

Ninth Biennial Report
To the Governor and the Legislature
of the State of California

California
Horse Racing Board

For the Period July 1, 1948
to
June 30, 1950

CALIFORNIA HORSE RACING BOARD

BOARD MEMBERS

LOYD WRIGHT, *Chairman*
DWIGHT MURPHY, *Member*
GEN. KENYON A. JOYCE, *Member*
ALFRED B. FISKE, *Secretary*

OFFICES

LOS ANGELES OFFICE
Suite 717-718 Mirror Bldg.
145 South Spring Street

SAN FRANCISCO OFFICE
Suite 823-824 DeYoung Bldg.
690 Market Street

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

For the Period July 1, 1948, to June 30, 1950

*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 report to His Excellency, The Governor, and the Legislature, for the two Fiscal Years commencing July 1, 1948, and terminating June 30, 1950.

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; 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, which questions are inspired as a result of close and continuous supervision of racing in the State of California, with the object of not only calling it to the attention of the Legislature, but with the hope that it may be of some assistance in making certain revisions in the laws covering racing in California so as to meet the present day condition.

Respectfully,

LOYD WRIGHT, Chairman
DWIGHT MURPHY, Member
GEN. KENYON A. JOYCE, Member

ALFRED B. FISKE,
Secretary

PART I

THE MAJOR RACING CIRCUIT

Meetings	Dates	Number of days	Number of races	Total mutuel pool
RUNNING RACES				
Hollywood Turf Club, Hollywood.....	7/ 1/48- 7/24/48	18	144	\$36,657,844
Del Mar Turf Club, Del Mar.....	7/27/48- 9/11/48	41	328	23,528,270
Pacific Turf Club, Golden Gate.....	9/14/48-10/30/48	41	328	20,639,541
Tanforan Co. Ltd., Tanforan.....	11/ 2/48-12/18/48	41	328	24,397,196
Los Angeles Turf Club, Santa Anita.....	12/28/48- 3/ 5/49	50	400	87,419,464
Pacific Turf Club, Golden Gate.....	3/17/49- 5/14/49	43	344	35,935,955
Hollywood Turf Club, Santa Anita.....	5/17/49- 6/30/49	33	264	44,369,654
TOTALS—FISCAL YEAR JULY, 1948- JUNE, 1949.....		267	2,136	\$281,947,924
RUNNING RACES				
Hollywood Turf Club, Santa Anita.....	7/ 1/49- 7/23/49	17	141	\$25,980,913
Del Mar Turf Club, Del Mar.....	7/26/49- 9/10/49	41	337	24,577,243
California Jockey Club, Bay Meadows.....	9/13/49-10/29/49	41	360	24,492,170
Tanforan Co. Ltd., Tanforan.....	11/ 1/49-12/17/49	41	336	20,640,727
Los Angeles Turf Club, Santa Anita.....	12/26/49- 3/ 4/50	50	400	77,981,791
Tanforan Co., Ltd., Tanforan.....	3/ 7/50- 4/29/50	40	328	25,672,773
Pacific Turf Club, Golden Gate.....	5/ 3/50- 6/24/50	46	377	31,711,059
Hollywood Turf Club, Hollywood.....	6/27/50- 6/30/50	4	32	4,242,298
TOTALS—FISCAL YEAR JULY, 1949- JUNE, 1950.....		280	2,311	\$235,298,974
HARNESS MEETINGS				
Pacific Coast Trotting Ass'n (B.M.).....	7/ 1/48- 7/ 5/48	4	32	\$504,582
Pacific Coast Trotting Ass'n (B.M.).....	5/28/49- 6/25/49	21	168	2,263,705
TOTALS—FISCAL YEAR JULY, 1948- JUNE, 1949.....		25	200	\$2,768,287
HARNESS MEETINGS				
Western Harness Racing Ass'n (H.P.).....	10/ 8/49-12/ 3/49	40	332	\$12,913,077
Western Harness Racing Ass'n (S.A.).....	4/21/50- 6/17/50	40	330	13,494,370
TOTALS—FISCAL YEAR JULY, 1949- JUNE, 1950.....		80	662	\$26,407,447

THE MAJOR RACING CIRCUIT

4 percent Fair and Exposition Fund	1 percent and 2 percent General Fund	1 percent and 2 percent Wildlife Restoration Fund Stat. 19627	State College Fund Breakage Stat. 19620.1	Returned to public	Association commission
\$1,466,813 76		\$733,150 88	\$301,743 18	\$31,590,188 15	\$2,566,049 08
941,130 80		170,565 40		20,270,287 05	1,946,978 90
1,185,581 04		292,790 82	21,702 10	25,557,645 90	2,374,767 87
975,887 84		187,943 92		21,053,862 40	2,007,803 72
3,496,778 56		1,448,389 28	448,577 99	75,398,434 50	6,419,362 48
1,437,438 20	\$281,565 40	167,153 70	70,282 59	30,985,984 10	2,815,516 85
1,774,786 16	587,393 08		124,242 31	38,270,514 30	3,405,875 87
\$11,277,916 90	\$838,958 48	\$3,000,000 00	\$966,548 17	\$243,126,896 40	\$21,536,354 68
\$1,039,236 52		\$519,618 26	\$187,382 86	\$22,415,971 95	\$1,818,663 91
983,089 72		191,544 86		21,198,764 80	2,020,407 01
979,686 80		189,843 40		21,129,584 50	2,014,451 90
825,629 08		112,814 54		17,805,336 20	1,744,850 89
3,119,271 64		1,259,635 82	370,827 84	67,322,652 65	5,758,725 37
1,026,910 92		213,455 46		22,138,185 75	2,097,094 11
1,268,442 36		334,221 18	48,211 48	27,332,309 60	2,519,774 13
169,691 92				3,653,331 15	381,806 82
\$9,411,958 96		\$2,821,133 52	\$606,422 18	\$202,996,136 60	\$18,355,774 14
\$20,183 28				\$434,878 05	\$45,412 38
90,548 20				1,947,069 30	203,733 45
\$110,731 48				\$2,381,947 35	\$249,145 83
\$516,523 08		\$29,130 77		\$11,130,500 05	\$1,133,046 16
539,774 80		34,943 70		11,626,367 45	1,179,549 60
\$1,056,297 88		\$64,074 47		\$22,756,957 50	\$2,312,595 76

