

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.

TITLE 4, CALIFORNIA HORSE RACING BOARD
NOTIFICATION OF CORRECTION REGARDING
THE LOCATION OF THE
REGULATORY HEARING FOR THE PROPOSED

AMENDMENT OF
RULE 1632. JOCKEY'S RIDING FEE

Pursuant to the requirements of Government Code Section 11346.8(a) of the California Code of Regulations, the California Horse Racing Board is providing notice that the regulatory hearing for the proposed adoption of Rule 1632, Jockey's Riding Fee, will be held on **Thursday, September 27, 2018, at the Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California, at 9:30 a.m.**, or as soon thereafter as the business before the Board will permit.

The proposal to amend Rule 1632, Jockey's Riding Fee, was originally noticed to the public with the regulatory hearing located at the Los Alamitos Race Course, 4961 Katella Avenue, Los Alamitos, California; however, the correct location of the regulatory hearing is the **Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California** on September 27, 2018.

Any interested person who has questions regarding this notice of correction of location of regulatory hearing should contact

Harold Coburn, Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Phone: (916) 263-6026
E-mail: haroldc@chr.ca.gov

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

NOTICE OF PROPOSAL TO AMEND
RULE 1632, JOCKEY'S RIDING FEE

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

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1632, Jockey's Riding Fee, to amend subsection 1632(b), which provides the jockey riding fees for losing mounts. The losing mount jockey riding fees under subsection 1632(b) have been increased consistent with California's 2019 minimum wage increase, which is 9.09 percent. The proposed amendment also deletes the dollar amounts for second and third place mounts in the "Less than \$10,000" category. The Board proposed to remove the second and third place mount fees under subsection 1632(b), as subsections 1632(b)(3) through 1632(b)(5) provide direction regarding the amounts to be paid non-winning jockeys, depending on the gross purse level. In addition, the proposed amendment amends subsection 1632(b)(5) for purposes of clarity.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, September 27, 2018**, or as soon thereafter as business before the Board will permit, at the **Los Alamitos Race Course, 4961 Katella Avenue, Cypress, California**. At the hearing, any person may present statements or arguments orally or in writing relevant to 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 September 24, 2018**. 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@chrb.ca.gov

AUTHORITY AND REFERENCE

Authority cited: Sections 19440, 19501 and 19562, Business and Professions Code. Reference: Sections 19401 (a), 19401 (d), 19420, 19440, 19501, and 19502, Business and Professions Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions Code section 19401(a) and (d) provides that the intent of Chapter 4 is to allow pari-mutuel wagering on horse races, while assuring protection of the public and providing uniformity of regulation for each type of horse racing. Business and Professions Code section 19420 states jurisdiction and supervision over meetings in California 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, is vested in the California Horse Racing Board. 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 purposes of this chapter. Responsibilities of the Board shall include 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 19501 states that the scale of minimum jockey riding fees for losing mounts shall be increased whenever the state minimum wage is increased by the percentage of that increase. Business and Professions Code section 19502 provides that the Board shall not permit any portion of an entry, nomination, or other fee paid by an owner to be deducted from a jockey riding fee unless the entry, nomination, or other fee is paid exclusively by the owner and not reimbursed by any other person or entity. Business and Professions Code section 19562 provides that 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 California.

Business and Professions Code section 19501(b)(1) requires an increase in the scale of minimum losing mount jockey riding fees whenever the state minimum wage is increased by the percentage of that increase. The next increase in California's minimum wage will become effective January 1, 2019. The proposed amendment will increase subsection 1632's losing mount jockey riding fees in accordance with Business and Professions Code section 19501(b)(1).

Business and Professions Code section 19501(b)(1) requires an increase in the scale of minimum (losing) jockey riding fees whenever the state minimum wage is increased by the percentage of that increase; however, it does not provide for an increase in second and third place mount fees. Rule 1632 currently provides specific dollar amounts to pay losing mounts, as well as the dollar amounts for second and third place mounts in the "Less than \$10,000" category. Direction regarding second and third place mount fees is otherwise provided under the provisions of subsections 1632(b)(3) through 1632(b)(5).

Subsection 1632(b)(3) states that the Paymaster of Purses shall use the Horsemen's Agreement¹ to determine the horse owner's place purse when calculating non-winning jockey riding fees.

