

**NOTE: Government Code section 11340.85 requires the Board to post all notices, initial statement of reasons and texts of rules noticed to the public until 15 days after the proposed regulations are filed with the Secretary of State by the Office of Administrative Law.**

CALIFORNIA HORSE RACING BOARD  
TITLE 4, DIVISION 4, CALIFORNIA CODE OF REGULATIONS

NOTICE OF PROPOSAL TO AMEND  
RULE 1433, APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING

The California Horse Racing Board (Board/CHRB) proposes to amend the regulations described below after considering all comments, objections or recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION

The Board proposes to amend Board Rule 1433, Application for License to Conduct a Horse Racing Meeting. The proposed amendment to Rule 1433 will modify the text of the regulation, as well as the Application for License to Conduct a Horse Racing Meeting, CHRB-17 (Rev. 07/11) (CHRB-17), and Application for License to Conduct a Horse Racing Meeting of a California Fair, CHRB-18 (Rev. 07/11) (CHRB-18), which are incorporated by reference into Rule 1433. The proposed amendment to Rule 1433 will delete subsection (b) which requires any thoroughbred racing association that operates four weeks or more of continuous thoroughbred racing in a calendar year to install a polymer synthetic racing surface. The proposed amendment to Rule 1433 will also revise the forms CHRB-17, and CHRB-18 to collect information on stakes races for the prior two race meetings; collect the name, emergency telephone number and hours of the racing veterinarian onsite during training hours, workouts and during racing; collect information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program; and capture the takeout percentage for each type of wager.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, June 25, 2015**, or as soon after that as business before the Board will permit, at the **Los Alamitos Race Course, 4961 E. Katella Avenue, Los Alamitos, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m. on June 22, 2015**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulation Analyst

California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, CA 95825  
Telephone (916) 263-6026  
Fax: (916) 263-6022  
E-Mail: haroldc@chr.ca.gov  
AUTHORITY AND REFERENCE

Authority cited: Sections 19420 and 19440, Business and Professions Code.  
Reference: Sections 19440, 19480, 19481 and 19562, Business and Professions Code.

## INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions Code section 19420 provides that the Board shall have jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purpose of this chapter. Responsibilities of the Board shall include, but are not limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19480 states the Board may issue to any person who makes application in writing, who has complied with the provisions of horse racing law, a license to conduct a horse racing meeting at the track specified in the application; provided, the Board determines that the issuance will be in the public interest. Business and Professions Code section 19481 provides that in performing its responsibilities, the Board shall establish safety standards governing equipment for horse and rider. Business and Professions Code sections 19562 states the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in this State.

The proposed amendment to Rule 1433 will delete subsection (b) to remove the requirement that any thoroughbred racing association that operates four weeks or more of continuous thoroughbred racing in a calendar year must install a polymer synthetic racing surface. The requirement for polymer synthetic racing surfaces became effective in January 2007. When the Board first considered requiring thoroughbred race meet operators to install synthetic tracks it was believed synthetic surfaces would improve safety and prevent catastrophic injuries to horses. Another reason for adopting the requirement for synthetic racing surfaces was the promise of decreased maintenance and renovation costs. Synthetic tracks were considered low maintenance, requiring little to no watering, with consistent performance. However, critics of the tracks maintain that while synthetic surfaces have resulted in the reduction of serious concussion injuries to horses, the incidence of muscle and soft tissue injuries have increased. Additionally, synthetic racing surfaces have proven to require constant maintenance. Regularly scheduled refurbishment of wax and fiber is required to maintain the original material properties of synthetic racing surfaces to ensure safe operation. Synthetic racing surface performance has proven to be significantly affected by ambient temperature. This has resulted in the need for added harrowing and watering operations to control critical material properties. In 2010, after experiencing problems over a number of years with its synthetic racing surface, the Los Angeles Turf Club petitioned the Board for an exemption from the requirements of subsection 1433(b) and converted its synthetic track back to a dirt

race surface. Hollywood Park Race Track, which had a synthetic racing surface, closed in December 2013. At the March 2014 Regular Board meeting, Del Mar Thoroughbred Club (Del Mar) announced plans to seek an exemption to subsection 1433(b), and to replace its synthetic track with a dirt track in time for its 2015 summer racing season. Currently, only Golden Gate Fields in Northern California has a synthetic racing surface. Given these circumstances, the Board has determined that Rule 1433 should be amended to delete subsection 1433(b). The proposed amendment to Rule 1433 will not prevent a thoroughbred racetrack from installing a synthetic surface; instead, it will allow thoroughbred racing associations to determine what type of track surface best suits their circumstances.

Rule 1433 incorporates by reference the forms CHRB-17 and CHRB-18; therefore, any revisions to the application forms would necessitate an amendment of the Rule 1433.

Proposed changes to form CHRB-17 include:

Section 3, D1, Racing Program: This section of the CHRB-17 has been added to capture information regarding stakes races the applicant association offered during its past two race meetings. Information on stakes races that the applicant association intends to offer is collected on the form CHRB-17; however, information concerning past stakes races is not captured. The information collected will allow the Board to compare the stakes schedule the applicant association intends to offer with those it offered during its past two race meetings. This gives the Board a mechanism to track the status of the applicant's graded stakes races over time to ensure the quality of California's stakes races is sustained. If a stakes race is modified in any way, the Thoroughbred Owners and Breeders of America (TOBA) American Graded Stakes Committee (GSC) could eliminate it as a California stakes race.

Section 3, D2, Racing Program: Section 3, D2 of the CHRB-17 has been added to capture information regarding stakes races that have been added, or are new for the current race meeting and details regarding any alterations to the identified stakes races. An association's added stakes races may not be new races to the industry. When Hollywood Park Race Track closed in December 2013, Los Alamitos Race Course added stakes races previously run by Hollywood Park. New stakes races may be races previously run by the applicant association that have met the GSC criteria for grading. The Board is interested in details regarding changes to stakes races, such as age, sex, eligibility, purse or calendar changes, as modifications to stakes races could result in a review by the GSC and a change in the grade of the race, or elimination of its grading. Changes in grade, or the elimination of stakes races could affect the quality of horses that run at the race meeting. A racing association wants to attract quality race horses, as a higher level of racing results in greater interest on the part of racing fans. The addition of subsection 3, D2 provides the Board with a mechanism to track the status of altered, added or new graded stakes races in California.

Section 3, D3, Racing Program: This section of the CHRB-17 has been added to capture information regarding stakes races that have been dropped or deleted and the reason for the change. A race may be dropped by the applicant racing association if there are not enough entrants. Races may be deleted due to decisions made by the racing association or by the GSC. The Board is interested in this information, as the elimination of a stakes race may affect the quality of horses that run at the race meeting, and may lower fan interest.

Stakes races are also known as “graded stakes” and are “higher-class” races for larger purses, as opposed to overnight or claiming races. There are three grades to a graded stakes race. The grade assigned a race is controlled by the GSC, which is a committee of the TOBA, a national thoroughbred horse racing organization. The GSC ensures a Grade 1, 2, or 3 stakes race is the same class level irrespective of where it is run. The purses for graded stakes races are generally higher and the graded stakes races attract better quality horses, this in turn may result in increased attendance and wagering. Racetracks benefit from having their races graded. The GSC criteria for grading a stakes race provides if a graded or eligible race is altered materially in age, sex, eligibility, racetrack location, or purse, or is substantially changed on the calendar (60 or more days), this will prompt a review and may result in a change in grade. A new race must be run two years before it can be considered for grading. If a race is not run for two or more years or has not run in two of the last three years, it is ineligible for grading. If a race is scheduled to be moved from dirt to turf or vice versa, or if its distance is altered (a) by more than one-quarter mile, or (b) from sprint distance (less than one mile) to route distance (one mile or greater) or vice versa, it will be considered a new race and is ineligible for grading until run twice under the new conditions. Once a race has been assigned the status of a graded stakes race, the graded race has to meet the GSC requirements to continue its eligibility. If the graded stakes race does not meet the requirements of the GSC its status can be downgraded or it may lose its graded stakes race eligibility. Information on graded stakes races for the prior two race meetings is necessary to provide the Board with a mechanism to track the status of graded stakes races in California to ensure that they are not dropped and lost to future race meetings. The information collected on the prior stakes races will be invaluable in assisting the Board to ensure that California’s graded stakes races are not lost or downgraded.

Section 9, A, Equine Emergency Services: This is a new subsection within the CHRB-17, which requires the applicant association to provide the name and emergency phone number of the racing veterinarian onsite during training hours, workouts and during racing. This information must be provided for the racetrack and any auxiliary sites. Collecting the contact information for the veterinarian available for emergency services will ensure that Board staff will have such information available, if needed.

Section 9, A1, Equine Emergency Services: This new subsection within the CHRB-17 requires the applicant association to attach a copy of the schedule listing the dates and times that the racing veterinarian will be available onsite during training hours, workouts and during racing. This information must be provided for the racetrack and any auxiliary sites. Collecting the work schedule for the veterinarian available for emergency services will ensure that Board staff will have such information available, if needed.

The name of the racing veterinarian, the emergency telephone number and the hours he or she is onsite during training hours, workouts and during racing is not currently captured on the form CHRB-17. Capturing the name, emergency telephone number and hours of the onsite veterinarian is necessary to provide the Board with information regarding who will be available to treat a horse during training hours, and workouts, and racing at the race track and auxiliary sites. The auxiliary sites are facilities used to stable the overflow of horses when the association track does not have enough stalls to accommodate the horse population for the race meeting. When horses are stabled at an auxiliary site, training and workouts for those horses usually occur at the auxiliary; therefore, it is necessary to collect a schedule of availability for the racing veterinarian for both the association and auxiliary site. The racing veterinarian has the authority to treat any horse in event of an emergency, accident or injury, and

is authorized to euthanize any horse which in the veterinarian's opinion is so seriously injured that such action is necessary. Obtaining the veterinarians contact information and work schedule will identify the responsible individual(s), and will ensure that Board staff will have such information available, if needed.

Section 10, B, Pari-Mutuel Wagering Program: This section of the CHRB-17 has been modified to collect information regarding the applicant association's proposed offering of pari-mutuel wagers that were not offered in the prior year's pari-mutuel wagering program, or regarding pari-mutuel wagers that are not being carried forward from the previous year's wagering program. This information is not currently collected. Capturing information on the current year's proposed pari-mutuel wagers versus the prior year will allow the Board to make a year to year comparison to be aware of changes in the applicant association's wagering program, as they occur.

Section 10, G, Pari-Mutuel Wagering Program: This section of the CHRB-17 has been modified to capture the takeout percentage for each type of pari-mutuel wager listed on the race meet application. Pari-mutuel wagering information is currently collected on the form CHRB-17; however, the takeout percentage for each type of wager is not captured. Takeout is the source of all pari-mutuel revenues for the industry. Take-out rates are set by State law and they vary by type of wager and breed. To ensure the Board is informed, the CHRB-17 will be amended to include the takeout rates for each type of wager. Capturing the takeout percentage for each type of wager on the race meet application is necessary to provide the Board with complete information regarding the applicant's pari-mutuel wagering program. The amendment provides the Board with a record of the takeout percentage for each type of wager.

Section 16, A, Emergency Services: This section of the CHRB-17 has been amended to change the phrase "the running of the races" to "during racing" for the purpose of consistency. This phrase is also used in section 9, Equine Emergency Services.

Proposed changes to form CHRB-18 include:

Section 3, E1, Racing Program: This section of the CHRB-18 has been added to capture information regarding stakes races for the past two race meetings. Such information will provide the Board with the ability to compare the applicant racing fair's proposed stakes schedule with its previous year's stakes. This will keep the Board abreast of the status of graded stakes races in California to ensure the races are maintained from year to year, and that the quality of California stakes races is sustained. If a stakes race is not run, or modified in any way, the race could be eliminated by the GSC as a California stakes race.

Section 3, E2, Racing Program: This section of the CHRB-18 has been added to capture information regarding stakes races that have been altered, added, or are new for the current race meeting. The Board is interested in details regarding changes to stakes races, such as age, sex, eligibility, purse or calendar changes, as modifications to stakes races could result in a review by the GSC and a change in the grade of the race, or elimination of its grading. Changes in grade, or the elimination of stakes races could affect the quality of horses that run at the fair's race meeting. Such changes also affect fan interest. The information provided under Section 3, E2 allows the Board to track the status of graded stakes races in California to ensure the quality of California stakes races is sustained.