THE MAJOR RACING CIRCUIT—Continued

Meetings	Association breakage	Total attendance	Daily average attendance
RUNNING RACES			
Hollywood Turf Club, Hollywood.....		531,826	29,535
Del Mar Turf Club, Del Mar.....	\$199,598 85	339,550	8,282
Pacific Turf Club, Golden Gate.....	206,641 42	470,065	11,465
Tanforan Co., Ltd., Tanforan.....	171,698 12	347,920	8,486
Los Angeles Turf Club, Santa Anita.....	207,867 09	1,408,349	28,167
Pacific Turf Club, Golden Gate.....	207,702 56	570,573	13,269
Hollywood Turf Club, Santa Anita.....	206,977 87	702,467	21,287
TOTALS—FISCAL YEAR JULY, 1948-JUNE, 1949..	\$1,200,485 91	4,370,550	
RUNNING RACES			
Hollywood Turf Club, Santa Anita.....		412,113	24,242
Del Mar Turf Club, Del Mar.....	\$183,933 11	380,502	9,281
California Jockey Club, Bay Meadows.....	173,603 40	404,083	9,856
Tanforan Co., Ltd., Tanforan.....	151,949 39	320,776	7,824
Los Angeles Turf Club, Santa Anita.....	150,561 93	1,284,111	25,682
Tanforan Co., Ltd., Tanforan.....	195,381 66	413,610	10,340
Pacific Turf Club, Golden Gate.....	208,999 77	510,448	11,099
Hollywood Turf Club, Hollywood.....	37,322 16	80,831	20,208
TOTALS—FISCAL YEAR JULY, 1949-JUNE, 1950..	\$1,106,751 42	3,806,474	
HARNESS MEETINGS			
Pacific Coast Trotting Ass'n (B.M.).....	\$4,105 09	11,770	2,943
Pacific Coast Trotting Ass'n (B.M.).....	22,507 65	53,954	2,569
TOTALS—FISCAL YEAR JULY, 1948-JUNE, 1949..	\$26,612 74	\$65,724	
HARNESS MEETINGS			
Western Harness Racing Ass'n (H.P.).....	\$104,216 44	270,092	6,752
Western Harness Racing Ass'n (S.A.).....	113,661 55	261,937	6,548
TOTALS—FISCAL YEAR JULY, 1949-JUNE, 1950..	\$217,877 99	532,029	

THE MAJOR RACING CIRCUIT—Continued

Daily average pool	Purses	Daily average purse	California bred winners	Awarded California breeders
\$2,036,647	\$811,000	\$45,055	75	\$27,115
573,860	735,600	17,911	208	25,695
722,916	899,950	21,950	185	25,731
595,054	886,050	21,611	190	29,688
1,748,389	2,280,000	45,600	185	56,953
835,720	908,700	21,133	191	33,878
1,344,535	1,036,000	31,364	142	33,837
	\$7,556,300		1,176	\$232,897
\$1,528,289	\$727,500	\$42,794	76	\$31,886
599,445	788,800	19,239	216	32,177
597,370	904,800	22,068	183	28,396
503,432	780,500	19,037	202	26,044
1,559,636	2,203,500	44,070	216	73,709
641,819	811,900	20,298	197	25,802
689,371	922,650	20,058	232	29,113
1,060,677	108,500	27,125	15	2,365
	\$7,248,150		1,337	\$249,492
\$120,146	\$17,000	\$4,250	21	\$498
107,795	110,550	5,264	83	2,630
	\$127,550		104	\$3,134
\$322,827	\$546,500	\$13,663	83	\$5,201
337,359	529,063	13,227	111	5,972
	\$1,075,563		194	\$11,173

FAIR RACING CIRCUIT

Meetings	Dates	Number of days	Number of races	Total mutual pool	4 percent Fair and Exposition Fund	Returned to public	Association commission
FAIRS							
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	10,603 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	79,333 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.....	9/17/48-10/21/48	14	144	6,915,644	270,825 76	5,958,395 25	622,407 98
Fresno District, Fresno.....	10/ 5/48-10/ 9/48	5	46	515,351	20,614 04	444,100 25	46,881 59
San Diego County, Del Mar.....	6/27/49- 6/30/49	4	32	62,613	2,504 52	53,938 20	5,635 17
Alameda County, Pleasanton.....	6/29/49- 6/30/49	2	21	298,833	11,953 52	257,397 85	26,895 42
TOTALS—FISCAL YEAR JULY, 1948-JUNE, 1949..		75	779	\$16,642,480	\$665,699 20	\$14,336,368 10	\$1,497,823 20

FAIRS							
San Diego County, Del Mar.....	7/ 1/49- 7/ 4/49	3	24	\$86,461	\$3,458 44	\$74,399 25	\$7,781 49
Alameda County, Pleasanton.....	7/ 1/49- 7/ 9/49	8	89	1,657,877	66,315 08	1,428,232 95	149,208 93
Sacramento County, Galt.....	7/15/49- 7/23/49	7	70	699,612	27,984 48	602,541 55	62,065 08
Sonoma County, Santa Rosa.....	7/25/49- 8/ 4/49	8	96	1,383,367	55,334 68	1,191,317 35	124,503 03
Humboldt County, Ferndale.....	8/10/49- 8/13/49	4	26	126,313	5,052 52	108,740 80	11,368 17
San Mateo, Bay Meadows.....	8/10/49- 8/19/49	9	99	2,247,630	89,965 20	1,940,497 60	202,286 70
San Joaquin, Stockton.....	8/20/49- 8/27/49	7	80	979,681	39,187 24	844,528 75	88,171 29
California State, Sacramento.....	9/ 1/49- 9/10/49	9	94	2,640,462	105,618 48	2,278,641 55	237,641 58
Los Angeles County, Pomona.....	9/16/49-10/ 1/49	14	152	5,608,674	224,346 96	4,832,712 25	504,780 66
Fresno District, Fresno.....	10/ 4/49-10/ 8/49	5	43	504,791	20,191 04	434,418 55	45,431 19
Alameda County, Pleasanton.....	6/28/50- 6/30/50	3	30	419,154	10,766 16	361,449 20	37,723 86
San Diego County, Del Mar.....	6/30/50- 6/30/50	1	9	14,613	584 52	12,935 25	1,315 17
TOTALS—FISCAL YEAR JULY, 1949-JUNE, 1950..		78	812	\$16,368,635	\$654,745 40	\$14,110,415 05	\$1,473,177 15

