that always exists, or should exist, between the person employed and the one who pays the bill. We therefore urge and recommend that Section 19437, together with any other laws required to be, should be amended so as to permit the board to directly employ and pay, without recourse to any established lists, the necessary stewards, veterinarians and other key officials so indispensable to conducting racing on a high plane.

California, by nature of its climate and tremendous size, has had, and is destined to have, more racing days than any other state in the union. The impact of postwar racing has established racing in this State at the very top, from every angle of comparison, in the United States. Hence, this fundamental requirement becomes emphasized.

(The Legislature saw fit to pass a constitutional amendment which was contemplated to give effect to a like recommendation in our last biennial report, and, unfortunately, somehow others seized the opportunity for their own purposes, and what started out to be an effort to institute a sound policy—in relation to racing only, ended up in a fight

over some other industry. We respectfully urge that this is one of the most important things that could be done by the Legislature to further the interests of racing.)

5. **Section 19480.5.** The board respectfully urges that the Legislature should review this section, and point more specifically to what is meant by "public interest and will subserve the purposes of this chapter." The board has recently conducted exhaustive hearings in reference to an application for a third track in Los Angeles County. These meetings resulted in a divided opinion; the majority voting that no "public interest" was shown, and a minority voting that under the present law a "public interest" was established.

When men can honestly differ in interpreting a section of the law that controls so important a matter in racing, it appears to the board that the matter should be surveyed, and the legislative intent made clear.

6. **Section 19482.** We respectfully request that Section 19482 be amended so as to permit, in cases of an emergency, the Racing Board to allow a transfer of the license to other racing enclosures, in the case of fire, flood, tornado, or some other calamity. It hardly seems consistent, with so many tracks now established, to shackle the racing board so that it cannot use its discretion to assist an association if visited with such a calamity when it could move but a few miles and finish its full engagement.

7. **Sections 19485 and 19597.** The board urges the viewpoint that the percentages presently deducted from the pari-mutuel pool by the racing associations and the State should be revised. To find a formula that is fair to all is difficult. We have in California racing associations that have great as well as small facilities for handling race meetings, and we have county fairs and harness meets with total take fluctuating in the period herein reported. By way of example, for the period from December 27, 1947, to December 18, 1948, the Humboldt County Fair of Ferndale had a total pool of \$118,488 or a daily average of \$29,622, and we have Santa Anita with a total of \$108,727,729, or a daily average of \$2,174,555. Obviously, the only workable plan is an escalator tax which increases the State's take as more money is taken in but which does not decrease the association's take before a fair and safe percentage.

We have reviewed the laws of other states in an endeavor to ascertain if some formula has been established that would be of assistance. We find that in New York there is a total of 15 percent deducted from the pool, 6 percent to the state, 5 percent to municipalities and the remainder to the associations. In New Jersey by a recent amendment to the law there is a 12 percent deduction from the pool up to 40 million dollars, the state receiving 6 percent and the associations receiving 6 percent. Of the next 10 million dollars 7 percent goes to the state and this graduation continues until the state ultimately takes 10 percent.

The facilities and conveniences of our tracks in California we believe to be outstanding. By reason of past experience and lush business, many improvements and expenditures for betterments are made yearly. By the same token the tracks receive commensurate returns from concessions, admission fees and parking. However, the smaller

tracks cannot be too greatly disturbed and preserve racing. There have been many proposals made, some of which we believe to be too severe, and others not adequate to bring in the additional revenue to the state that it must have.

The board, in its discretion, has cut down the number of racing days from the maximum allowed by law by approximately 10 percent. In seeking additional revenue, pursuant to the Governor's Budget Message, the board is inclined to grant the full number of days allowed in each county by law, which we estimate will bring in an additional revenue to the State of \$1,500,000. We are mindful of the necessity of raising money for State Government. We are not able, without protracted hearings, to recommend definite percentage cuts. Among the board itself there is a difference of opinion as to the percentages that can be taken away from the tracks and given to the State. There is unanimity of thought that the smaller tracks and the fairs cannot safely be disturbed. If the larger tracks are cut too severely, the apparent benefits will not be realized, by reason of unemployment, probably reduction of purses, and many other items that a curtailed program would necessitate being reduced.

We, therefore, recommend that in the effort to obtain an additional two million five hundred thousand dollars (\$2,500,000) from two racing associations that the appropriate committees of the Legislature hold hearings during the recess period to determine what the percentages should be. The board is unanimous in the opinion that the percentages should be changed, and the State receive more money; however, as stated above, the extent of the change we are unable to recommend, and we feel also that this responsibility lies with the Legislature.

8. Section 19511 should be amended as follows :

Historically, throughout the years of racing, racing boards have been authorized by law to fix the penalty, for the flagrant violator, of being ruled off tracks for life. Section 19511 provides that licenses shall be granted for a period of one year. This board, therefore, takes the position that unless there is legislative direction, it is without jurisdiction to punish a violator, no matter how flagrant his act, by suspending his license for longer than the balance of the year for which it is issued.

In view of the increased favor of the business throughout the nation, the close relationship existing between the racing boards of the several states in the exchange of records and data, in order that a violator here cannot easily escape the results of his evil deeds by going elsewhere and being permitted to obtain a license, it has become desirable, if not absolutely necessary, that some legislation be passed permitting the racing board, in cases which warrant such action, to revoke licenses for a period longer than one year. This would, at least reconcile our laws with various other states that have racing.

We recommend that all licenses terminate on December 31st of each year.

We also recommend that a provision be added that where licenses are granted, they may be renewed under the rules of the racing board,

so as to avoid the necessity of going through detailed formality, necessary in the first instance, when a licensee who has properly conducted himself requests a renewal of license. This would affect substantially all of the licensees of the racing board, and would result in more efficient and quicker administration in contrast to the present inconvenient and costly system of each year compelling applicants and the staff of the racing board to go through detailed routine.