Section 3, E3, Racing Program: This section of the CHRB-18 has been added to capture information regarding stakes races that have been dropped or deleted, and the reason for the change. A race may be dropped by the applicant racing fair association if there are not enough entrants. Races may be deleted due to decisions made by the racing fair association or by the GCS. The Board is interested in this information, as the elimination of a stakes race may have a detrimental effect on the quality of horses that run at the race meeting, and may lower fan interest. The proposed change provides the Board with a mechanism to track the status of graded stakes races in California to ensure the quality of California stakes races is sustained.

Section 9, A, Equine Emergency Services: This is a new subsection within the CHRB-18, which requires the applicant racing fair association to provide the name and emergency phone number of the racing veterinarian onsite during training hours, workouts and during racing. This information must be provided for the racetrack and any auxiliary sites. Collecting the contact information for the veterinarian available for emergency services will ensure that Board staff will have such information available, if needed.

Section 9, A1, Equine Emergency Services: This new subsection within the CHRB-18 requires the applicant racing fair association to attach a copy of the schedule listing the dates and times that the racing veterinarian will be available onsite during training hours, workouts and during racing. This information must be provided for the racetrack and any auxiliary sites. Collecting the work schedule for the veterinarian available for emergency services will ensure that Board staff will have such information available, if needed.

The name of the racing veterinarian, the emergency telephone number and the hours he or she is onsite during training hours, workouts and during racing is not currently captured on the form CHRB-18. Capturing the name, emergency telephone number and hours of the onsite veterinarian is necessary to provide the Board with information regarding who will be available to treat a horse during training hours, and workouts, and racing at the race track and auxiliary sites. The auxiliary sites are facilities used to stable the overflow of horses when the racing fair's track does not have enough stalls to accommodate the horse population for the race meeting. When horses are stabled at an auxiliary site, training and workouts for those horses usually occur at the auxiliary; therefore, it is necessary to collect a schedule of availability for the racing veterinarian for both the racing fair and auxiliary site. The racing veterinarian has the authority to treat any horse in event of an emergency, accident or injury, and is authorized to euthanize any horse which in the veterinarian's opinion is so seriously injured that such action is necessary. Obtaining the veterinarians contact information and work schedule will identify the responsible individual(s), and will ensure that Board staff will have such information available, if needed.

Section 10, C, Pari-Mutuel Wagering Program: This section of the CHRB-18 has been modified to collect information regarding the proposed offering of pari-mutuel wagers that were not offered in the prior year's pari-mutuel wagering program, or regarding pari-mutuel wagers that are not being carried forward from the previous year's wagering program. This information is not currently collected. Capturing information on the current year's proposed pari-mutuel wagers versus the prior year will allow the Board to make a year to year comparison to be aware of changes in the applicant association's wagering program, as they occur.

Section 10, H, Pari-Mutuel Wagering Program: This section of the CHRB-18 has been modified to capture the takeout percentage for each type of pari-mutuel wager listed on the fair's race meet application. Pari-mutuel wagering information is currently collected on the form CHRB-18; however, the takeout percentage for each type of wager is not captured. To ensure the Board is informed, the CHRB-18 will be amended to include the takeout rates for each type of wager. Capturing the takeout percentage for each type of wager on the race meet application is necessary to provide the Board with complete information regarding the applicant's pari-mutuel wagering program. The amendment provides the Board with a record of the takeout percentage for each type of wager.

Section 15, A, Emergency Services: This section of the CHRB-18 has been amended to change the phrase "the running of the races" to "during racing" for the purpose of consistency. This phrase is also used in section 9, Equine Emergency Services.

All other changes to the forms CHRB-17 and CHRB-18 are for the purpose of clarification, consistency, renumbering and grammar.

#### POLICY STATEMENT OVERVIEW OF ANTICIPATED BENEFITS OF PROPOSAL

The proposed amendment to Rule 1433 will delete the mandate for a polymer synthetic track surface imposed on certain thoroughbred racetracks, help the Board make a more informed decision when it considers race meet applications.

The proposed amendment to Rule 1433 subsection (b) will delete the requirement that specified thoroughbred racing associations install a polymer synthetic racing surface. Rather than dictate a "one size fits all" racing surface, the proposed amendment benefits the industry by removing the mandate, which will allow California's thoroughbred racing associations to determine for themselves what type of track surface best suits their circumstances.

The proposed amendment to Rule 1433 will revise the forms CHRB-17, and CHRB-18 to collect information on the applicant association's stakes races for the prior two race meetings, as well as altered, new or deleted stakes; collect the name and emergency telephone number of the racing veterinarian and the hours he or she is onsite during training hours, workouts and during racing; collect information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program, or wagers that are not being carried over from the previous year; and capture the takeout percentage for each type of wager.

Collecting information on previous year's graded stakes races, as well as altered, new or deleted stakes, has the benefit of providing the Board with a mechanism to compare and track the quality of graded stakes races in California. It is important that graded stakes are maintained year-to-year; such races attract a higher quality of horses, and increase public participation in this State's race meetings. When considering race meet applications, the Board needs to be fully informed so that it can assure California will continue to operate successful race meetings, and offer world-class thoroughbred racing.

Capturing the name of the racing veterinarian, the racing veterinarian's emergency telephone number, and the hours he or she will be onsite at the racetrack and auxiliary sites, will provide the Board with information regarding who will be available to treat a horse during training hours, workouts and running

of the race. The racing veterinarian has the authority to treat any horse in event of an emergency, accident or injury, and he is authorized to euthanize any horse which in his opinion is so seriously injured that it is in the best interest of racing to take such action. The collection of the veterinarian's emergency contact information and work schedule will have the benefit of assisting staff in its communication with the veterinarian, if needed.

Pari-mutuel wagering information is currently collected on the race meet application forms CHRB-17 and CHRB-18; however, the takeout percentage for each type of wager is not captured. To ensure the Board is informed, the CHRB-17 and CHRB-18 will be amended to include takeout rates for each type of wager. Capturing the takeout percentage for each type of wager on the race meet application benefits the Board, as it will be fully informed in its consideration of race meet applications.

Consistency with Existing State Regulations: The Board does not believe that the proposed regulation is inconsistent or incompatible with existing state regulations.

#### DISCLOSURE REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

Cost to any local agency or school district that must be reimbursed in accordance with Government Code Sections 17500 through 17630: none.

Other non-discretionary costs or savings imposed upon local agencies: none.

Cost or savings in federal funding to the state: none.

The Board has made an initial determination that the proposed amendment to Rule 1433 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

The following studies/relevant data were relied upon in making the above determination: none.

Cost impact on representative private persons or businesses: The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant effect on housing costs: none.

#### RESULT OF ECONOMIC IMPACT ANALYSIS

The adoption of the proposed amendment to Rule 1433 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California. The amendment to Rule 1433 promotes public awareness, and horse health and safety. The proposed amendment to Rule 1433 subsection (b) will remove the requirement for the use of a polymer synthetic racing surface. The

proposed amendment to Rule 1433 will also revise the forms CHRB-17, and CHRB-18 to collect information on stakes races for the prior two race meetings; collect the name, emergency telephone number, and hours of the racing veterinarian onsite during the training hours, workouts and during racing; collect information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program; and capture the takeout percentage for each type of wager. The proposed amendment to Rule 1433 eliminates the mandate for the use of a polymer synthetic racing surface, which will provide cost savings to thoroughbred racing associations. The proposed amendment to Rule 1433 subsection (b) will remove the absolute requirement for the use of a polymer synthetic racing surface at all facilities that conduct continuous thoroughbred horse racing for four weeks or more in a calendar year. The amendment will not prevent a racetrack from installing a synthetic surface; instead it will allow thoroughbred racing associations to determine what type of track surface best suits their circumstances. Capturing information on graded stakes races for the prior two race meetings is necessary to provide the Board with a mechanism to track the status of graded stakes races in California to ensure that they are not dropped and lost to future race meetings. The information collected on the prior stakes races will be invaluable to assist the Board with ensuring that quality of the California graded stakes do not decrease. Capturing the name, emergency telephone number and hours of the onsite veterinarian will provide the Board with information on who will be available to treat a horse during training hours, workouts and running of race for the association and auxiliary training sites. The contact information and work schedule of the veterinarian available for emergency services will assist staff in communicating with the racing veterinarian, if needed. Collecting information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program, or that are not being carried forward from the previous year's pari-mutuel wagering program will allow the Board to make a comparison from year to year and ensure that the wagering options do not decrease.

Effect on small businesses: none. The proposal to amend Rule 1433 does not affect small businesses because horse racing is not a small business under Government Code Section 11342.610.

## CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5, subdivision (a)(13), the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome on affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled hearing or during the written comment period.

## CONTACT PERSON

Inquiries concerning the substance of the proposed action and requests for copies of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, and other information upon which the rulemaking is based should be directed to:

Harold Coburn, Regulation Analyst

California Horse Racing Board

1010 Hurley Way, Suite 300

Sacramento, CA 95825

Telephone: (916) 263-6026

E-mail: haroldc@chr.ca.gov

If the person named above is not available, interested parties may contact:

Andrea Ogden,

Policy, Regulations and Legislation

Telephone: (916) 263-6033

#### AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its offices at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the initial statement of reasons. Copies may be obtained by contacting Harold Coburn, or the alternative contact person at the address, phone number or e-mail address listed above.

#### AVAILABILITY OF MODIFIED TEXT

After holding a hearing and considering all timely and relevant comments received, the Board may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly marked, shall be made available to the public for at least 15 days prior to the date on which the Board adopts the regulation. Requests for copies of any modified regulations should be sent to the attention of Harold Coburn at the address stated above. The Board will accept written comments on the modified regulation for 15 days after the date on which it is made available.

#### AVAILABILITY OF FINAL STATEMENT OF REASONS

Requests for copies of the final statement of reasons, which will be available after the Board has adopted the proposed regulation in its current or modified form, should be sent to the attention of Harold Coburn at the address stated above.

#### BOARD WEB ACCESS

The Board will have the entire rulemaking file available for inspection throughout the rulemaking process at its web site. The rulemaking file consists of the notice, the proposed text of the regulation and the initial statement of reasons. The Board's web site address is: [www.chrb.ca.gov](http://www.chrb.ca.gov).

#### INITIAL STATEMENT OF REASONS

#### RULE 1433. APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING

## SPECIFIC PURPOSE OF THE REGULATION

The Board proposes to amend Board Rule 1433, Application for License to Conduct a Horse Racing Meeting. The proposed amendment to Rule 1433 will modify the text of the regulation, as well as the Application for License to Conduct a Horse Racing Meeting, CHRB-17 (Rev. 07/11) (CHRB-17), and Application for License to Conduct a Horse Racing Meeting of a California Fair, CHRB-18 (Rev. 07/11) (CHRB-18), which are incorporated by reference into Rule 1433. The proposed amendment to Rule 1433 will delete subsection (b) which requires any thoroughbred racing association that operates four weeks or more of continuous thoroughbred racing in a calendar year to install a polymer synthetic racing surface. The proposed amendment to Rule 1433 will also revise the forms CHRB-17, and CHRB-18 to collect information on stakes races for the prior two race meetings; collect the name, emergency telephone number and hours of the racing veterinarian onsite during training hours, workouts and during racing; collect information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program; and capture the takeout percentage for each type of wager.