FAIR RACING CIRCUIT—Continued

Meetings	Dates	Association breakage	Total attendance	Daily average attendance	Daily average pool	Purses	Daily average purse	California bred winners	Awarded California breeders
FAIRS									
Alameda County, Picasanton	7/ 9/48- 7/17/48	\$13,375 25	30,562	3,820	\$187,298	\$55,000	\$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	29,000	3,625	165,054	60,900	7,613	52	1,467 00
Humboldt County, Ferndale	8/11/48- 8/14/48	1,251 20	16,032	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	10,709	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	9/17/48-10/21/48	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	26	975 00
San Diego County, Del Mar	6/27/49- 6/30/49	529 26	6,191	1,548	15,653	17,000	4,250	9	217 50
Alameda County, Picasanton	6/29/49- 6/30/49	2,591 21	6,654	3,327	149,419	12,600	6,300	14	476 00
TOTALS—FISCAL YEAR JULY, 1948-JUNE, 1949		\$137,931 65	485,137			\$651,000		423	\$20,541 05
FAIRS									
San Diego County, Del Mar	7/ 1/49- 7/ 4/49	\$821 82	6,251	2,084	\$28,820	\$12,750	\$4,250	8	\$185 63
Alameda County, Picasanton	7/ 1/49- 7/ 9/49	14,120 04	38,169	4,771	207,235	53,200	6,650	55	2,039 75
Sacramento County, Galt	7/15/49- 7/23/49	6,120 89	14,639	2,091	99,945	33,400	4,771	42	1,292 00
Sonoma County, Santa Rosa	7/26/49- 8/ 6/49	12,211 94	30,432	3,804	172,921	60,600	7,575	65	2,496 00
Humboldt County, Ferndale	8/10/49- 8/13/49	1,151 51	14,496	3,624	31,578	10,600	2,650	10	260 00
San Mateo, Bay Meadows	8/10/49- 8/19/49	14,929 50	42,233	4,693	249,737	77,050	7,450	57	2,703 00
San Joaquin, Stockton	8/20/49- 8/27/49	7,793 72	26,272	3,610	139,955	50,400	7,200	46	1,728 50
California State, Sacramento	9/ 1/49- 9/10/49	18,560 39	56,674	6,297	293,385	114,700	12,745	56	4,725 00
Los Angeles County, Pomona	9/16/49-10/ 1/49	46,834 13	168,334	12,024	400,620	190,500	13,607	95	7,441 70
Fresno District, Fresno	10/ 4/49-10/ 8/49	4,749 62	21,795	4,359	100,958	27,000	5,400	24	981 50
Alameda County, Picasanton	6/28/50- 6/30/50	3,117 93	7,930	2,643	139,718	17,250	5,750	18	648 00
San Diego County, Del Mar	6/30/50- 6/30/50	168 46	1,695	1,695	14,613	3,400	3,400	3	72 00
TOTALS—FISCAL YEAR JULY, 1949-JUNE, 1950		\$130,579 95	427,920			\$650,850		479	\$24,573 08

NINTH BIENNIAL REPORT

STATISTICAL COMPARISONS

	1933-1934	1934-1935	1935-1936	1936-1937	1937-1938	1938-1939	1939-1940	1940-1941	1941-1942
Total pool.....	\$6,315,634 00	\$24,862,484 00	\$39,359,961 00	\$47,976,296 00	\$66,142,358 00	\$75,371,789 00	\$70,423,604 00	\$94,553,615 00	\$37,816,692 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	1,512,667 68
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	2,767 50
Unclaimed pari-mutuel— 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	\$1,515,435 18
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	\$28,117 45
a. Percent relationship to revenue.....	.07373	.01857	.01139	.01003	.00918	.00827	.00922	.00816	.01855
Purses.....				\$1,497,275 00	\$2,052,600 00	\$2,419,055 00	\$2,360,395 00	\$2,295,761 25	\$1,377,478 75
Number of meetings.....	5	7	11	16	21	18	18	19	15
Number of days raced.....	112	184	192	212	258	272	263	284	165
Personnel employed.....	4½	4½	4½	4½	5	5	5	6	6
a. Los Angeles office.....	2	2	2	2	2	2	2	3	3
b. Sacramento office.....	1	1	1	1	1	1	1	1	1
c. San Francisco office.....	0	0	0	0	0	0	0	0	0
d. Track clerical.....	1½	1½	1½	1½	1	2	2	2	2
e. Investigators.....	0	0	0	0	1	0	0	0	0
Number saliva tests.....			328	913	1,834	2,108	2,003	3,519	2,115
Number urine tests.....								624	927
Horses claimed.....			320	362	440	502	405	621	203
California bred winners.....				551	705	650	653	792	530