9. **Section 19538.** The board was going to propose and recommend that the State forego any tax on charity days. This for the reasons, first, that it seems incongruous for the State to benefit by taxing charity days, and, secondly, the fact that the State participates in these proceeds results in the Federal Government taxing our charity funds. By reason of the fact that a financial emergency appears to exist, and it is inconsistent, therefore, to change the State's participation in the proceeds at this time, we will defer recommending what we sincerely believe should be the law, in this regard, to a later date. We do, however, recommend that Section 19538 be amended to read as follows:

"The board may license directly any nonprofit charity corporation, associated with and authorized to run charity racing days at a racing track in the State, not to exceed five racing days during any one racing meeting, which days shall be known as charity days.

"Any licensee shall be privileged to act as agent for such a charity foundation or corporation, but shall not deduct from the total handled in the pari-mutuel pool on charity days any other items than the license fee owed to the State, an amount equal to the purses and the cost and expense of conducting racing on those days, not including amortization, real property taxes, fixed charges, overhead and like charges; the licensed charity organization shall, within twelve (12) months from the close of each racing meeting at which it operates charity days, donate or distribute the proceeds derived therefrom to nonprofit organizations and corporations engaged in charitable and benevolent work similar to the work of agencies recognized by and which are members of an organized Community Chest in the State of California, selected by it and approved by the board."

That the present definition of "Charitable and Benevolent and other like work" should be more definitely defined seems to us to be obvious. If it was the intention of the Legislature that the primary purpose for instituting charity days was to take care of the needy, alleviate suffering, assist the blind, and to otherwise help the indigent, then the board feels that this should be definitely declared. If, however, it is intended to include any institution that can qualify under the Federal law as being an institution which, if donations be made by a citizen, he can deduct from his income tax, then the board feels that the law should unequivocally so state.

10. **Section 19562.** We respectfully urge that Section 19562 be amended as follows:

It is hereby declared that since the purpose of this chapter is the encouragement of agriculture and the breeding of horses in this State, a sum equal to 10 percent (10%) of first, second, third and fourth

moneys distributed in all stakes and purse races, excepting those exclusively for California bred, shall be paid by licensee conducting the horse racing meeting, to the breeder of such animals placing first, second, third or fourth in each race, if a California bred. A "California bred" horse within the meaning of this section shall be deemed to be a foal dropped by a mare in California and remaining in California until the foal is weaned. The board shall by rule provide for the registration of all "California bred" horses.

Every licensee conducting a horse racing meeting shall run at least one race each racing day to be known as a "California bred race" which shall be limited to California bred horses as defined in this section.

If, however, sufficient competition cannot be had among such class of horses, the race may with the consent of the board, be eliminated for the day and a substitute race provided.

(The foregoing, in our opinion, is necessary if we are to build the California thoroughbred industry to the point where it may be expected that it will successfully meet the competition brought about by so many sires and brooding mares being concentrated in Kentucky, Maryland and other places in the East.)

11. **Section 19563.** The board recommends that Section 19563 be amended so that harness racing may be run at night.

Penal Code Sections

12. We respectfully urge that Section 337a of the Penal Code be amended, by adding a clause to the effect that any person convicted of or pleading guilty to bookmaking shall for one year be barred from any racing enclosure in the State of California.

PART III

13. There are certain questions that naturally arise from administering racing laws which compel us to propound queries for the consideration of His Excellency the Governor and Members of the Legislature:

(a) The Racing Board has required the racing associations to furnish a dormitory in which minors who are licensees of the board and employees of any licensee, and hence who are habitually on the race track, shall be housed, supervised and have furnished them the necessary recreation, education and supervision. The question that we wish to ask is whether those institutions having but a few days of racing should be compelled to furnish similar accommodations, and also the question of whether or not the Legislature desires to make such a requirement a part of the basic law rather than a rule of the Racing Board.

(b) It has been suggested to the board and the board feels it is a matter of policy for the Legislature to determine, that any corporation, organization, association or person who is the owner of or is financially or who is otherwise interested in any establishment, wherever situated, that participates in wagering (which if conducted in California would be illegal but which may be legal where conducted) except in methods approved in the Racing Act; shall not be entitled to receive any license from the board to engage in any phase of racing.

(c) Since racing is a licensed business and hence, theoretically at least, belongs to all the people of the State of California, it has been proposed that racing associations should not be permitted to engage in any other activities except activities related to racing, such as the maintaining of breeding farms for the raising of thoroughbreds. Under the present law, a racing association if it is so fortunate as to have the funds, may carry on any other business. If this other activity involves dealing with the public it is the inevitable result that the irritations of such business are charged in the minds of the public against racing.

(d) It has been proposed, and the board poses the question, as to whether or not it should be required that a certain percentage of the shares of corporate stock of any racing association that receives a license to conduct racing meetings in California should be owned by residents of the State of California.

CONCLUSION

The Racing Board in rendering this report and in making the recommendations contained herein, does so with a sincere purpose of preserving and furthering a sport and business that it sincerely believes has been of benefit to the people of the State of California.

The board has enjoyed the full cooperation of every department in the State Government. For this it wishes to express its gratitude and appreciation.

It wishes also to pay tribute to the staff who have functioned diligently and intelligently with problems and with a volume of work never contemplated when the machinery of the Racing Board was devised by the Legislature.

Respectfully submitted,

CALIFORNIA HORSE RACING BOARD,

LOYD WRIGHT, Chairman
DWIGHT MURPHY, Member
NION TUCKER, Member

ALFRED B. FISKE
Secretary

Los Angeles, California, February 1, 1949.