## PROBLEM

The Board proposes to amend Rule 1433, Application for License to Conduct a Horse Racing Meeting. The forms CHRB-17 and CHRB-18 are incorporated by reference in Rule 1433; therefore, any revisions to the applications would necessitate an amendment to the rule. The proposed amendment to Rule 1433 subsection (b) will remove the requirement for the use of a polymer synthetic racing surface at all racing facilities that conduct four weeks or more of continuous thoroughbred racing in a calendar year. This requirement has been in place since 2007. However, in 2010, after experiencing problems over a number of years with its synthetic racing surface, the Los Angeles Turf Club petitioned the Board for an exemption from the requirements of subsection 1433(b) and converted its synthetic track back to a dirt race surface. Hollywood Park Race Track, which had a synthetic racing surface, closed in December 2013. At the March 2014 Regular Board meeting Del Mar Thoroughbred Club (Del Mar) announced plans to seek an exemption to subsection 1433(b), and to replace its synthetic track with a dirt track in time for its 2015 summer racing season. Currently, only Golden Gate Fields in Northern California has a synthetic racing surface. Given that only one of the three thoroughbred racing associations in California has a synthetic race surface, the Board has determined that Rule 1433 should be amended to delete subsection 1433(b). The proposed amendment will allow thoroughbred racing associations to determine which racing surface best suits their needs. The proposed amendment to Rule 1433 will revise the forms CHRB-17, and CHRB-18 to capture information regarding stakes races for the applicant's past two race meetings. Information on stakes races is currently collected on the race meet application forms CHRB-17 and CHRB-18; however, information on past stakes races is not captured. The proposed changes to race meet application forms CHRB-17 and CHRB-18 include collecting the name, emergency telephone number and schedule of availability for the racing veterinarian onsite during the training hours, workouts and during racing for the association and auxiliary sites. The CHRB-17 and CHRB-18 do not currently capture the contact information or schedule of availability for the onsite veterinarian. Additional changes to the forms CHRB-17 and CHRB-18 include collecting information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program, or that are not being carried forward from the previous year's pari-mutuel wagering program. The application forms CHRB-17 and CHRB-18 do

not presently collect information on the proposed offerings of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program, or that are not being carried forward from the previous year's pari-mutuel wagering program. The proposed amendment to application forms CHRB-17 and CHRB-18 will also capture the takeout percentage for each type of wager. The takeout percentage for each type of wager is not currently captured on race meet application forms CHRB-17 and CHRB-18.

## NECESSITY

The proposed amendment to Rule 1433 will delete subsection (b) to remove the requirement that any thoroughbred racing association that operates four weeks or more of continuous thoroughbred racing in a calendar year must install a polymer synthetic racing surface. The requirement for polymer synthetic racing surfaces became effective in January 2007. When the Board first considered requiring thoroughbred race meet operators to install synthetic tracks it was believed synthetic surfaces would improve safety and prevent catastrophic injuries. Another reason for adopting the requirement for synthetic racing surfaces was the promise of decreased maintenance and renovation costs. Synthetic tracks were considered low maintenance, requiring little to no watering, with consistent performance. However, critics of the tracks maintain that while synthetic surfaces have resulted in the reduction of serious concussion injuries to horses, the incidence of muscle and soft tissue injuries have increased. Additionally, synthetic racing surfaces have proven to require constant maintenance. Regularly scheduled refurbishment of wax and fiber is required to maintain the original material properties of synthetic racing surfaces to ensure safe operation. Synthetic racing surface performance has proven to be significantly affected by ambient temperature. This has resulted in the need for added harrowing and watering operations to control critical material properties. In 2010, after experiencing problems over a number of years with its synthetic racing surface, the Los Angeles Turf Club petitioned the Board for an exemption from the requirements of subsection 1433(b) and converted its synthetic track back to a dirt race surface. Hollywood Park Race Track, which had a synthetic racing surface, closed in December 2013. At the March 2014 Regular Board meeting Del Mar Thoroughbred Club (Del Mar) announced plans to seek an exemption to subsection 1433(b), and to replace its synthetic track with a dirt track in time for its 2015 summer racing season. Currently, only Golden Gate Fields in Northern California has a synthetic racing surface. Given these circumstances, the Board has determined that Rule 1433 should be amended to delete subsection 1433(b). The proposed amendment to Rule 1433 will not prevent a thoroughbred racetrack from installing a synthetic surface; instead, it will allow thoroughbred racing associations to determine what type of track surface best suits their circumstances.

Rule 1433 incorporates by reference the forms CHRB-17 and CHRB-18; therefore, any revisions to the application forms would necessitate an amendment of the Rule 1433.

Proposed changes to form CHRB-17 include:

Section 3, D1, Racing Program: This section of the CHRB-17 has been added to capture information regarding stakes races the applicant association offered during its past two race meetings. Information on stakes races that the applicant association intends to offer is collected on the form CHRB-17; however, information concerning past stakes races is not captured. The information collected will allow the Board to compare the stakes schedule the applicant association intends to offer with those it offered during its past two race meetings. This gives the Board a mechanism to track the status of the

applicant's graded stakes races over time to ensure the quality of California's stakes races is sustained, and to resolve any issues it may have with such changes. If a stakes race is modified in any way, the Thoroughbred Owners and Breeders of America (TOBA) American Graded Stakes Committee (GSC) could eliminate it as a California stakes race.

Section 3, D2, Racing Program: Section 3, D2 of the CHRB-17 has been added to capture information regarding stakes races that have been added, or are new for the current race meeting and details regarding any alterations to the identified stakes races. An association's added stakes races may not be new races to the industry. When Hollywood Park Race Track closed in December 2013, Los Alamitos Race Course added stakes races previously run by Hollywood Park. New stakes races may be races previously run by the applicant association that have met the GSC criteria for grading. The Board is interested in details regarding changes to stakes races, such as age, sex, eligibility, purse or calendar changes, as modifications to stakes races could result in a review by the GSC and a change in the grade of the race, or elimination of its grading. Changes in grade, or the elimination of stakes races could affect the quality of horses that run at the race meeting. A racing association wants to attract quality race horses, as a higher level of racing results in greater interest on the part of racing fans. The addition of subsection 3, D2 provides the Board with a mechanism to track the status of altered, added or new graded stakes races in California. If the Board has any issues with such changes, the proposed addition of Section 3, D2 gives the Board the opportunity to hold discussions with the applicant association prior to the commencement of the race meeting.

Section 3, D3, Racing Program: This section of the CHRB-17 has been added to capture information regarding stakes races that have been dropped or deleted, and the reason for the change. A race may be dropped by the applicant racing association if there are not enough entrants. Races may be deleted due to decisions made by the racing association or by the GSC. The Board is interested in this information, as the elimination of a stakes race may affect the quality of horses that run at the race meeting, and may lower fan interest. Disclosing dropped or deleted stakes races on the CHRB-17 is necessary to provide the Board and the applicant association an opportunity to discuss (prior to the commencement of the race meeting) any issues that arise due to dropped/deleted stakes races.

Stakes races are also known as "graded stakes" and are "higher-class" races for larger purses, as opposed to overnight or claiming races. There are three grades to a graded stakes race. The grade assigned a race is controlled by the GSC, which is a committee of the TOBA, a national thoroughbred horse racing organization. The GSC ensures a Grade 1, 2, or 3 stakes race is the same class level irrespective of where it is run. The purses for graded stakes races are generally higher and the graded stakes races attract better quality horses, this in turn may result in increased attendance and wagering. Racetracks benefit from having their races graded. The GSC criteria for grading a stakes race provides that if a graded or eligible race is altered materially in age, sex, eligibility, racetrack location, or purse, or is substantially changed on the calendar (60 or more days), this will prompt a review and may result in a change in grade. A new race must be run two years before it can be considered for grading. If a race is not run for two or more years or has not run in two of the last three years, it is ineligible for grading. If a race is scheduled to be moved from dirt to turf or vice versa, or if its distance is altered (a) by more than one-quarter mile, or (b) from sprint distance (less than one mile) to route distance (one mile or greater) or vice versa, it will be considered a new race and is ineligible for grading until run twice under the new conditions. Once a race has been assigned the status of a graded stakes race, the graded race has to meet the GSC requirements to continue its eligibility. If the graded stakes race does not meet the

requirements of the GSC its status can be downgraded or it may lose its graded stakes race eligibility. Information on graded stakes races for the prior two race meetings is necessary to provide the Board with a mechanism to track the status of graded stakes races in California to ensure that they are not dropped and lost to future race meetings. The information collected on the prior stakes races will be invaluable in assisting the Board to ensure that California's graded stakes races are not lost or downgraded. The addition of subsections 3, D1 through D3 is necessary to provide the Board with an opportunity to be proactive and resolve any issues it may have with the applicant's proposed stakes schedule prior to granting a license to operate a race meeting.

Section 9, A, Equine Emergency Services: This is a new subsection within the CHRB-17, which requires the applicant association to provide the name and emergency phone number of the racing veterinarian onsite during training hours, workouts and during racing. This information must be provided for the racetrack and any auxiliary sites. Collecting the contact information for the veterinarian available for emergency services will ensure that Board staff will have such information available, if needed. Since the closure of Hollywood Park Race Track, and Fairplex Park Pomona ceased hosting race meetings, auxiliary training facilities have taken on a new prominence. Therefore, collecting information regarding auxiliary sites is particularly important to ensure that full coverage is provided during the auxiliary's training hours and workouts.

Section 9, A1, Equine Emergency Services: This new subsection within the CHRB-17 requires the applicant association to attach a copy of the schedule listing the dates and times that the racing veterinarian will be available onsite during training hours, workouts and during racing. This information must be provided for the racetrack and any auxiliary sites. Collecting the work schedule for the veterinarian available for emergency services will ensure that Board staff will have such information available, if needed. Since the closure of Hollywood Park Race Track, and Fairplex Park Pomona ceased hosting race meetings, auxiliary training facilities have taken on a new prominence. Therefore, collecting information regarding auxiliary sites is particularly important to ensure that full coverage is provided during the auxiliary's training hours and workouts.

The name of the racing veterinarian, the emergency telephone number and the hours he or she is onsite during training hours, workouts and during racing is not currently captured on the form CHRB-17. Capturing the name, emergency telephone number and hours of the onsite veterinarian is necessary to provide the Board with information regarding who will be available to treat a horse during training hours, and workouts, and racing at the race track and auxiliary sites. The auxiliary sites are facilities used to stable the overflow of horses when the association track does not have enough stalls to accommodate the horse population for the race meeting. When horses are stabled at an auxiliary site, training and workouts for those horses usually occur at the auxiliary; therefore, it is necessary to collect a schedule of availability for the racing veterinarian for both the association and auxiliary site. The racing veterinarian has the authority to treat any horse in the event of an emergency, accident or injury, and is authorized to euthanize any horse which in the veterinarian's opinion is so seriously injured that such action is necessary. Obtaining the veterinarians contact information and work schedule will identify the responsible individual(s), and will ensure that Board staff will have such information available, if needed. Since the closure of Hollywood Park Race Track, and Fairplex Park Pomona ceased hosting race meetings, auxiliary training facilities have taken on a new prominence. Therefore, collecting information regarding auxiliary sites is particularly important to ensure that full coverage is provided during the auxiliary's training hours and workouts.

Section 10, B, Pari-Mutuel Wagering Program: This section of the CHRB-17 has been modified to collect information regarding the applicant association's proposed offering of pari-mutuel wagers that were not offered in the prior year's pari-mutuel wagering program, or regarding pari-mutuel wagers that are not being carried forward from the previous year's wagering program. This information is not currently collected. Capturing information on the current year's proposed pari-mutuel wagers versus the prior year will allow the Board to make a year to year comparison to be aware of changes in the applicant association's wagering program, as they occur. The comparisons made under section 10, B, of the CHRB-17 are necessary to provide the Board and the applicant association an opportunity to discuss (prior to the commencement of the race meeting) any issues that arise due to changes in the pari-mutuel wagering program.

Section 10, G, Pari-Mutuel Wagering Program: This section of the CHRB-17 has been modified to capture the takeout percentage for each type of pari-mutuel wager listed on the race meet application. Pari-mutuel wagering information is currently collected on the form CHRB-17; however, the takeout percentage for each type of wager is not captured. Takeout is the source of all pari-mutuel revenues for the industry. Take-out rates are set by State law and they vary by type of wager and breed. To ensure the Board is informed, the CHRB-17 will be amended to include the takeout rates for each type of wager. Capturing the takeout percentage for each type of wager on the race meet application is necessary to provide the Board with complete information regarding the applicant's pari-mutuel wagering program. The amendment provides the Board with a record of the takeout percentage for each type of wager.

Section 16, A, Emergency Services: This section of the CHRB-17 has been amended to change the phrase "the running of the races" to "during racing" for the purpose of consistency. This phrase is also used in section 9, Equine Emergency Services.

Proposed changes to form CHRB-18 include:

Section 3, E1, Racing Program: This section of the CHRB-18 has been added to capture information regarding stakes races for the past two race meetings. Such information will provide the Board with the ability to compare the applicant racing fair's proposed stakes schedule with its previous year's stakes. This will keep the Board abreast of the status of graded stakes races in California to ensure the races are maintained from year to year, and that the quality of California stakes races is sustained. It will also allow the Board to address any issue it may have regarding changes in the stakes schedule prior to the commencement of the fair race meeting. If a stakes race is not run, or modified in any way, the race could be eliminated by the GSC as a California stakes race.