¹ An agreement for the conduct of a race meeting negotiated by the racing association and the organization that represents the horse owners and trainers of each separate breed of racehorse that competes in the meeting. The agreement addresses such issues as the conditions for the race meeting, the distribution of commissions and purses

Horsemen's Agreements state the percentage of the gross purse the horse owner will receive, based on the order of the finish. The owner's percentage of the gross purse is the dollar amount from which the Paymaster of Purses will calculate jockey mount fees. The riding fees for a race meeting are promulgated in the Paymaster of Purses' jockey riding fee scale.

Subsection 1632(b)(3) also provides that the losing mount riding fee shall be paid as provided under subsection 1632(b). This is due to the fact that the losing mount fees are specific dollar amounts based on the requirements of Business and Professions Code section 19501. The minimum jockey riding fees for losing mounts are increased whenever California's minimum wage is increased and are not based on the owner's share of the gross purse. Therefore, the losing mount fees must be stated in the regulation.

Subsection 1632(b)(4) provides the formula for calculating the second and third place mount fees for horse races with gross purses between \$10,000 and \$100,000 and up.

Subsection 1632(b)(5) provides additional direction regarding second and third place mount fees. The subsection has been amended for clarity to provide that the third place mount shall earn at minimum \$2 more than the losing mount, and the second place mount shall earn at minimum \$2 more than the third place mount. Subsection 1632(b)(5) ensures that losing mount fees are never equal to or greater than third place mount fees, and that third place mount fees shall be less than second place fees. This is necessary because the periodic increase in losing mount fees mandated by statute has resulted in situations in which the losing mount fee under subsection 1632(b) exceeds the third place mount fees. This is demonstrated by the most recent amendment of Rule 1632 (effective 01/01/18), which resulted in a losing mount fee under subsection 1632(b) of \$2 more than the third place mount fee.

To provide consistency and clarity, subsection 1632(b) has been amended to delete the dollar amounts for second and third place mounts in the "Less than \$10,000" category. When calculating jockey riding fees for second and third place mounts, the Paymasters of Purses should use the race meeting's jockey riding fee scales, which are based on the provisions of the Horsemen's Agreements, in conjunction with subsections 1632(b)(4) and 1632(b)(5). The proposed amendment will eliminate any inconsistencies that may arise due to the differences between the riding fees for second and third place mounts under subsection 1632(b), and the ongoing statutory increases to the losing mount fees.

POLICY STATEMENT OVERVIEW OF ANTICIPATED BENEFITS OF PROPOSAL

The proposed amendment to Rule 1632 amends subsection 1632(b) to increase the losing mount jockey riding fees, and to eliminate the dollar amounts for second and third place jockey riding fees for gross purses of less than \$10,000. The Board has determined it is not necessary to state the dollar amounts, as subsections 1632(b)(3) through 1632(b)(5) provide direction for calculating fees to be paid non-winning riders. This will eliminate any disparity between the non-winning jockey riding fees and will deter jockeys from intentionally losing a race rather than put forth his best effort in order to earn more money. This will increase the public's confidence in California

not governed by statutory formulas, and other matters relating to welfare, benefits and prerogatives of the parties to the agreement.

horse racing, which may result in increased wagering. An increase in wagering will have a positive economic impact on the industry by increasing handle, which in turn may increase purses and commissions. The specific benefits anticipated from the regulation are compliance with current law and a balanced fee scale which will result in a fair and honest race product.

CONSISTENCY EVALUATION

During the process of developing these regulations and amendments, the CHRB has conducted a search of any similar regulations on this topic and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

DISCLOSURE REGARDING THE PROPOSED ACTION/RESULTS OF THE ECONOMIC IMPACT ANALYSIS

Mandate on local agencies or 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 Section 17500 through 17630: none.

Other non-discretionary cost 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 1632 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.

RESULTS OF ECONOMIC IMPACT ASSESSMENT

The adoption of the proposed amendment to Rule 1632 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 proposed amendment to Rule 1632 is a benefit to the health and welfare of California residents because it promotes fairness and compliance with current law. The proposed regulation will provide clarity in calculating jockey riding fees for second and third place mounts which will create a balanced fee scale and eliminate any inequality. This will promote the public's interest in a fair and honest

race product by deterring a jockey from intentionally losing a race rather than put forth his best effort in order to earn more money.

Effect on small businesses: none. The proposal to amend Rule 1632 does not affect small businesses because horse racing associations in California are not classified as small businesses 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
Fax: (916) 263-6022
E-mail: haroldc@chr.ca.gov

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

Andrea Ogden, Manager
Policy and Regulations
Telephone: (916) 274-6033

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 of these documents, or any of the information upon which the proposed rulemaking is based on, 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 regulations. 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 regulations and the initial statement of reasons. The Board's web site address is: www.chrb.ca.gov.