STATISTICAL COMPARISONS—Continued

	1942-1943	1943-1944	1944-1945	1945-1946	1946-1947	1947-1948	1948-1949	1949-1950
Total pool.....	\$25,569,145 00	\$49,393,136 00	\$152,394,493 00	\$414,767,035 00	\$343,884,702 00	\$354,242,360 00	\$301,353,691 00	\$278,075,056 00
4 percent State revenue.....	1,022,765 80	1,975,725 44	6,095,779 72	16,590,681 40	13,755,388 08	14,169,694 40	12,054,347 64	11,123,002 24
1 percent State revenue.....	47,115 91	200,000 00	300,000 00	620,191 00	535,591 61	663,430 72	700,000 00	764,074 47
2 percent State revenue.....		187,862 72	1,847,889 86	5,546,367 00	4,431,685 36	4,244,135 46	3,138,958 48	2,121,133 52
Breakage—State revenue.....						900,375 75	966,543 17	606,422 18
License fee revenue.....	7,803 50	8,804 00	14,899 00	21,431 00	18,834 50	18,851 50	18,506 00	20,186 00
Unclaimed pari-mutuel— State revenue.....			2,794 00	730 55	121,018 95	284,052 85	213,374 40	179,165 80
Total revenue.....	\$1,077,685 21	\$2,372,392 16	\$8,261,362 58	\$22,779,400 55	\$18,862,518 50	\$19,996,487 83	\$17,091,734 69	\$14,813,984 21
Operating cost.....	\$25,192 75	\$25,179 13	\$22,626 53	\$40,402 84	\$50,606 00	\$91,281 00	\$98,011 00	\$110,847 00
a. Percent relationship to revenue.....	.02337	.01061	.00274	.00173	.00269	.00459	.00573	.00748
Purses.....	\$959,010 00	\$1,387,700 00	\$2,578,200 00	\$7,574,080 00	\$7,312,100 00	\$8,891,499 00	\$8,334,850 00	\$8,974,563 00
Number of meetings.....	4	2	3	13	13	13	20	22
Number of days raced.....	117	129	110	340	306	363	367	438
Personnel employed.....	4	4	6	7	11	15	15	15
a. Los Angeles office.....	2	2	3	3	3	5	4	4
b. Sacramento office.....	1	1	1	1	1	0		
c. San Francisco office.....	0	0	0	0	0	1	1	1
d. Track (clerical).....	1	1	1	1	3	3	4	4
e. Investigators.....	0	0	1	2	4	6	6	6
Number saliva tests.....	940	1,049	973	2,985	2,744	3,213	3,290	3,961
Number urine tests.....	316	935	900	2,653	2,513	2,894	2,950	3,453
Horses claimed.....	93	443	333	488	355	393	402	738
California bred winners.....	437	512	405	1,285	1,300	1,516	1,703	2,010

NINTH BIENNIAL REPORT

CALIFORNIA HORSE RACING BOARD

INDIVIDUAL LICENSES ISSUED

(Fiscal Year July, 1948, to June, 1949)

1,708	Owners.....	@ \$1 00	\$1,708 00
536	Trainers.....	@ 10 00	5,360 00
155	Jockeys.....	@ 10 00	1,550 00
64	Apprentice jockeys.....	@ 1 00	64 00
64	Jockey agents.....	@ 5 00	320 00
1,628	Grooms.....	@ 1 00	1,628 00
431	Exercise boys.....	@ 1 00	431 00
319	Miscellaneous.....	@ 1 00	319 00
72	Officials.....	@ 1 00	72 00
1,326	Pari-mutuels.....	@ 1 00	1,326 00
193	Authorized agents.....	@ 10 00	1,930 00
137	Assumed names.....	@ 25 00	3,425 00
48	Duplicates.....	@ 50	24 00
215	Special trainers.....	@ 1 00	215 00
134	Harness horse trainers and drivers.....	@ 1 00	134 00
	Total.....		\$18,506 00

(Fiscal Year July, 1949, to June, 1950)

2,132	Owners.....	@ \$1 00	\$2,132 00
625	Trainers.....	@ 10 00	6,250 00
202	Special trainers.....	@ 1 00	202 00
162	Jockeys.....	@ 10 00	1,620 00
58	Apprentice jockeys.....	@ 1 00	58 00
73	Jockey agents.....	@ 5 00	365 00
2,041	Grooms.....	@ 1 00	2,041 00
421	Exercise boys.....	@ 1 00	421 00
72	Officials.....	@ 1 00	72 00
1,175	Pari-mutuels.....	@ 1 00	1,175 00
200	Authorized agents.....	@ 10 00	2,000 00
124	Assumed names.....	@ 25 00	3,100 00
240	Harness horse trainers and drivers.....	@ 1 00	240 00
52	Duplicates.....	@ 50	26 00
484	Miscellaneous.....	@ 1 00	484 00
	Total.....		\$20,186 00

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

(July 1, 1948, to June 30, 1949)

DISTRIBUTION		
Total available for distribution.....		\$11,983,675
Less fixed annual appropriations:		
California Horse Racing Board.....	\$103,732	
Department of Finance—Supervision and Auditing of Fairs.....	99,012	
Agricultural District 1-A.....	100,000	
Los Angeles County Fair.....	125,000	
Contributions to Employees' Retirement Fund.....	95,000	
Total, appropriations.....		\$522,744
First Balance.....		\$11,460,931
Less allocations to fairs:		
5% of First Balance to citrus fairs.....	\$573,047	
40% of First Balance to agricultural fairs.....	4,584,372	
Total, allocations to fairs.....		\$5,157,419
Second Balance.....		\$6,303,512
Distribution of Second Balance:		
25% for California Polytechnic School.....	\$1,575,878	
33% to University of California.....	2,080,159	
Remainder (42%).....		\$2,647,475
Legislative appropriations.....	\$350,144	
Capital outlay for State, county, district and citrus fairs.....	\$2,297,331	

(July 1, 1949, to June 30, 1950)

DISTRIBUTION		
Total available for distribution.....		\$11,002,317
Less fixed annual appropriations:		
California Horse Racing Board.....	\$129,339	
Department of Finance—Supervision and Auditing of Fairs.....	132,827	
Agricultural District 1-A.....	100,000	
Los Angeles County Fair.....	125,000	
Agricultural Districts—capital outlay.....	14,129	
Department of Agriculture.....	100,000	
Contributions to State Employees' Retirement Fund.....	115,000	
Total, appropriations.....		\$716,295
First Balance.....		\$10,286,022
Less allocations to fairs:		
5% of First Balance to citrus fairs.....	\$514,301	
40% of First Balance to agricultural fairs.....	4,114,409	
Total, allocations to fairs.....		\$4,628,710
Second Balance.....		\$5,657,312
Distribution of Second Balance:		
25% for California Polytechnic School.....	\$1,414,328	
33% for University of California.....	1,866,913	
Remainder (42%).....		\$2,376,071
Legislative appropriations.....	\$914,353	
Capital outlay for State, county, district and citrus fairs.....	\$1,461,718	

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.....	2,661,112 32
Ninetieth Fiscal Year, 1938-1939.....	3,030,689 56
Ninety-first Fiscal Year, 1939-1940.....	2,332,230 66
Ninety-second Fiscal Year, 1940-1941.....	3,799,115 10
Ninety-third Fiscal Year, 1941-1942.....	1,615,435 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
One hundredth Fiscal Year, 1948-1949.....	17,091,734 69
One hundred first Fiscal Year, 1949-1950.....	14,813,984 21
Total revenue.....	\$123,879,574 22

TOTAL PARI-MUTUEL HANDLE FROM THOROUGHBRED RACING

Southern Major Race Tracks
(November 1, 1933-December 31, 1950)