Section 3, E2, Racing Program: This section of the CHRB-18 has been added to capture information regarding stakes races that have been altered, added, or are new for the current race meeting. The Board is interested in details regarding changes to stakes races, such as age, sex, eligibility, purse or calendar changes, as modifications to stakes races could result in a review by the GSC and a change in the grade of the race, or elimination of its grading. Changes in grade, or the elimination of stakes races could affect the quality of horses that run at the fair's race meeting. Such changes also affect fan interest. The information provided under Section 3, E2 allows the Board to track the status of graded stakes races in California to ensure the quality of California stakes races is sustained. It will also allow the Board to

address any issue it may have regarding changes in the stakes schedule prior to the commencement of the fair race meeting.

Section 3, E3, Racing Program: This section of the CHRB-18 has been added to capture information regarding stakes races that have been dropped or deleted, and the reason for the change. A race may be dropped by the applicant racing fair association if there are not enough entrants. Races may be deleted due to decisions made by the racing fair association or by the GSC. The Board is interested in this information, as the elimination of a stakes race may have a detrimental effect on the quality of horses that run at the race meeting, and may lower fan interest. The proposed change provides the Board with a mechanism to track the status of graded stakes races in California to ensure the quality of California stakes races is sustained. It will also allow the Board to address any issue it may have regarding dropped or deleted stakes races prior to the commencement of the fair race meeting.

Section 9, A, Equine Emergency Services: This is a new subsection within the CHRB-18, which requires the applicant racing fair association to provide the name and emergency phone number of the racing veterinarian onsite during training hours, workouts and during racing. This information must be provided for the racetrack and any auxiliary sites. Collecting the contact information for the veterinarian available for emergency services will ensure that Board staff will have such information available, if needed.

Section 9, A1, Equine Emergency Services: This new subsection within the CHRB-18 requires the applicant racing fair association to attach a copy of the schedule listing the dates and times that the racing veterinarian will be available onsite during training hours, workouts and during racing. This information must be provided for the racetrack and any auxiliary sites. Collecting the work schedule for the veterinarian available for emergency services will ensure that Board staff will have such information available, if needed.

The name of the racing veterinarian, the emergency telephone number and the hours he or she is onsite during training hours, workouts and during racing is not currently captured on the form CHRB-18. Capturing the name, emergency telephone number and hours of the onsite veterinarian is necessary to provide the Board with information regarding who will be available to treat a horse during training hours, and workouts, and racing at the race track and auxiliary sites. The auxiliary sites are facilities used to stable the overflow of horses when the racing fair's track does not have enough stalls to accommodate the horse population for the race meeting. When horses are stabled at an auxiliary site, training and workouts for those horses usually occur at the auxiliary; therefore, it is necessary to collect a schedule of availability for the racing veterinarian for both the racing fair and auxiliary site. The racing veterinarian has the authority to treat any horse in event of an emergency, accident or injury, and is authorized to euthanize any horse which in the veterinarian's opinion is so seriously injured that such action is necessary. Obtaining the veterinarians contact information and work schedule will identify the responsible individual(s), and will ensure that Board staff will have such information available, if needed.

Section 10, C, Pari-Mutuel Wagering Program: This section of the CHRB-18 has been modified to collect information regarding the proposed offering of pari-mutuel wagers that were not offered in the prior year's pari-mutuel wagering program, or regarding pari-mutuel wagers that are not being carried forward from the previous year's wagering program. This information is not currently collected.

Capturing information on the current year's proposed pari-mutuel wagers versus the prior year will allow the Board to make a year to year comparison to be aware of changes in the applicant association's wagering program, as they occur. Collecting such information will allow the Board to address any issues it has with changed pari-mutuel wagering programs prior to the commencement of the fair race meeting.

Section 10, H, Pari-Mutuel Wagering Program: This section of the CHRB-18 has been modified to capture the takeout percentage for each type of pari-mutuel wager listed on the fair's race meet application. Pari-mutuel wagering information is currently collected on the form CHRB-18; however, the takeout percentage for each type of wager is not captured. To ensure the Board is informed, the CHRB-18 will be amended to include the takeout rates for each type of wager. Capturing the takeout percentage for each type of wager on the race meet application is necessary to provide the Board with complete information regarding the applicant's pari-mutuel wagering program. The amendment provides the Board with a record of the takeout percentage for each type of wager.

Section 15, A, Emergency Services: This section of the CHRB-18 has been amended to change the phrase "the running of the races" to "during racing" for the purpose of consistency. This phrase is also used in section 9, Equine Emergency Services.

All other changes to the forms CHRB-17 and CHRB-18 are for the purpose of clarification, consistency, renumbering and grammar.

#### BENEFITS ANTICIPATED FROM THE REGULATORY ACTION.

The proposed amendment to Rule 1433 will delete the mandate for a polymer synthetic track surface imposed on certain thoroughbred racetracks, help the Board make a more informed decision when it considers race meet applications, and will provide the public with information regarding takeout rates when wagering on California horse races.

The proposed amendment to Rule 1433 subsection (b) will delete the requirement that specified thoroughbred racing associations install a polymer synthetic racing surface. Rather than dictate a "one size fits all" racing surface, the proposed amendment benefits the industry by removing the mandate, which will allow California's thoroughbred racing associations to determine for themselves what type of track surface best suits their circumstances.

The proposed amendment to Rule 1433 will revise the forms CHRB-17, and CHRB-18 to collect information on the applicant association's stakes races for the prior two race meetings, as well as altered, new or deleted stakes; collect the name and emergency telephone number of the racing veterinarian and the hours he or she is onsite during training hours, workouts and during racing; collect information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program, or wagers that are not being carried over from the previous year; and capture the takeout percentage for each type of wager. Collecting information on previous year's graded stakes races, as well as altered, new or deleted stakes, has the benefit of providing the Board with a mechanism to compare and track the quality of graded stakes races in California. It is important that graded stakes are maintained year-to-year; such races attract a higher quality of horses, and increase public participation in California's race meetings. When considering race meet applications, the Board needs

to be fully informed so that it can assure California will continue to operate successful race meetings, and offer world-class thoroughbred racing.

Capturing the name of the racing veterinarian, the racing veterinarian's emergency telephone number, and the hours he or she will be onsite at the racetrack and auxiliary sites, will provide the Board with information regarding who will be available to treat a horse during training hours, workouts and running of the race. The racing veterinarian has the authority to treat any horse in event of an emergency, accident or injury, and is authorized to euthanize any horse which in his opinion is so seriously injured that it is in the best interest of racing to take such action. The collection of the veterinarian's emergency contact information and work schedule will have the benefit of assisting staff in its communication with the veterinarian, if needed.

Pari-mutuel wagering information is currently collected on the race meet application forms CHRB-17 and CHRB-18; however, the takeout percentage for each type of wager is not captured. To ensure the Board is informed, the CHRB-17 and CHRB-18 will be amended to include takeout rates for each type of wager.

#### TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS OR DOCUMENTS.

In proposing the amendment to Rule 1433, the Board did not rely on any technical, theoretical, and/or empirical study, reports or documents in proposing the amendment to Rule 1433.

#### ECONOMIC IMPACT ASSESSMENT/ANALYSIS.

Impact on Jobs/New Businesses: The Board has determined that this regulatory proposal will not have a significant impact on the creation of new jobs or businesses, the elimination of jobs or existing businesses, or the expansion of businesses in California. The jurisdiction of Rule 1433 is limited to the inclosure of racing associations and racing fairs, and only has an effect on horseracing and no other California business.

#### RESULTS OF ECONOMIC IMPACT ASSESSMENT.

The results of the Board's Economic Impact Assessment as required by Government Code Section 11346.3(b) are as follows:

- The proposed regulation will not impact the creation or eliminate jobs within the State of California, the creation of new businesses, the elimination of existing business, or the expansion of businesses in California.
- The proposed amendment to Rule 1433 will not impact the creation of new businesses or eliminate existing businesses in California.
- Rule 1433 will not impact the expansion of businesses currently doing business in California.
- The proposed regulation will benefit the health and welfare of horses that are in California for pari-mutuel racing and will not benefit the State's environment.

The Board has made an initial determination that the proposed amendment to Rule 1433 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states

#### THE CREATION OR ELIMINATION OF JOBS WITHIN THE STATE OF CALIFORNIA

The proposed amendment to Rule 1433 will delete subsection (b) which requires any thoroughbred racing association that operates four weeks or more of continuous thoroughbred racing in a calendar year to install a polymer synthetic racing surface. The proposed amendment to Rule 1433 will also revise the forms CHRB-17, and CHRB-18 to collect information on stakes races for the prior two race meetings; collect the name, emergency telephone number, and hours of the racing veterinarian onsite during the training hours, workouts and during racing; collect information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program; and capture the takeout percentage for each type of wager.

The regulation will only affect: 1) thoroughbred racing associations that operate four weeks or more of continuous thoroughbred racing in a calendar year; and 2) applicants for license to conduct a race meeting, and applicants for license to conduct a race meeting of a California Fair. The proposed amendment to Rule 1433 will delete subsection (b) which requires any thoroughbred racing association that operates four weeks or more of continuous thoroughbred racing in a calendar year to install a polymer synthetic racing surface. The proposed amendment to Rule 1433 will also revise the forms CHRB-17, and CHRB-18 to collect information on stakes races for the prior two race meetings; collect the name, emergency telephone number and hours of the racing veterinarian onsite during training hours, workouts and during racing; collect information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program; and capture the takeout percentage for each type of wager. The proposed regulation removes a synthetic racing surface mandate for thoroughbred racing associations. The proposed amendment only affects existing racing associations and racing fairs. Therefore, the Board has determined that the proposed regulatory action will not have an impact on the creation or elimination of jobs in the State of California.

#### THE CREATION OF NEW BUSINESSES OR THE ELIMINATION OF EXISTING BUSINESSES WITHIN THE STATE OF CALIFORNIA

The proposed amendment to Rule 1433 will delete subsection (b) which requires any thoroughbred racing association that operates four weeks or more of continuous thoroughbred racing in a calendar year to install a polymer synthetic racing surface. The proposed amendment to Rule 1433 will also revise the forms CHRB-17, and CHRB-18 to collect information on stakes races for the prior two race meetings; collect the name, emergency telephone number, and hours of the racing veterinarian onsite during the training hours, workouts and during racing; collect information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program; and capture the takeout percentage for each type of wager.

The regulation will only affect: 1) thoroughbred racing associations that operate four weeks or more of continuous thoroughbred racing in a calendar year; and 2) applicants for license to conduct a race meeting, and applicants for license to conduct a race meeting of a California Fair. The proposed amendment to Rule 1433 will delete subsection (b) which requires any thoroughbred racing association

that operates four weeks or more of continuous thoroughbred racing in a calendar year to install a polymer synthetic racing surface. The proposed amendment to Rule 1433 will also revise the forms CHRB-17, and CHRB-18 to collect information on stakes races for the prior two race meetings; collect the name, emergency telephone number and hours of the racing veterinarian onsite during training hours, workouts and during racing; collect information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program; and capture the takeout percentage for each type of wager. The proposed regulation removes a mandated synthetic track surface for certain thoroughbred racing associations. Therefore, the Board has determined that the proposed regulatory action will not have an impact on the creation of new businesses or elimination of existing businesses in the State of California.

#### THE EXPANSION OF BUSINESSES CURRENTLY DOING BUSINESS WITHIN THE STATE OF CALIFORNIA

The proposed amendment to Rule 1433 will delete subsection (b) which requires any thoroughbred racing association that operates four weeks or more of continuous thoroughbred racing in a calendar year to install a polymer synthetic racing surface. The proposed amendment to Rule 1433 will also revise the forms CHRB-17, and CHRB-18 to collect information on stakes races for the prior two race meetings; collect the name, emergency telephone number, and hours of the racing veterinarian onsite during the training hours, workouts and during racing; collect information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program; and capture the takeout percentage for each type of wager.