INITIAL STATEMENT OF REASONS

RULE 1632. JOCKEY'S RIDING FEE.

SPECIFIC PURPOSE OF THE REGULATION

The California Horse Racing Board (Board) proposes to amend Rule 1632, Jockey's Riding Fee. The proposed amendment would delete the dollar amounts for second and third place mounts in the "Less than \$10,000" category. The Board proposed to remove the second and third place mount fees under subsection 1632(b), as subsections 1632(b)(3) through 1632(b)(5) provide direction regarding the amounts to be paid non-winning jockeys, depending on the gross purse level. In addition, the losing mount fees under subsection 1632(b) have been increased consistent with California's 2019 minimum wage increase, which is 9.09 percent. The proposed amendment also amends subsection 1632(b)(5) for purposes of clarity.

PROBLEM

Business and Professions Code section 19501(b)(1) requires an increase in the scale of minimum (losing) jockey riding fees whenever the state minimum wage is increased by the percentage of that increase. The next increase in California's minimum wage will become effective January 1, 2019. The proposed amendment will increase subsection 1632's losing mount jockey riding fees in accordance with Business and Professions Code section 19501(b)(1).

Business and Professions Code section 19501(b)(1) requires an increase in the scale of minimum (losing) jockey riding fees whenever the state minimum wage is increased by the percentage of that increase; however, it does not provide for an increase in second and third place mount fees. Subsection (b) of Rule 1632 currently provides specific dollar amounts to pay losing mounts, as well as the dollar amounts for second and third place mounts in the "Less than \$10,000" category. Direction regarding second and third place mount fees is otherwise provided under the provisions of subsections 1632(b)(3) through 1632(b)(5). The Board has proposed amending subsection 1623(b) to delete the dollar amounts for second and third place mounts in the "Less than \$10,000" category, as they are not necessary for the Paymaster of Purses to use in calculating jockey riding fees.

Subsection 1632(b)(5) provides additional direction regarding second and third place mount fees. The subsection has been amended for clarity to provide that the third place mount shall earn at minimum \$2 more than the losing mount, and the second place mount shall earn at minimum \$2 more than the third place mount. Subsection 1632(b)(5) ensures that losing mount fees are never equal to or greater than third place mount fees, and that third place mount fees shall be less than second place fees. This is necessary because the periodic increase in losing mount fees mandated by statute has resulted in situations in which the losing mount fee under subsection 1632(b) exceeds the third place mount fees. This is demonstrated by the most recent amendment of Rule 1632 (effective 01/01/18), which resulted in subsection 1632(b), gross purse of \$10,000 category, providing a losing mount fee that is \$2 more than the third place mount fee.

NECESSITY

Business and Professions Code section 19501(b)(1) requires an increase in the scale of minimum (losing) jockey riding fees whenever the state minimum wage is increased by the percentage of that increase. The next increase in California's minimum wage will become effective January 1,

2019, which necessitates the amendment of subsection 1632(b) to implement the required increase in losing mount jockey riding fees.

Subsection 1632(b) provides the jockey riding fees for losing mounts. The subparagraph also provides second and third place fees for races with gross purses of less than \$10,000. To provide consistency and clarity, subsection 1632(b) has been amended to delete the dollar amounts for second and third place mounts in the “Less than \$10,000” category. The second and third place mount fees are being deleted because they are not necessary. When calculating jockey riding fees for second and third place mounts, the Paymasters of Purses should use the race meeting’s jockey riding fee scales, which are based on the provisions of the Horsemen’s Agreements, in conjunction with subsections 1632(b)(4) and 1632(b)(5).

The proposed amendment to subsection 1632(b) is necessary to eliminate the current inconsistencies in the dollar amounts for second and third place finishers and fees for losing mounts, as stated under subsection 1632(b). The periodic increase in losing mount fees mandated by statute has resulted in the losing mount fee under subsection 1632(b) exceeding the third place mount fees. The most recent amendment of Rule 1632 (effective 01/01/18), resulted in a losing mount fee in subsection 1632(b) that is \$2 more than the third place mount fee. The proposed amendment is necessary to provide clarity for persons who must calculate jockey riding fees.