	Days	Santa Anita	Days	Hollywood	Days	Del Mar
1933.....						
1934.....						
1935.....	65	\$15,897,684				
1936.....	58	25,251,933				
1937.....	55	30,088,466			22	\$2,224,301
1938.....	58	37,889,491	34	\$16,853,398	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	32,136,042	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	55	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
1949.....	50	87,419,464	50	70,350,567	41	24,577,243
1950.....	50	77,981,791	50	68,280,062	41	22,348,365
Track Totals.....	681	\$835,745,867	506	\$696,566,929	365	\$162,930,585

TOTAL PARI-MUTUEL HANDLE FROM THOROUGHBRED RACING—Continued

Northern Major Race Tracks
(November 1, 1933-December 31, 1950)

	Days	Bay Meadows	Days	Tanforan	Days	Golden Gate
1933.....			41	\$2,210,071		
1934.....	33	\$3,876,126	50	3,809,245		
1935.....	29	2,564,589	24	2,023,065		
	21	2,926,266	26	2,727,712		
1936.....	25	3,671,160	25	3,934,705		
	25	4,230,904	25	3,529,224		
1937.....	25	4,363,273	25	4,244,801		
	25	4,844,543	25	4,519,117		
1938.....	25	3,989,259	25	3,415,852		
	25	3,688,183	25	3,129,417		
1939.....	24	3,132,126	24	3,266,918		
	26	3,555,405	25	3,887,189		
1940.....	46	8,242,775	41	7,036,114		
1941.....	39	8,626,341	46	9,861,991	5	\$557,538
1942.....	57	14,711,591				
1943.....	25	4,616,166				
	25	5,697,199				
	64	22,100,855				
1944.....	65	27,292,281				
	41	20,237,128				
1945.....	49	37,913,442				
1946.....	45	36,074,830				
	45	31,646,142				
1947.....	41	28,338,624	41	32,466,067	41	29,723,914
1948.....	41	31,309,248	41	24,397,196	41	29,639,541
1949.....	41	24,492,170	41	20,640,727	43	35,935,955
1950.....	46	23,120,112	40	25,672,773	46	31,711,059
Track Totals.....	958	\$365,260,728	590	\$160,771,914	176	\$127,568,007
						1,552 days, Total Southern Tracks.....
						\$1,695,243,381
						1,724 days, Total Northern Tracks.....
						653,601,098
Grand totals.....	3,276 days					\$2,348,844,479

The board's Statistical Department has also prepared figures indicating the revenue received by the State from 1933 through December 31, 1950, 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								152,369 80		
1935	\$635,907 36					\$155,045 04		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		141,188 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		814,109 80	159,570 36		136,634 08		
1942						147,527 32		125,176 68		
1943						125,285 04		130,676 72		
						142,216 20		155,487 56		
						329,711 00		281,444 56		
						345,053 64		394,479 64	\$22,301 52	
						635,579 55				
						184,646 64				
						227,887 96				
1944			3,276,537 96			1,026,051 30				
						1,337,536 83				
						914,227 68				
1945	4,958,065 26		4,428,990 06		1,130,807 34	1,974,806 52				
1946	8,141,192 46		7,249,160 52		1,128,300 30	1,864,489 80				
						1,598,768 52				
1947	7,106,211 12		5,863,989 24		1,076,335 08	1,400,317 44	9,992 40	1,647,904 02	1,483,434 84	
1948	6,223,663 74	599,383 95	5,440,987 44	560,272 07	1,111,696 20	1,578,554 88	32,470 51	1,163,831 76	1,478,372 46	21,702 10
1949	4,945,167 84	448,577 99	3,921,084 02	311,625 17	1,174,634 58	1,169,530 20		938,443 62	1,856,157 30	70,282 59
1950	4,378,907 46	*311,104 89	3,796,803 72	324,808 01	1,040,901 90	1,087,206 72		1,240,366 38	1,602,663 54	48,211 48
Totals	\$44,147,570 64	\$1,359,066 83	\$37,788,511 48	\$1,196,705 25	\$7,538,135 20	\$17,308,041 67	\$42,462 91	\$7,294,422 62	\$6,442,929 66	\$140,196 17
	\$45,506,637 47		\$38,985,216 73		\$7,538,135 20	\$17,350,504 58		\$7,294,422 62	\$6,583,125 83	

GRAND TOTAL—\$123,258,042.43.

* Minus pool \$59,772.95 deducted from breakage by Los Angeles Turf not included.

NINTH BIENNIAL REPORT

ASSOCIATION'S COMMISSION AND BREAKAGE, 1933-1950

Year	Days	Tanforan	Days	Bay Meadows	Days	Santa Anita	Days	Del Mar	Days	Hollywood	Days	Golden Gate
1933	41	\$212,237 06										
1934	50	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	380,299 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	388,361 44 350,078 18	54	2,735,206 02	25	376,954 08	34	\$1,606,091 78		
1939	24 25	300,390 98 370,651 64	24 26	300,109 16 341,946 80	45	2,688,618 10	24	334,647 70	46	1,864,941 24		
1940	41	672,167 34	46	779,808 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	3,084,975 50	55	11,175,363 17	35	2,149,819 04	55	10,057,749 72		
			45	2,756,249 03								
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.....			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
1948.....	41	2,179,501 84										
1949.....	41	1,896,800 28	41	2,193,055 30	50	6,627,229 57	41	2,204,340 12	50	5,431,517 56	43	3,023,219 41
1950.....	40	2,202,475 77	46	2,094,015 81	50	5,969,010 25	41	2,035,975 35	50	5,287,577 48	46	2,519,774 13
Totals.....	590	\$14,695,757 68	958	\$32,749,761 91	681	\$65,551,517 42	365	\$15,919,541 24	506	\$56,818,669 46	176	\$10,768,971 85

COMBINED GRAND TOTAL FOR ALL MEETINGS (8,276 Days)—\$196,504,219.56.