The regulation will only affect: 1) thoroughbred racing associations that operate four weeks or more of continuous thoroughbred racing in a calendar year; and 2) applicants for license to conduct a race meeting, and applicants for license to conduct a race meeting of a California Fair. The proposed amendment to Rule 1433 will delete subsection (b) which requires any thoroughbred racing association that operates four weeks or more of continuous thoroughbred racing in a calendar year to install a polymer synthetic racing surface. The proposed amendment to Rule 1433 will also revise the forms CHRB-17, and CHRB-18 to collect information on stakes races for the prior two race meetings; collect the name, emergency telephone number and hours of the racing veterinarian onsite during training hours, workouts and during racing; collect information on the proposed offering of any pari-mutuel wagers that were not listed in the prior year's pari-mutuel wagering program; and capture the takeout percentage for each type of wager. The proposed regulation removes a mandated synthetic track surface for certain thoroughbred racing associations. Therefore, the Board has determined that the proposed regulatory action is not relevant to the expansion of businesses in California. The proposed amendment to Rule 1433 will not have an impact on the expansion of existing businesses, as the proposed amendments will only affect existing racing associations, and racing fairs.

#### BENEFITS OF THE REGULATIONS TO THE HEALTH AND WELFARE OF CALIFORNIA RESIDENTS, WORKER SAFETY, AND THE STATE'S ENVIRONMENT

The anticipated benefits of the regulation is increased information with which the Board may make informed decisions regarding applications for license to operate race meetings, clarity for applicants for license to operate a race meeting in completing the forms CHRB-17 or CHRB-18. The regulation does not benefit worker safety or the state's environment.

ALTERNATIVE TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON AFFECTED PRIVATE PERSONS OR BUSINESSES.

The Board has determined that no reasonable alternative it considered or that has otherwise been identified and brought its attention would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION.

The proposed amendment to Rule 1433 was discussed at the October 24, 2013 and March 21, 2014 Regular Board Meeting. No alternatives to the recommendation were proposed by the Board or by any other individual or entity at either meeting. No subsequent alternative recommendations were made prior to the notice. The Board invites any interested party to submit comments which offer any alternative proposal.

California Horse Racing Board  
May 8, 2015

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 3. RACING ASSOCIATION  
PROPOSED AMENDMENT OF  
RULE 1433, APPLICATION FOR LICENSE TO  
CONDUCT A HORSE RACING MEETING

1433. Application for License to Conduct a Horse Racing Meeting.

(a) Unless the Board requires an earlier filing, at least 90 days before the time allocated by the Board for a race meeting to start, the association shall file with the Board an Application for License to Conduct a Horse Racing Meeting, CHRB-17 (Rev. ~~7/11~~ 2/15), which is hereby incorporated by reference. Note: CHRB-17 incorporates by reference, the Personal History Record, CHRB-25A (Rev. 11/08). A California fair shall file with the Board an Application for License to Conduct a Horse Racing Meeting of a California Fair, CHRB-18 (Rev. ~~7/11~~ 2/15), which is hereby incorporated by reference. Copies of the CHRB-17 and CHRB-18 may be obtained at the California Horse Racing Board headquarters office.

~~(b) No racing association that operates four weeks or more of continuous Thoroughbred racing in a calendar year shall be licensed to conduct a horse racing meeting at a facility that has not installed a polymer synthetic type racing surface.~~

Authority: Sections 19420 and 19440,  
Business and Professions Code.

Reference: Section 19480, 19481 and 19562,  
Business and Professions Code.

STATE OF CALIFORNIA  
CALIFORNIA HORSE RACING BOARD  
**APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING**  
CHRB-17 (Rev 07/11 2/15)

Application is hereby made to the California Horse Racing Board (CHRB) for a license to conduct a horse racing meeting in accordance with the California Business and Professions Code, Chapter 4, Division 8, Horse Racing Law, and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

## 1. APPLICANT ASSOCIATION

- A. Name, mailing address, telephone, fax numbers, and the email address for associations contact person:
- B. Breed of horse: TB  QH  H
- C. Racetrack name:
- D. Attach a certified check payable to the Treasurer of the State of California in the amount of \$10,000 as deposit for license fees pursuant to Business and Professions Code section 19490.
- E. Was the association licensed to operate a race meeting prior to January 1, 2001?
- Yes  No
- If no, attach a surety bond in the amount of one hundred thousand dollars.

**NOTICE TO APPLICANT:** No application for a license to conduct a race meeting shall be granted unless the applicant has deposited with the Board a surety bond in the amount of one hundred thousand dollars (\$100,000), or a greater amount, as determined by the board, which is sufficient to ensure payment of employee wages and benefits including, but not limited to, health, welfare, and pension plans. The surety bond shall be maintained during the period of the meeting and for an additional period, as determined by the board, sufficient to assure that all payments are made. This subdivision does not apply to any person or association licensed to operate a horse race meeting prior to January 1, 2001, which has conducted a

race meeting in each of the immediate three previous consecutive calendar years. The \$100,000 surety bond amount maybe increased to an amount determined by the Board at the time the application is scheduled for hearing pursuant to Business and Professions Code section 19464(b).

**NOTICE TO APPLICANT:** Application must be filed not later than 90 days before the scheduled start date for the proposed meeting pursuant to CHRB Rule 1433.

## 2. DATES OF RACE MEETING

- A. Inclusive dates allocated for the entire meeting:
- B. Actual dates racing will be held:
- C. Total number of days or nights of racing:
- D. Days or nights of the week races will be held:  
 Wed - Sun    Tues - Sat    Other (specify)
- E. Number of days or nights of racing per week:

## 3. RACING PROGRAM

- A. Total number of races:
- B. Number of races for each day or night:
- C. Total number of stakes races:
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.

1. Attach a listing of all stakes races for the past two race meetings. The information provided must be for the same timeframe in which the association is applying. Include the date the stakes races were run, and the added money or guaranteed purse for each. Note the races that were designated for California-bred horses.

2. Identify the stakes races listed under item D that have been altered, added, or are new for the current race meeting. Provide details regarding any alterations to the identified stakes races. (e.g., changes in the age, sex, eligibility, purse or substantial calendar changes).

3. Identify the stakes races listed under item D1 that have been dropped or deleted, and the reasons the stakes were dropped or deleted.

- E. Will provisions be made for owners and trainers to use their own registered colors?  
 Yes    No      If no, what racing colors are to be used:

F. List all post times for the daily racing program:

**NOTICE TO APPLICANT:** Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813. For thoroughbred and quarter horse meetings, the total amount distributed for California-bred stakes races from the purse account, including overnight stakes, shall not be less than 10% of the total amount distributed for all stakes races pursuant to Business and Professions Code section 19568(b).

#### 4. RACING ASSOCIATION

- A. Association is a:  Corporation (complete subsection C)  
 LLC (complete subsection D)  
 Other (specify, and complete subsection E)

B. Complete the applicable subsection and attached Addendum, Background Information and Ownership.

#### C. CORPORATION

1. Registered name of the corporation:
2. State where incorporated:
3. Registry or file number for the corporation:
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
  6. Number of outstanding shares in the corporation:
  7. Are the shares listed for public trading?  Yes  No  
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:

A. Is parent and/or paired corporation or entity a publically traded or privately held company that guarantees the obligation of the applicant? If no, proceed to section F.

If yes, answer questions 10-17. s

10. Registered name of the corporation:
  11. State where incorporated:
  12. Registry or file number for the corporation:
  13. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
  14. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
  15. Number of outstanding shares in the corporation:
  16. Are the shares listed for public trading?                      Yes                      No
- If yes, on what exchange and how is the stock listed:
17. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:

D. LLC

1. Registered name of the LLC:
  2. State where articles of organization are filed:
  3. Registry or file number for the LLC:
  4. Attach a list of the names of all members (including individuals (true names), corporations, other LLCs and or foreign entities), titles, and the number of shares of the LLC held by each:
  5. Are the shares listed for public trading?                      Yes
- If yes, on what exchange and how the stock is listed:
6. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
    - A. Is parent and/or paired entity either a publically traded or privately held company that guarantees the obligation of the applicant? If no, proceed to section F. If yes, answer questions .                      Yes                       No
  7. Registered name of the LLC/Corporation:
  8. State where articles of organization are filed:
  9. Registry or file number for the LLC:
  10. Attach a list of the names (true names) of all members (members may include individuals, corporations other LLCs and foreign entities), titles, and the number of shares of the LLC held by each:
  11. Are the shares listed for public trading?                      Yes                      No
  12. If yes, on what exchange and how the stock is listed:

E. OTHER

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.

**F. FINANCIAL INFORMATION \***

1. Attach the most recent audited annual financial statement or financial report for the applicant. The financial statement or financial report shall include all relevant financial information specific to the applicant including:
  - Statement of Financial Position: also referred to as a balance sheet. Statement should report on applicant's assets, liabilities, contingent liabilities and ownership equity as of the date of the prepared statement.
  - Statement of Comprehensive Income: also referred to as Profit and Loss ("P&L") Statement. Statement should include report on applicant's income, expenses, and profits.
  - Profit and Loss statement for prior two years race meeting and Profit and Loss statement for projected year race meeting.
  - Statement of Changes in Equity: to include the changes of the applicants' equity through the reporting period.
  - Statement of Cash Flows: to include a report of the applicant's cash flow activity, particularly its operating investing and financing activities during the reporting period.
  - Copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission.

**\*NOTICE TO APPLICANT:** The financial information provided pursuant to subsection (F) above is exempt from disclosure pursuant to Government Code section 6254(k) and non-disclosable to the public.

**G. MANAGEMENT AND STAFF**

1. Name and title of the managing officer and/or general manager of the association and the name and title of all department managers and staff, other than those listed in 13B, who will be listed in the official program:
  
2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing and email address of such person(s).

**5. TAKE OUT PERCENTAGE**

1. If this is a thoroughbred race meeting, will the percentage deducted for any type of wager be adjusted pursuant to Business and Professions Code section 19601.01? If no, proceed to subsection 6. If yes, identify the wager and the proposed takeout percentage.

Yes No

Wager(s) to be adjusted: \_\_\_\_\_ Proposed percentage: \_\_\_\_%

- A. Attach copy of written notice requesting the proposed takeout adjustment, the proposed percentage and the wager(s) affected. The notice must include the written agreement of the thoroughbred association and the horsemen’s organization for the meeting of the thoroughbred association accepting the wager.

**NOTICE TO APPLICANT:** Pursuant to Business and Professions Code section 19601.01 notwithstanding any other provision of law, a thoroughbred association or fair, upon the filing of a written notice with, and approval by, the board specifying the percentage to be deducted, may deduct from the total amount handled in the pari-mutuel pool for any type of wager an amount of not less than 10 percent nor more than 25 percent. The written notice shall include the written agreement of the thoroughbred association or fair and the horsemen's organization for the meeting of the thoroughbred association or fair accepting the wager. The established percentage to be deducted shall remain in effect until the filing of a subsequent notice with, and approval by, the board, unless otherwise specified in the notice.

**6. HANDLE HISTORY**

- 1. Complete the table below providing the last five years of handle and attendance for your racing association. If your association has been operating for fewer than five years, provide information for the period of time it has been in operation. If the racing association has changed ownership include the handle information for the previous racing association.

Year	Handle	Attendance

**7. PURSE PROGRAM (Excluding supplements, nominations, sponsorships and starter fees.):**

- A. Purse distribution:

- 1. All races other than stakes:  
 Current meet estimate:  
 Prior meet actual:

Average Daily Purse (7 A1 ÷ number of days):  
 Current meet estimate:  
 Prior meet actual:

- 2. Overnight stakes:  
 Current meet estimate:  
 Prior meet actual:

Average Daily Purse ( $7 A2 \div$  number of days):  
Current meet estimate:  
Prior meet actual:

3. Non-overnight stakes:  
Current meet estimate:  
Prior meet actual:

Average Daily Purse ( $7 A3 \div$  number of days):  
Current meet estimate:  
Prior meet actual:

4. Total Purses: ( $7A1+7A2+ 7A3$ )  
Current meet estimate:  
Prior meet actual:

B. California-bred Stakes Races:

1. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:

Current meet estimate:  
Prior meet actual:

Average Daily Purse ( $7 B1 \div$  number of days):  
Current meet estimate:  
Prior meet actual:

- C. Funds to be generated for all California-bred incentive awards (including breeder awards and owners premiums):  
Current meet estimate:  
Prior meet actual:

- D. Payment to each recognized horsemen's organization contracting with the association and the name(s) of the organization(s):

Recognized Horsemen's Organization

Current meet estimate:

Prior meet actual:

Total

Total

- E. Amount from all sources to be distributed in the form of purses or other benefits to horsemen ( $7 A+7 C+7 D$ ):  
Current meet estimate:

Prior meet actual:

Average Daily Purse (7 E ÷ number of days):

Current meet estimate:

Prior meet actual:

- F. Purse funds to be generated from on-track handle and intrastate off-track handle (excluding carry-overs from prior race meet(s):

Current meet estimate:

Prior meet actual:

Average Daily Purse (7 F ÷ number of days):

Current meet estimate:

Prior meet actual:

- G. Purse funds to be generated from interstate handle:

Current meet estimate:

Prior meet actual:

Average Daily Purse (7 G ÷ number of days):

Current meet estimate:

Prior meet actual:

- H. Bank and account number for the Paymaster of Purses' purse account:

- I. Name, address, email and telephone number of the pari-mutuel audit firm engaged for the meeting:

**NOTICE TO APPLICANT:** All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the association; **shall not** be transferred to a parent corporation outside the State of California; and **shall**, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3 calendar days following receipt, into such liability account. In the event the association is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of overpayment of earned purses at the conclusion of the meeting, the association shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto. The association is entitled to recover such transferred funds from the Paymaster of Purses' account; and if insufficient funds remain in the account at the conclusion of the meeting, the association is entitled to carry forward the deficit to its next succeeding meeting as provided by Business and Professions Code section 19615(c) or (d). In the event of **underpayment** of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after distribution of amounts due to horsemen and breeders and horsemen's organizations, the association may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

## **8. STABLE ACCOMMODATIONS**

- A. Number of usable stalls available for racehorses at the track where the meeting is held:
- B. Minimum number of stalls believed necessary for the meeting:
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site.

Complete subsections F through H if the association will request reimbursement for off-site stabling as provided by Business and Professions Code sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, proceed to section 9.

- F. Total number of usable stalls made available on-site for the **1986** meeting, pursuant to Business and Professions Code section 19535(c):
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall:
- H. Estimated cost to provide vaning from off-site stalls for this meeting. Show fees to be paid for vaning per-horse:

## **9. EQUINE EMERGENCY SERVICES**

- A. Name and emergency telephone number of the racing veterinarian onsite during training hours, workouts and during racing for the association and auxiliary sites:
  - 1. Attach a schedule listing the dates and times that the racing veterinarian will be available onsite during training hours, workouts and during racing for the association and auxiliary sites.

## **10 9. PARI-MUTUEL WAGERING PROGRAM**

- A. Pursuant to Business and Professions Code section 19599, and with the approval of the CHRB, associations may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each:

Use DD for daily double, E for exacta (special quinella), PK3 for pick three, PK4 for select four, PNP for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, TRI for trifecta, and US for unlimited sweepstakes (pick 9).

	<b>TYPE OF WAGERS</b>	<b>APPLICABLE RULES</b>
Example Race:	\$1 E; \$1 Double	CHRB #1959; RCI #VE

- Race #1
- Race #2
- Race #3
- Race #4
- Race #5
- Race #6
- Race #7
- Race #8
- Race #9
- Race #10
- Race #11
- Race #12
- Race #13

B. Identify any wagers noted in 10A (the current pari-mutuel wagering program) that were not in the prior year's pari-mutuel program, or that are not being carried forward from the previous year's pari-mutuel wagering program.

C ~~B.~~ Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool:

D ~~C.~~ List any options requested with regard to exotic wagering:

E ~~D.~~ Will "advance" or "early bird" wagering be offered? Yes  No   
If yes, when will such wagering begin? Specify days and time for "early bird" wagering:

F ~~E.~~ Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:

G. List below the takeout percentage for each type of wager identified in 10A and publish the takeout rate percentage for each type of wager in the associations daily racing program:

**TAKEOUT PERCENTAGE**  
**(Example) PNP5-14%**

- Race #1
- Race #2
- Race #3
- Race #4

- Race #5
- Race #6
- Race #7
- Race #8
- Race #9
- Race #10
- Race #11
- Race #12
- Race #13

**11 ~~10~~. ADVANCE DEPOSIT WAGERING (ADW)**

- A. Identify the ADW provider(s) to be used by the association for this race meeting:
- B. Attach a copy of the agreement/contracts with each ADW provider to be used for this race meeting.
- C. Have the contract/agreements been approved by the respective horsemen’s groups?

Yes  No

If yes, attach a copy of the approval.  
 If no, explain the status of the approval.

**NOTICE TO APPLICANT:** Pursuant to Business and Professions Code section 19604, ADW providers may accept wagers on races conducted in California from a resident of California if : 1) the ADW provider is licensed by the Board; 2) a written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made; 3) the agreement shall have been approved in writing by the horsemen’s organization responsible for negotiating purse agreements for the breed on which the wagers are made. ADW providers may accept wagers on races conducted outside of California from a resident of California if: 1) the ADW provider is licensed by the Board; 2) there is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wagers are placed and (ii) the horsemen’s organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

**12 ~~11~~. SIMULCAST WAGERING PROGRAM**

- A. Simulcast organization engaged by the association to conduct simulcast wagering:
- B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of

the association:

F. California mini-simulcast facilities the association proposes to offer its live audiovisual signal:

G. For **THOROUGHBRED** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state “selected feature and/or stakes races”:

**NOTICE TO APPLICANT:** Business and Professions Code section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 50 imported thoroughbred races statewide. The limitation of 50 imported thoroughbred races per day statewide does not apply to those races specified in Business and Professions Code section 19596.2(a)(1), (2), (3) and (4).

#### THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
--------------------	------------	---

H. For **QUARTER HORSE** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country quarter horse races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state “selected feature and/or stakes races”:

#### QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
--------------------	------------	---

I. For **STANDARD BRED** racing associations, list the host tracks from which the association proposes to import out-of-state and/or out-of-country harness races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state “selected feature and/or stakes races”:

#### HARNESS SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
--------------------	------------	---

J. For **ALL** racing associations, list imported simulcast races the association plans to receive which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

#### OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
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K. For **ALL** racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in Business and Professions Code sections 19596.2 and 19596.3, attach a copy showing the agreement by the appropriate racing association(s).

**NOTICE TO APPLICANT:** All interstate wagering to be conducted by an association is subject to the provisions of Title 15, United States Codes, which require specific written approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by an association is subject to the provision of Business and Professions Code sections 19596, 19596.1, 19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

Every association shall pay over to the simulcast organization within 3 calendar days following the closing of wagering for any day or night racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering, and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vanning deductions. Every association shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each day or night racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 7.)

### **13 12. CHARITY RACING DAYS**

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association:
- B. Names and addresses of the trustees or directors of the distributing agent:
- C. Dates the association will conduct races as charity racing days OR:
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)?

**NOTICE TO APPLICANT:** Net proceeds from charity racing days shall be paid to the designated and approved distributing agent within 180 days following the conclusion of the association's race meeting in accordance with the provisions of Business and Professions Code section 19555. Thereafter, the distributing agent shall distribute not less than 90% of the aggregate proceeds from such charity racing days within 12 calendar months after the last day of the meeting during which the charity racing days were conducted and shall distribute the remaining funds as soon thereafter as is practicable. At least 50% of the distribution shall be made to charities associated with the horse racing industry in accordance with the provisions of Business and Professions Code section 19556(b) and (c).

### **14 13. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT**

- A. Racing officials nominated:
  - Association Veterinarian(s)
  - Clerk of Scales
  - Clerk of the Course
  - Film Specialist
  - Horse Identifier

Horseshoe Inspector  
Paddock Judge  
Patrol Judges  
Placing Judges  
Starter  
Timer

- B. Management officials in the racing department:
  - Director of Racing
  - Racing Secretary
  - Assistant Racing Secretary
  - Paymaster of Purses
  - Others (identify by name and title)
- C. Name, address, email and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

#### **15 14. SECURITY CONTROLS**

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers.
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
  - 1. Attach a written plan for enhanced security for graded stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention stalls.

#### 2. Detention Stalls:

- A. Attach a plan for use of graded stakes or overnight races.
- B. Number of security guards in the detention stall area during a 24-hour period.

- C. Describe number and location of surveillance cameras in detention stall\_area.
- 3. TCO2 Testing:
  - A. Number of races to be tested, and number of horses entered in each race to be tested.
  - B. Plan for enhanced surveillance for trainers with high-test results.
  - C. Plan for detention stalls for repeat offenders.
  - D. Number of security personnel assigned to the TCO2 program.
- C. Describe the electronic security system:
  - 1. Location and number of video surveillance cameras for the detention stall and stable gate.
- D. For night racing associations. Describe emergency lighting system:

**16 15. EMERGENCY SERVICES**

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and during racing the running of the races:
  - 1. Attach a certification from the ambulance service(s) listed in 16 15A, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
  - 1. Attach a certification from the ambulance service (s) listed in 16 15B, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
- C. Describe the on-track first aid facility, including equipment and medical staffing:
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting: **(If quarter horse racing association sees D (1) :**
  - 1. Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, which whom an agreement is in place to provide emergency medical services, pursuant to Business and Professions Code section 19481.3(a):
- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:

- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey:
- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to Business and Professions Code section 19481.3(d):
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation.

**NOTICE TO APPLICANT:** Every licensee conducting a horse racing meeting shall pursuant to Business and Professions Code section 19481.3 maintain, staff, and supply an on-track first aid facility, that may be either permanent or mobile, and which shall be staffed and equipped as directed by the board. A qualified and licensed physician shall be on duty at all times during live racing, except that this provision shall not apply to any quarter horse racing at the racetrack if there is a hospital situated no more than 1.5 miles from the racetrack and the racetrack has an agreement with the hospital to provide emergency medical services to jockeys and riders. An ambulance licensed to operate on public highways provided by the track shall be available at all times during live racing and shall be staffed by two emergency medical technicians licensed in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code, one of whom may be an Emergency Medical Technician Paramedic, as defined in section 1797.84 of the Health and Safety Code. (b) Each racing association and racing fair shall adopt and maintain an emergency medical plan detailing the procedures that shall be used in the event of an on-track injury. The plan shall be posted in each jockey room in English and Spanish. (c) Prior to every race meeting, the racing association or racing fair shall contact area hospitals to coordinate procedures for the rapid admittance and treatment of emergency injuries. (d) Each racing association or racing fair shall designate a health and safety manager and assistant manager, who shall be responsible for compliance with the provisions of this section and one of whom shall be on duty at all times when live racing is conducted. The health and safety manager may, at the discretion of the racing association, be the person designated to perform risk management duties on behalf of the association.

**17 16. CONCESSIONAIRES AND SERVICE CONTRACTORS**

Names and addresses of all persons to whom a concession or service contract has been given, **other than those already identified**, and the goods and/or services to be provided by each:

Does the association provide its own concessions?    Yes        No   

**18 17. ON-TRACK ATTENDANCE/FAN DEVELOPMENT**

- A. Attach a copy of the promotional and marketing plans: for the race meeting:
- B. Promotional/ Marketing budget for this race meeting:  
  
Promotional/Marketing budget for prior race meeting:

C. Number of hosts and hostesses employed for meeting:

D. Describe facilities set aside for new fans:

E. Describe any improvements to the physical facility in advance of the meeting that directly benefit:

1. Horsemen
2. Fans
3. Facilities in the restricted areas

**19 18. SCHEDULE OF CHARGES**

A. Proposed charges, note any changes from the previous year:

- Admission (general)
- Admission (clubhouse)
- Reserved seating (general)
- Reserved seating (clubhouse)
- Parking (general)
- Parking (preferred)
- Parking (valet)
- Programs (on-track)
- (off-track)

B. Describe any "Season Boxes" and "Turf Club Membership" fees:

C. Describe any "package" plans such as combined parking, admission and program:

**20 19. JOCKEYS/DRIVERS' QUARTERS**

A. Check the applicable amenities available in the jockeys/drivers' quarters:

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Corners (lockers and cubicles) | How many   | <input type="text"/>                              |
| <input type="checkbox"/> Showers                        | <input type="checkbox"/> Steam room, sauna or steam cabinets | <input type="checkbox"/> Lounge area              |
| <input type="checkbox"/> Masseur                        | <input type="checkbox"/> Food/beverage service               | <input type="checkbox"/> Certified platform scale |

B. Describe the quarters to be used for female jockeys/drivers:

**21 20. BACKSTRETCH EMPLOYEE HOUSING**

A. Inspection of backstretch housing was completed by (name) \_\_\_\_\_ on (date)\_\_\_\_\_ .

B. Number of rooms used for housing on the backstretch of the racetrack:

- C. Number of restrooms available on the backstretch of the racetrack:
- D. Estimated ratio of restroom facilities to the number of backstretch personnel:

**22 ~~21~~. TRACK SAFETY**

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line:  feet.
- B. Describe the type of track surface at the facility, including the specific track surface composition:
- C. The percent of cross slope in the straight-aways is:  
The percent of cross slope in the center of the turns is:
- D. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
- E. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
- F. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
- G. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing.