ALLOCATION OF INCOME AND EXPENSE TO CHARITY DAYS—1948

Northern Tracks

	Bay Meadows	Golden Gate	Tanforan
Revenues			
Pari-mutuel commission.....	\$221,884 40	\$163,572 79	\$109,272 29
Admissions.....	15,674 50		13,677 12
Concessions.....	8,446 37		3,718 19
Programs.....	5,352 02		2,200 39
Parking.....			1,044 25
Miscellaneous.....			283 86
Total revenue.....	\$251,357 99	\$163,572 79	\$130,196 10
Expenses			
Racing.....	\$86,459 02	\$99,158 67	\$78,843 00
Publicity.....	15,733 95	10,984 71	3,240 97
Pari-mutuel.....	10,758 00	31,644 77	28,081 67
Operations.....	10,223 21		
Buildings and grounds.....	1,383 45	15,199 86	50,148 05
Administration.....	7,586 81	1,853 97	8,298 26
Total expenditure.....	\$160,144 44	\$128,846 98	\$169,211 95
Provision for federal tax.....	\$38,461 11	\$2,037 43	
Net profit.....	\$62,752 34	\$22,688 38	—\$39,015 85

ALLOCATION OF INCOME AND EXPENSE TO CHARITY DAYS—1949

Northern Tracks

	Bay Meadows	Golden Gate	Tanforan
Revenues			
Pari-mutuel commission.....	\$170,986 79	\$249,755 87	\$101,872 85
Admissions.....	14,958 80		9,577 93
Concessions.....	7,775 13		3,523 37
Programs.....	4,789 94		2,379 32
Parking.....			1,165 00
Miscellaneous.....			3,058 71
Total revenue.....	\$207,510 66	\$249,755 87	\$121,577 18
Expenses			
Racing.....	\$97,495 01	\$128,468 13	\$76,356 43
Publicity.....	7,800 69	10,463 67	2,754 64
Pari-mutuel.....	10,535 50	51,874 13	25,556 90
Operations.....	19,951 63		
Buildings and grounds.....	1,249 29	33,231 37	19,719 46
Administration.....	7,976 66	3,554 13	9,187 70
Total expenditures.....	\$154,008 78	\$227,591 43	\$133,575 13
Provision for federal tax.....	\$20,330 71		
Net profit.....	\$33,171 17	\$22,164 44	—\$11,997 95

ALLOCATION OF INCOME AND EXPENSE TO CHARITY DAYS—1948

Southern Tracks

	Santa Anita	Hollywood Park	Del Mar
Revenues			
Pari-mutuel commission.....	\$708,506 05	\$772,017 05	\$133,889 97
Admissions.....	158,571 00	181,674 19	20,525 50
Concessions.....	41,254 68	42,498 28	4,667 60
Programs.....	19,857 22	20,133 34	2,918 63
Parking.....	12,562 50	13,266 25	1,343 00
Miscellaneous.....	345 37	327 20	172 50
Total revenue.....	\$941,187 72	\$1,029,900 31	\$163,516 20
Expenses			
Racing.....	\$207,052 34	\$313,414 68	\$67,768 40
Publicity.....	2,655 75	4,760 19	
Pari-mutuel.....	85,759 35	100,819 69	21,311 05
Building and grounds.....	73,213 28	29,927 68	19,021 10
Administration.....	10,859 36	9,417 11	14,136 47
Total expenditures.....	\$439,540 08	\$458,339 25	\$122,237 02
Provision for federal tax.....	\$190,626 10	\$206,335 71	\$16,000 00
Net profit.....	\$311,021 54	\$365,231 35	\$25,279 18

ALLOCATION OF INCOME AND EXPENSE TO CHARITY DAYS—1949

Southern Tracks

	Santa Anita	Hollywood Park	Del Mar
Revenues			
Pari-mutuel commission.....	\$599,698 26	\$562,831 71	\$128,432 25
Admissions.....	135,162 00	133,764 61	19,397 80
Concessions.....	35,873 70	32,053 19	5,859 94
Programs.....	17,325 37	15,811 60	3,168 94
Parking.....	11,460 00	10,408 25	1,530 75
Miscellaneous.....	428 12	583 23	165 00
Total revenue.....	\$799,947 45	\$755,452 69	\$158,554 68
Expenses			
Racing.....	\$232,271 74	\$283,563 28	\$70,287 22
Publicity.....	2,337 27	4,757 54	1,264 50
Pari-mutuel.....	99,344 32	87,690 79	17,211 50
Operation.....			14,321 36
Buildings and grounds.....	72,208 82	26,898 17	18,529 02
Administration.....	10,377 00	7,138 38	900 00
Total expenditures.....	\$416,539 15	\$410,048 16	\$122,513 60
Provision for federal tax.....	\$145,695 15	\$124,691 00	\$14,500 00
Net profit.....	\$237,713 15	\$220,713 43	\$21,541 08

PART II

The California Horse Racing Board respectfully urges that certain amendments to our racing laws are seriously needed to clarify the law and to expedite and advance the administration of racing.

Racing in California has grown from a total revenue to the State, by way of the pari-mutuel take of \$259,657.36 in the Eighty-fifth Fiscal Year, to a high of over \$22,779,000 in the Ninety-seventh Fiscal Year, and the sum of \$14,813,984.21 for the last fiscal year. Unfortunately much of the machinery provided by the Legislature has not kept pace with this great advance. The board feels that if the suggestions hereinafter set forth are made into law, it and subsequent boards may more efficiently administer the laws of racing.

We, therefore, respectfully recommend the following:

1. **Section 19431:** During the last fiscal year the board issued 8,061 individual licenses. Many problems arise in reference to these licenses—many of the problems are continuing problems. It becomes frequently desirable that a representative of the board either in the north or in the south be authorized to act as a referee on matters that are not of too great a consequence, but, of necessity, must be expeditiously handled. Under the present law these matters must accumulate, therefore, the board respectfully suggests that there be added to Section 19431 the following amendment:

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

2. The board urges that Section 19435 be clarified. There appears to be good grounds for difference 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, this of course means 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.

3. **Section 19437.** The board has repeatedly requested the freedom of engaging stewards *paid by it* to enforce its rules and who on its behalf supervise racing at the various tracks. At the last session of the

Legislature, Senate Constitutional Amendment No. 6 was passed, and, subsequently was passed upon by the people and the Constitution of the State was amended pursuant to the provisions thereof.

Considering that during the two years covered by this report we had an average of 402½ days of racing each year, and that the field of racing has been enlarged by legislative action to include quarter horse, and that more fairs are seeking authorization to race, it becomes obvious that the constitutional amendment is completely inadequate.