**23 ~~22~~. DECLARATIONS**

- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state):
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made).

- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):
  
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state):

**NOTICE TO APPLICANT:** Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

**24 ~~23~~. CERTIFICATION BY APPLICANT**

I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the association to attest to this application on its behalf.

Print Name	Signature
Print Title	Date

## **ADDENDUM**

### **Background and Ownership Information**

**FULL DISCLOSURE:** By authority of Sections 19440 and 19480 of the California Business and Professions Code, Chapter 4, Division 8, Horse Racing Law, and in order to allow an evaluation of the competency, integrity, and character of potential racetrack operator, contractor, subcontractor and concessionaire licensees of the California Horse Racing Board (CHRB), any applicant for such a license shall comply with the provisions set forth below. Where applicable, supply the requested information and submit with your application documents. (If necessary, attach additional pages showing the corresponding numbers for the questions you are answering.) If a question does not apply to you, so state with "N/A".

**NOTE:** All information contained in this Addendum may be disclosed pursuant to the California Public Records Act.

#### **I. BACKGROUND INFORMATION**

- A. **PERSONAL INFORMATION** - Application documents must include for each individual who is a director, officer, or partner in the application, or an owner of an interest in the applicant of 5% or more:
  - 1. Full name and any previous names or aliases;
  - 2. date of birth;
  - 3. physical description;
  - 4. business address and telephone number; and
  - 5. disclosure of employment, education and military history for the past 20 years or since the age of 18.
- B. **PERSONAL HISTORY** - Application documents must include a completed Personal History Record, CHRB-25A, for each individual named in Addendum Section I, A.
- C. **RELATIONSHIP** - The application documents must state, for each individual providing information under Addendum Section I, A, whether the individual is related to a member or an employee of the CHRB. A half-relationship or step-relationship is considered to be a familial relationship.
- D. **CORPORATIONS** - If the applicant is a corporation, the application documents must state:
  - 1. The state in which the applicant is incorporated; and
  - 2. name and address of the applicant's agent for service of process in California.
- E. **INDICTMENTS OR CONVICTIONS** - If the applicant is a corporation, the application documents must include a statement disclosing whether the corporation is presently or has ever been indicted or convicted of a criminal offense, e.g., felony or misdemeanor.
- F. **PENDING LEGAL PROCEEDINGS** - An applicant for a license to operate a racetrack must describe any pending legal proceedings of \$250,000 or more:
  - 1. To which the applicant, a director, officer, or partner of the applicant, or an individual who owns an interest in the applicant of 5% or more is a party; or
  - 2. that involves property owned by the applicant, a director, officer, or partner of the applicant, an individual who owns an interest in the applicant of 5% or more, or a related entity identified under Addendum Section I.

3. Applicant must state the name of the court or agency before which the proceeding is or was pending, the case number, date the proceeding was instituted, and the names of the principal parties to the proceeding.

## II. OWNERSHIP

- A. IDENTIFICATION AND LOCATION - The application documents must include:
  1. All names used by the applicant; and
  2. name of the agent and the address and telephone number of the office of the applicant for service of process in California.
- B. BUSINESS STRUCTURE - The application documents must describe the applicant's business structure and include an organizational chart.
- C. ORGANIZERS - If the applicant is not an individual and was organized less than five years before the date on which the application documents are submitted to the CHRB, the application documents must state:
  1. Name of each individual who was an organizer or promoter of the applicant;
  2. nature and amount of assets, services, or other consideration contributed to the applicant by an organizer or promoter of the applicant; and
  3. nature and amount of anything of value given by the applicant to an organizer or promoter of the applicant.
- D. ORGANIZATIONAL DOCUMENTS
  1. If the applicant is a corporation, the application documents must include:
    - a. Statement of when and in what state the corporation was organized;
    - b. certified copy of the articles of incorporation and bylaws of the applicant;
    - c. statement and documentation of whether the corporation has been reorganized or reincorporated during the five-year period preceding the date on which the application documents are submitted to the CHRB; and
    - d. statement and documentation of whether the corporation has filed restated articles of incorporation.
  2. If the applicant is an unincorporated business association, the application documents must include:
    - a. Certified copy of each organizational document for the applicant, including any partnership agreement; and
    - b. description of any oral agreements involving the organization of the partnership.
- E. CAPITOL STOCK

1. If the applicant is authorized to issue capital stock, the application documents must state the classes of stock authorized and the total shares of each class authorized.
2. For each class of stock, applicant must also state:
  - a. Par value, if any;
  - b. voting rights;
  - c. current rate of dividend; and
  - d. number of shares outstanding and the market value of each share.
3. Application documents must list the name and address of each person who owns, of record or beneficially, at least 5% of stock. For each person listed under this subsection, the application documents must describe the nature of the person's ownership interest and the person's percentage of the total ownership interest.
4. Application documents must include a certified copy of each voting trust or voting agreement in which at least 5% of the capital stock is held and must state:
  - a. Name and address of each stockholder participating in the trust or agreement;
  - b. class of stock involved; and
  - c. total number of shares held by the trust or agreement.

#### F. DIRECTORS, OFFICERS, AND PARTNERS

1. If the applicant is not an individual, the application documents must include a list of the individuals who are serving or who are designated to serve, during the first year after the date the application documents are submitted to the CHRB, as a director, officer, or partner of the applicant. The list must state for each individual:
  - a. Name and business address;
  - b. each position or office of the applicant held by the individual;
  - c. principal occupation during the five-year period preceding the date on which the application documents are submitted to the CHRB; and
  - d. nature and extent of any ownership interest in the applicant.
2. Application documents must include a completed Personal History Record, CHRB-25A, for each individual named under Addendum Section II, F, 1.

#### G. CONTROLLING ENTITY

1. Application documents must state whether another entity exercises or is in a position to exercise control in the management or financial affairs of the applicant. The documents must describe the nature of the relationship between the entity and the applicant and the extent of control exercised by the entity.

2. If a nonindividual entity owns an interest of 5% or more in the applicant, the application documents must include the information required by Addendum Section II, G, 1, as it relates to the nonindividual entity.
3. Application documents must include information required by Addendum Section II, G, 2, for each nonindividual entity identified in the application documents to the extent necessary to determine the identity of each individual who is an indirect holder of an ownership interest in the applicant.

H. OUTSIDE INTERESTS AND LICENSE HISTORY - Application documents must state whether the applicant or a director, officer, or partner of the applicant:

1. Ever held an ownership interest in a licensee of the CHRB; or
2. is currently engaged in the business of racing in another state.

STATE OF CALIFORNIA  
 CALIFORNIA HORSE RACING BOARD  
**APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF A CALIFORNIA FAIR**  
 CHRB-18 (Rev. ~~07/11~~ 2/15)

Application is hereby made to the California Horse Racing Board (CHRB) for a license to conduct a horse racing meeting of a California fair as authorized by Article 6.5 of the California Business and Professions Code, Chapter 4, Division 8, Horse Racing Law, and in accordance with applicable provisions and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

**1. APPLICANT FAIR ASSOCIATION**

C. Name, mailing address, telephone, and fax numbers of fair:

B. Fair association is a:  District Fair  County Fair  Citrus Fruit Fair  
 California Exposition and State Fair  Other qualified fair

C. Provide the name, telephone, and email address for the fair contact person:

**NOTICE TO APPLICANT:** Application must be filed not later than 90 days before the scheduled start date for the proposed meeting pursuant to CHRB Rule 1433.

**2. DATES OF RACE MEETING**

A. Inclusive dates allocated for race meeting:

B. Actual dates racing will be held:

- C. Dates racing will NOT be held:
- D. Total number of racing days:
- E. Days of the week races will be held:  
 Wed - Sun     Tues - Sat     Other (specify)

**3. RACING PROGRAM**

A. Total number of races:

B. Number of races by breed:

<input type="checkbox"/>	Thoroughbreds	<input type="checkbox"/>	Quarter Horses	<input type="checkbox"/>	Appaloosas
<input type="checkbox"/>	Arabians	<input type="checkbox"/>	Paints	<input type="checkbox"/>	Mules

C. Number of races daily:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Thoroughbred							
Other Breeds							
Total							

D. Total number of stakes races by breed:

<input type="checkbox"/>	Thoroughbreds	<input type="checkbox"/>	Quarter Horses	<input type="checkbox"/>	Appaloosas
<input type="checkbox"/>	Arabians	<input type="checkbox"/>	Paints	<input type="checkbox"/>	Mules

E. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each.

1. Attach a listing of all stakes races for the past two race meetings. The information provided must be for the same timeframe in which the association is applying. Include the date the stakes races were run, and the added money or guaranteed purse for each. Note the races that were designated for California-bred horses.

2. Identify the stakes races listed under item E that have been altered, added, or are new for the current race meeting. Provide details regarding any alterations to the identified stakes races. (e.g., changes in the age, sex, eligibility, purse or substantial calendar changes).

3. Identify the stakes races listed under item E1 that have been dropped or deleted, and the reasons the stakes were dropped or deleted.

F. Will provisions be made for owners and trainers to use their own registered colors?

Yes

No

If no, what racing colors are to be used:

G. List all post times for the daily racing program:

**NOTICE TO APPLICANT:** Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813.

**4. FAIR ASSOCIATION**

A. Names of the fair directors:

B. Names of the directors serving on the Racing Committee or otherwise responsible for the conduct of the racing program:

C. Name and title of the fair manager or executive officer and the names and titles of all department managers and fair staff, other than those listed in 12B, who will be listed in the official program:

D. Name and title of the person(s) authorized to receive notices on behalf of the fair association and the mailing and email address of such person(s).

**5. TAKE OUT PERCENTAGE**

1. Will the percentage deducted for any type of wager be adjusted pursuant to Business and Professions Code section 19601.01? If no, proceed to subsection 6. If Yes, identify the wager and the proposed takeout percentage.

Yes

No

Wager(s) to be adjusted: \_\_\_\_\_

Proposed percentage: \_\_\_\_\_%

A. Attach copy of written notice requesting the proposed takeout adjustment, the proposed percentage and the wager(s) affected. The notice must include the written agreement of the fair association and the horsemen's organization for the meeting of the fair association accepting the wager.

**NOTICE TO APPLICANT:** Pursuant to Business and Professions Code section 19601.01 notwithstanding any other provision of law, a thoroughbred association or fair, upon the filing of a written notice with, and approval by, the board specifying the percentage to be deducted, may deduct from the total amount handled in the pari-mutuel pool for any type of wager an amount of not less than 10 percent nor more than 25 percent. The written notice shall include the written agreement of the thoroughbred association or fair and the horsemen's organization for the meeting of the thoroughbred association or fair accepting the wager. The established percentage to be deducted shall remain in effect until the filing of a subsequent notice with, and approval by, the board, unless otherwise specified in the notice.

**6. HANDLE HISTORY**

2. Complete the table below providing the last five years of handle and attendance for the fair association. If your association has been operating for fewer than five years, provide information for the period of time it has been in operation.

Year	Handle	Attendance

**7. PURSE PROGRAM (Excluding supplements, nominations, sponsorships, and starter fees):**

**B. Purse distribution:**

4. All races other than stakes:

Current meet estimate:

Prior meet actual:

Average Daily Purse (7A1 ÷ number of days):

Current meet estimate:

Prior meet actual:

5. Overnight stakes:

Current meet estimate:

Prior meet actual:

Average Daily Purse (7A2 ÷ number of days):

Current meet estimate:

Prior meet actual:

3. Non-overnight stakes:

Current meet estimate:

Prior meet actual:

Average Daily Purse (7A3 ÷ number of days):

Current meet estimate:

Prior meet actual:

5. Total Purses: (7A1+7A2+ 7A3)

Current meet estimate:

Prior meet actual

B. Funds to be generated for all California-bred incentive awards (including breeder awards and owners premiums):

Current meet estimate:

Prior meet actual:

C. Payment to each recognized horsemen's organization contracting with the fair:

Current meet estimate:

Prior meet actual:

**CTT**  
**TOC**  
**NTRA**  
**PCQHRA**

CWAR

**ARAC**  
**AMRA**  
**CHBPAPEN**  
**CTHF**

Total

Total

D. Amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen (7A+7B+7C):

Current meet estimate:

Prior meet actual:

Average Daily Purse (7D ÷ number of days):

Current meet estimate:

Prior meet actual:

E. Purse funds to be generated from on-track handle and intrastate off-track handle (excluding carry-overs from prior race meet(s):

Current meet estimate:

Prior meet actual:

Average Daily Purse (7E ÷ number of days):

Current meet estimate:

Prior meet actual:

F. Purse funds to be generated from interstate handle:

Current meet estimate:

Prior meet actual:

Average Daily Purse (7F ÷ number of days):

Current meet estimate:

Prior meet actual:

- G. Bank and account number for the Paymaster of Purses' purse account:
- H. Name, address, email and telephone number of the pari-mutuel audit firm engaged for the meeting:

**NOTICE TO APPLICANT:** All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the fair and **shall**, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3 calendar days following receipt into such liability account. In the event the fair is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of overpayment of earned purses at the conclusion of the meeting, the fair shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto. The fair is entitled thereafter to recover such transferred funds from the Paymaster of Purses' account; and if insufficient funds remain in the account at the conclusion of the meeting, the fair is entitled to carry forward the deficit to its next succeeding meeting as provided by Business and Professions Code section 19615(c) or (d). In the event of **underpayment** of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after distribution of amounts due to horsemen and breeders and horsemen's organizations, the fair may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

## 8. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held:
- B. Minimum number of stalls believed necessary for the meeting:
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:
- E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site.

Complete subsections F through H if the fair will request reimbursement for off-site stabling as provided by Business and Professions Code sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, proceed to section 9.

- F. Total number of usable stalls made available on-site for the **1986** meeting, pursuant to Business and Professions Code section 19535(c).
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per-day per stall:
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:

**9. EQUINE EMERGENCY SERVICES**

- A. Name and emergency telephone number of the racing veterinarian onsite during training hours, workouts and during racing for the association and auxiliary sites:
  - 2. Attach a schedule listing the dates and times that the racing veterinarian will be available onsite during training hours, workouts and during racing for the association and auxiliary sites.

**10 9. PARI-MUTUEL WAGERING PROGRAM**

- A. Is the fair applicant a member of the California Authority of Racing Fairs (CARF)? If yes, attach a copy of the CARF recommended wagering form  es  o
- B. Pursuant to Business and Professions Code section 19599, and with the approval of the CHRB, fairs may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each. If applicant is a member of CARF, also indicate if wager is a part of the CARF recommended wagering formant:

Use DD for daily double, E for exacta (special quinella), PK3 for pick three, PK4 for select four, PNP for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, TRI for trifecta, and US for unlimited sweepstakes (pick 9).

FORMAT	TYPE OF WAGERS	APPLICABLE RULES	CARF WAGERING	
			Yes	No
Example Race	\$1 E; \$1 Double	CHRB #1959; RCI #VE	Yes	No
Race #1				
Race #2				
Race #3				
Race #4				
Race #5				
Race #6				
Race #7				
Race #8				
Race #9				

- Race #10
- Race #11
- Race #12
- Race #13

C. Identify any wagers noted in 10A (the current pari-mutuel wagering program) that were not in the prior year's pari-mutuel program, or that are not being carried forward from the previous year's pari-mutuel wagering program.

D-€ Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool:

E-Ð List any options requested with regard to exotic wagering:

F-Æ Will "advance" or "early bird" wagering be offered?       Yes       No

If yes, when will such wagering begin. Specify days and time for "early bird" wagering:

G-Ɔ Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract:

H. List below the takeout percentage for each type of wager identified in 10A and publish the takeout rate percentage for each type of wager in the associations daily racing program:

TAKEOUT PERCENTAGE

(Example) PNP5-14%

- Race #1
- Race #2
- Race #3
- Race #4
- Race #5
- Race #6
- Race #7
- Race #8
- Race #9
- Race #10
- Race #11
- Race #12
- Race #13

**11 10. ADVANCE DEPOIST WAGERING (ADW)**

A. Identify the ADW provider(s) to be used by the fair for this race meeting:

B. Attach a copy of the agreement/contracts with each ADW provider to be used for this race meeting.

C. Have the contract/agreements been approved by the respective horsemen's groups?

Yes  No

If yes, attach a copy of the approval.

If no, explain the status of the approval.

**NOTICE TO APPLICANT:** Pursuant to Business and Professions Code section 19604, ADW providers may accept wagers on races conducted in California from a resident of California if : 1) the ADW provider is licensed by the Board; 2) a written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made;3) the agreement shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wager are made. ADW provides may accept wagers on races conducted outside of California from a resident of California if: 1) the ADW provider is licensed by the Board; 2) there is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wagers are placed and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

## **12 ~~11~~. SIMULCAST WAGERING PROGRAM**

A. Simulcast organization engaged by the fair to conduct simulcast wagering:

B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.

C. California simulcast facilities the fair proposes to offer its live audiovisual signal:

D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal:

E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair:

F. California mini-simulcast facilities the fair proposes to offer its live audiovisual signal:

G. List the host tracks from which the fair proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

**NOTICE TO APPLICANT:** Business and Professions Code section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 50 imported thoroughbred races statewide. The limitation of 50 imported thoroughbred races per day statewide does not apply to those races specified in Business and Professions Code section 19596.2(a)(1), (2), (3) and (4).

### THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
--------------------	------------	---

- H. List imported simulcast races the fair plans to receive during the racing meeting which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

### OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
--------------------	----------------	------------	--------------------------------

- I. If any out-of-state or out-of-country races will commence outside of the time constraints set forth in Business and Professions Code sections 19596.2 and 19596.3, attach a copy showing agreement by the appropriate racing association(s).

**NOTICE TO APPLICANT:** All interstate wagering to be conducted by a fair is subject to the provisions of Title 15, United States Codes, which require specific **written** approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by a fair is subject to the provisions of Business and Professions Code sections 19596, 19596.1, 19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

Every fair shall pay to the simulcast organization within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vanning deductions. Every fair shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 7.)

## **13 12. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT**

- A. Racing officials nominated:
- Association Veterinarian(s)
  - Clerk of Scales
  - Clerk of the Course
  - FILM SPECIALIST**
  - Horse Identifier
  - Horseshoe Inspector
  - Paddock Judge
  - Patrol Judges
  - Placing Judges
  - Starter
  - Timer

- B. Management officials in the racing department:
  - Director of Racing
  - Racing Secretary
  - Assistant Racing Secretary
  - Paymaster of Purses
  - Others (identify by name and title)
- C. Name, address, email and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
- E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

#### **14 ~~13~~. SECURITY CONTROLS**

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers.
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
  - 1. Attach a written plan for enhanced security for graded stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention stalls.
  - 2. Detention Stalls:
    - A. Attach a plan for use of graded stakes or overnight races.
    - B. Number of security guards in the detention stall area during a 24-hour period.
    - C. Describe number and location of surveillance cameras in detention stall area.
  - 3. TCO2 Testing:

- A. Number of races to be tested, and number of horses entered in each race to be tested.
  - B. Plan for enhanced surveillance for trainers with high-test results.
  - C. Plan for detention stalls for repeat offenders.
  - D. Number of security personnel assigned to the TCO2 program.
- C. Describe the electronic security system.
- 1. Location and number of video surveillance cameras for the detention stall and stable gate.

#### **15 14. EMERGENCY SERVICES**

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and during racing ~~the running of the races~~:
  - 1. Attach a certification from the Ambulance Company(s) listed in 15 14A, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
- C. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
  - 1. Attach a certification from the Ambulance Company(s) listed in 15 14B, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
- C. Describe the on-track first aid facility, including equipment and medical staffing:
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:
- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey:
- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to Business and Professions Code section 19481.3(d):
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
- I. Name of the workers' compensation insurance carrier for the fair and the number of the insurance policy (if self-insured, provide details):

- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the fair for payment of workers' compensation.

**NOTICE TO APPLICANT:** Every licensee conducting a horse racing meeting shall pursuant to Business and Professions Code section 19481.3 maintain, staff, and supply an on-track first aid facility, that may be either permanent or mobile, and which shall be staffed and equipped as directed by the board. A qualified and licensed physician shall be on duty at all times during live racing, except that this provision shall not apply to any quarter horse racing at the racetrack if there is a hospital situated no more than 1.5 miles from the racetrack and the racetrack has an agreement with the hospital to provide emergency medical services to jockeys and riders. An ambulance licensed to operate on public highways provided by the track shall be available at all times during live racing and shall be staffed by two emergency medical technicians licensed in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code, one of whom may be an Emergency Medical Technician Paramedic, as defined in Section 1797.84 of the Health and Safety Code. (b) Each racing association and racing fair shall adopt and maintain an emergency medical plan detailing the procedures that shall be used in the event of an on-track injury. The plan shall be posted in each jockey room in English and Spanish. (c) Prior to every race meeting, the racing association or racing fair shall contact area hospitals to coordinate procedures for the rapid admittance and treatment of emergency injuries. (d) Each racing association or racing fair shall designate a health and safety manager and assistant manager, who shall be responsible for compliance with the provisions of this section and one of whom shall be on duty at all times when live racing is conducted. The health and safety manager may, at the discretion of the racing association, be the person designated to perform risk management duties on behalf of the association.

#### **16 15. CONCESSIONAIRES AND SERVICE CONTRACTORS**

- A. Names and addresses of all persons to whom a concession or service contract has been given, **other than those already identified**, and the goods and/or services to be provided by each:
- B. Does the fair plan to provide its own concessions? Yes  No

#### **17 16. ON- TRACK ATTENDANCE/FAN DEVELOPMENT**

- B. Attach a copy of the promotional and marketing plans for the race meeting:
- C. Promotional/ Marketing budget for this race meeting:
- Promotional/Marketing budget for prior race meeting:
- D. Number of hosts and hostesses employed for meeting:
- E. Describe facilities set aside for new fans:
- F. Describe any improvements to the physical facility in advance of the meeting that directly benefits:

1. Horsemen
2. Fans
6. Facilities in the restricted areas

**18 17. SCHEDULE OF CHARGES**

A. Proposed charges, note any changes from previous year:

Admission (general)

Admission (clubhouse)

Reserved seating (general)

Reserved seating (clubhouse)

Parking (general)

Parking (preferred)

Parking (valet)

Programs (on-track)

(off-track)

B. Describe any "Season Boxes" or other special accommodation fees:

C. Describe any "package" plans such as combined parking, admission and program:

**19 18. JOCKEYS' QUARTERS**

A. Check the applicable amenities available in the jockeys' quarters:

- |                          |                                |                          |                                     |
|--------------------------|--------------------------------|--------------------------|-------------------------------------|
| <input type="checkbox"/> | Corners (lockers and cubicles) | How many                 | <input type="checkbox"/>            |
| <input type="checkbox"/> | Showers                        | <input type="checkbox"/> | Steam room, sauna or steam cabinets |
| <input type="checkbox"/> | Masseur                        | <input type="checkbox"/> | Food/beverage service               |
|                          |                                | <input type="checkbox"/> | Lounge area                         |
|                          |                                | <input type="checkbox"/> | Certified platform                  |

scale

B. Describe the quarters to be used for female jockeys:

**20 19. BACKSTRETCH EMPLOYEE HOUSING**

A. Inspection of backstretch housing was completed by (name) \_\_\_\_\_ on (date) \_\_\_\_\_ .

B. Number of rooms used for housing on the backstretch of the racetrack:

C. Number of restrooms available on the backstretch of the racetrack:

D. Estimated ratio of restrooms to the number of backstretch personnel:

**21 20. TRACK SAFETY**

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish  feet.
- B. Describe the type of track surface at the facility, including the specific track surface composition:
- C. The percent of cross slope in the straight-aways is:  
The percent of cross slope in the center of the turns is:
- D. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
- E. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
- F. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
- G. If the fair is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing.

## **22 ~~21~~. DECLARATIONS**

- A. All labor agreements, concession and service contracts, and other agreements necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state):
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
- C. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):
- D. Absent natural disasters or causes beyond the control of the fair, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the fair except as follows (if no exceptions, so state):

**NOTICE TO APPLICANT:** Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

**23 22. CERTIFICATION BY APPLICANT**

I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the fair to attest to this application on its behalf.

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—  
Print Name

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—  
Print Title

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Signature

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Date