Therefore, it appears to the board that Section 19437 must be amended to supplement the constitutional amendment, to provide that the board may extract from licensees who conduct racing meetings, sums in addition to the present license fee so that the board may direct from its own funds the necessary stewards, employees and others required to properly run racing.

The two state stewards and two veterinarians provided for in the constitutional amendment are inadequate when it is considered that during the last year we have had as many as four racing meetings going at the same time, particularly since we are limited to nine months employment.

This is not a new proposal, the State of New York has followed this system ever since racing has been permitted. It has the advantage of having the loyalty of the employee undivided, and, it should rest, as it always does, with the "signer of the check."

4. Section 19511 should be amended: 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, its 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, may be successfully questioned.

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.

The board believes in the policy that only when necessary should it concern itself with matters that a free enterprise system dictates should be vested in the discretion of management. However, there have been instances where it appears that licensees are discriminated against, notwithstanding the racing board has issued such persons a license.

The board frequently is in a quandary because apparently discrimination against a licensee is frequently justified with "lack of stall space" or some other convenient excuse. With the great number of horses and great number of licensees in the State, it is impossible to provide that every licensee should be recognized. On the other hand, since racing does belong to all of the people of the State of California, and since the responsibility of issuing licenses is vested in the racing board, it would seem that Section 19511 should be clarified through amendment either by inserting after the word "license" (in next to the last line); "Whenever access is permitted by the Racing Association licensee" -----; or, it should provide that; "no licensee shall be denied the right to earn his livelihood under his license unless at the time he applies for stall space, for suitable horses, or for permission to enter the racing enclosure, the facilities, or the position, or the job he holds a license to perform, have been exhausted at such racing track."

The board also urges that this section be amended to provide "The California Horse Racing Board may, in its discretion, issue probationary licenses for as long a period as it deems desirable."

5. **Section 19538.** The board respectfully urges that if charity days are to be maintained, Section 19538 and other sections must be amended and implemented.

The moneys derived from charity days have, to an immeasurable extent, alleviated the suffering of the sick and the needy, and benefited charitable and benevolent institutions.

However, it is imperative there must be some uniform administration of charity days, both of the method of accounting, and of structure of the respective institutions that disburse the funds.

We request also that the present definition of "charitable and benevolent and other like work" should be more definitely defined. Obviously, if it is the intention of the Legislature that the primary purpose for including charity days is 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 stated by the Legislature. 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, and if the Legislature wish to permit these funds to be dispersed in response to a favored few, then the board feels the law should clearly so state.

The board is continually requested to approve every conceivable contribution in the name of charity; alumni associations of state institutions have applied, denominational schools wishing to enlarge their plants have applied, some institutions have received large sums who engaged in no direct charity but who in turn get the funds received from charity days and give to those that they elect and wish to favor.

All of this is confusing, causes misunderstanding, and, in the absence of legislative action, constitutes an unfair burden on the board who must approve the dispersal of funds. We, therefore, earnestly plead

that in addition to the foregoing, the Legislature amend Section 19538 of, and to add Sections 19538.1, 19538.2 and 19585.1 to the Business and Professions Code, relating to horse racing. (See Appendix "A").

6. **Section 19562.** Since racing is declared in part for the purpose of benefiting the breeding of horses in this State, and since so many of the outstanding studs in the last few years have left California and been removed to the East, we feel this section is inadequate; and that it would enhance the breed terrifically for the definition of a "California bred" to be changed to read: "A 'California bred' horse, within the meaning of this section, shall be deemed to be a foal dropped by a mare in California, wherever conceived."

We, therefore, respectfully urge, for the good of racing, that the said Section 19562 be amended to so provide.

7. (General Kenyon A. Joyce, member, does not agree.) **Section 19563.** Due to the excessive number of days of racing, the ever-increasing demand for licensees, to open additional meetings at fairs, the problem of other applications for thoroughbred or quarter horse racing, the board recommends that Section 19563 be amended so that harness racing may be run at night.

Throughout the East the harness circuit runs at night. The racing boards supervising these meetings run at night have encountered no unusual difficulties. The tracks, however, have enjoyed an ever-increasing patronage, and the State has reached an increasing revenue. Harness racing is a natural outlet for the investment of millions of dollars in the State of California, and it is entitled, according to the board, to this consideration.

Penal Code Sections

8. 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 in this or any other jurisdiction, shall, thereafter, be forever barred from any racing enclosure in the State of California.

We are not unmindful of the fact that there are those who believe that bookmaking is a minor offense. One needs only to read the newspapers to see the evil influence of the criminal element engaged in this nefarious activity. We are proud that in all of the investigations made in California by various and sundry committees and commissions, so far as the board has been able to ascertain, no one has been involved who actively really belongs in racing or who has been a licensee of the board. The evil is done by the leech who preys upon the unsuspecting public, and the decent element of racing should be fortified by law which forever excludes from racing enclosures this type of criminal.

PART III

9. 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 the 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) Should not the basic law be changed to provide that a license for racing upon which pari mutuel wagering is permitted, be granted to state, county and agricultural district fairs only when the exhibits of the fair, agriculture, horticulture, viticulture, livestock and other features of the fair are part of and are maintained on the grounds and for the duration of the dates granted by the Racing Board for racing?

(c) Should not all racing at county fairs be subject to the same requirements as to equipment, facilities and protective features as are required of racing associations?

(d) Should not fairs, as well as racing associations be required, if in the opinion of the board it is necessary to protect those engaged in racing, to deposit sufficient funds to guarantee the payment of published purses and estimated expenses of maintaining the meeting?

(e) Should not Sections 19531 to and including 19532 be amended to decrease the permissible number of racing days per year?

(f) The board has attempted to protect the horsemen by adopting a so-called 4-3-2 Rule. This rule provides there should be paid in purses and stakes not less than 4 percent of the first \$10,000,000, 3 percent of the next \$10,000,000, and 2 percent thereafter, of the amounts wagered through the pari-mutuel machines.

Historically, in comparison to tracks in the East, California tracks pay less to the horsemen than the tracks elsewhere of comparable prominence. The 4-3-2 Rule is not entirely satisfactory. It has been proposed by many horsemen that the Legislature should adopt a formula or set forth a rule by which horsemen would be assured of purses adequate to pay expenses. While the board feels that it can handle the matter and that it should remain flexible, inasmuch as it is a matter of urgent concern to so many in the business, we wish here to call it to your attention for whatever action may be deemed desirable.

(g) We have had instances of licensees refusing to permit common carriers access to the stable areas because those common carriers were not union carriers, or did not employ union help. The board feels that this question should be resolved by the Legislature:

Is a licensee to be denied the use of his license by any outside, extraneous influence, or is it the intention of the Legislature that a license shall be the only and controlling factor of permitting the licensee to earn his livelihood in a racing enclosure? By way of explanation, a licensee who has been running his horses at Bay Meadows, has stable space at Hollywood Park, and engages a van. A gateman, who is not a licensee, but who has received instructions not to let a non-union truck in the stable area, refuses to permit the licensee delivery in the stable area to his barns.

In other words, the fundamental question is—should labor or guild contracts supersede the fundamental law in respect to licensees?

(APPENDIX "A")

An act to amend Section 19538 of, and to add Sections 19538.1, 19538.2 and 19585.5 to, the Business and Professions Code, relating to horse racing.

The people of the State of California do enact as follows:

SECTION 1. Section 19538 of said code is hereby amended to read:

19538. The board shall grant not less than three or more than five additional racing days to each licensee in connection with any one regular meeting. The board shall require that the licensee of such regular meeting shall conduct such charity day racing and shall furnish its plant, facilities and all personnel and property necessary for the conduct of racing on the charity days as a condition of the issuance of a license to the licensee for the regular meeting. All racing officials required by law or regulation to serve in connection with the regular meeting shall also serve, without further authority or designation, in their respective capacities and at the same rate of compensation in connection with the charity day racing.

On such charity days the income from all operations carried on in connection with or resulting from the conduct of racing on such days, including income from pari-mutuel wagering, admissions, parking, program sales and concessions shall be income from operations on such charity days. From the gross income from such operations on charity days there shall be deducted only the direct expenses incurred because of the conduct of racing on such days, including taxes, if any, on or measured by or attributed to the receipts or income from operations on such days, but excluding any charge by the licensee for any overhead expenses or any portion of any expenses of the licensee which would be incurred whether or not racing was conducted on such days. The balance of such income after such deductions shall be paid by such licensee to a distributing agent selected and qualified in accordance with Section 19538.1 hereof.

SEC. 2. Section 19538.1 is added to said code, to read:

19538.1. The distributing agent for such charity days' proceeds shall always be a nonprofit organization or corporation, or nonprofit organizations or corporations, selected by the licensee of the regular meeting and approved by the California Horse Racing Board. Each such distributing agent to be qualified hereunder must conform to the then existing laws and regulations of this State and the United States, so as to be exempt or be entitled to exemption from the payment of any tax measured by income. Two-thirds of the number of the individuals constituting the governing board of trustees or directors of such distributing agent shall not be directly connected with or have a substantial interest in the racing association which is the licensee of the regular race meeting. Each of the individual trustees or directors who are not so connected with or interested in the regular licensee shall be a person who is at the time (a) a resident of the State of California, and (b) an executive, officer, director,

trustee or member of the governing body or board, by whatever name such governing body or board may be known, of an organization engaged in civic, religious, charitable, educational or veteran activities in the State of California.

SEC. 3. Section 19538.2 is added to said code, to read :

19538.2. Each licensee shall pay over such charity days' proceeds to such distributing agent as soon as practicable after the determination thereof, and such agent or agents shall hereafter distribute not less than 90 percent of the aggregate proceeds from charity days' racing received and available for distribution by it to beneficiaries within 12 calendar months from the date of the last charity day or from the last day of the regular racing meet in connection with which such charity days are granted, whichever is the later. The balance, if any, of such aggregate proceeds not distributed within such 12-month period shall be distributed as soon thereafter as is practicable. Such distribution shall be made by such distributing agent to beneficiaries entitled by law to receive the same and themselves qualified as exempt or entitled to exemption from taxes measured by income under the same provisions of the laws of this State and of the United States as those under which the distributing agent is qualified, and which beneficiaries are engaged in charitable or benevolent work similar to that of agencies recognized by an organized community chest in the State of California, but not excluding the use of funds so distributed for capital expenditures by such beneficiaries. Such beneficiaries, in addition, must be approved by the California Horse Racing Board. Each distributing agent, within such 12-month period and prior to payment of any contribution to any beneficiary, shall submit to the California Horse Racing Board the names of each of such beneficiaries for the approval of such board. If the board shall not disapprove such listed beneficiaries within 60 days after the submittal to such board of the names of the proposed beneficiaries, then the approval of such board shall be deemed to have been given.

SEC. 5. Section 19485.5 is added to said code, to read :

19485.5. The provisions of Section 19485 of this code shall not apply to racing days conducted as charity days under the provisions of Sections 19538, 19538.1, and 19538.2 of this code, nor shall any other amount be paid as a license fee to the State in connection therewith. The provisions of Section 19597 of this code shall not apply to a licensee for racing days conducted as charity days with respect to the commission deductible by such licensee from the pari-mutuel pools, and in lieu thereof the commission to be deducted by such licensee from the pari-mutuel pools shall not exceed 13 percent of the gross amount of money handled in the pari-mutuel pools operated by such licensee during each such charity day.

CONCLUSION

Wherever an industry or sport reaches the magnitude that racing has attained in California, and that industry or sport is permissive and can be indulged in only by licensees of the State, it is bound to attract a few in number who consider the law and the rules and regulations something to be circumvented rather than something to be followed.

In administering the laws of racing, it is essential that the Racing Board have the full cooperation of every department of the State Government. In this connection the board wishes to express its deepest appreciation of the cooperation it has received from other departments of the State Government during the years covered by this report.

The board wishes, however, to point out that there are some statutes relative to certain other departments of the State Government that prevent the free exchange of information. It is therefore recommended that a study be made of this subject toward the end that all departments of State Government, including the Racing Board, shall be privileged to call upon any other department, not only for assistance but for confidential data or information for use in the administration of the law.

Respectfully submitted,

CALIFORNIA HORSE RACING BOARD

LOYD WRIGHT, Chairman
DWIGHT MURPHY, Member
GEN. KENYON A. JOYCE, Member

ALFRED B. FISKE
Secretary

Los Angeles, California, December 27, 1950.

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