Subsection 1632(b)(5) provides direction regarding second and third place mount fees. The Board proposes to amend the subsection for purposes of clarity to provide that the third place mount shall earn at minimum \$2 more than the losing mount, and the second place mount shall earn at minimum \$2 more than the third place mount. The phrase “at minimum” was added to the subparagraph to make it clear that the second and third place mounts can earn more than the \$2 difference.

BENEFITS ANTICIPATED FROM THE REGULATORY ACTION

The proposed amendment to Rule 1632 is necessary to provide consistency in the calculation of jockey riding fees, and to provide clarity for persons who must calculate such fees. The regulation amends subsection 1632(b) to increase losing mount jockey riding fees, and to eliminate the dollar amounts for second and third place mounts in the “Less than \$10,000” category. When calculating jockey riding fees for second and third place mounts, the Paymasters of Purses should use the race meeting’s jockey riding fee scales, which are based on the provisions of the Horsemen’s Agreements, in conjunction with subsections 1632(b)(4) and 1632(b)(5). In addition, the proposed amendment modifies subsection 1632(b)(5) to provide direction regarding second and third place mount fees. The proposed regulation does not protect the public health and safety, worker safety or the environment. The proposed regulation does not prevent discrimination, promote fairness or social equity. The proposed amendment to Rule 1632 will promote transparency in how jockey riding fees are calculated by providing clarity for persons who must use the regulation to pay the fees. The regulation will eliminate the current inconsistencies in the dollar amounts for second and third place finishers as stated under subsection 1632(b), and fees for losing mounts.

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

The Board did not rely on any technical, theoretical, and/or empirical study, reports or documents in proposing the amendment of the regulation.

ECONOMIC IMPACT ASSESSMENT

The results of the Board's Economic Impact Assessment as required by government Code section 11346.3.

- The proposed regulation will not impact the creation or elimination of jobs within the State of California.
- The proposed regulation will not have an impact on the creation of new businesses or the elimination of existing businesses in the State of California.
- The proposed regulation will not have an impact on the expansion of existing businesses in the State of California.
- The proposed regulation will not benefit the safety and welfare of horse and rider and will not benefit the state's environment.

The Board has made an initial determination that the proposed amendment of Rule 1632 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 proposed amendment impacts jockeys who ride losing mounts, horse racing association Paymaster of Purses and jockeys who ride in races with gross purses of less than \$10,000. In making the determination that the proposed amendment to Rule 1632 will not have an adverse economic impact the Board looked at the number of licensed jockeys in California. There are currently 304 persons licensed as jockeys in California.

PURPOSE

The Board proposes to amend subsection 1632(b), which provides the jockey riding fees for losing mounts. The proposed amendment would increase the losing mount jockey riding fees, and delete the dollar amounts for second and third place mounts in the "Less than \$10,000" category. The increase in losing mount jockey riding fees is mandated by Business and Professions Code section 19501. The Board proposed to remove the second and third place mount fees under subsection 1632(b), as they are not necessary; subsections 1632(b)(3) through 1632(b)(5) provide direction regarding the amounts to be paid non-winning jockeys, depending on the gross purse level. The proposed amendment also amends subsection 1632(b)(5) for purposes of clarity, so that persons using the subsection will understand that second and third place mount fees will be adjusted a minimum of two dollars if the losing mount fee is equal to or greater than the third place mount fee.

THE CREATION OR ELIMINATION OF JOBS WITHIN THE STATE OF CALIFORNIA

The proposed amendment to Rule 1632 amends subsection 1632(b) to increase the losing mount jockey riding fees, and to eliminate the dollar amounts for second and third place mounts in the

“Less than \$10,000” category. When calculating jockey riding fees for second and third place mounts, the Paymasters of Purses should use the race meeting’s jockey riding fee scales, which are based on the provisions of the Horsemen’s Agreements, in conjunction with subsections 1632(b)(4) and 1632(b)(5). In addition, the proposed amendment modifies subsection 1632(b)(5) to provide direction regarding second and third place mount fees. The proposed amendment will only affect Paymaster of Purses who calculate jockey riding fees, and California’s 304 licensed jockeys. The proposed regulation only has an effect on horseracing and not any other type of California business. Therefore, the Board has determined that this regulatory action will not have a significant 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 1632 amends subsection 1632(b) to increase the losing mount jockey riding fees, and to eliminate the dollar amounts for second and third place mounts in the “Less than \$10,000” category. When calculating jockey riding fees for second and third place mounts, the Paymasters of Purses should use the race meeting’s jockey riding fee scales, which are based on the provisions of the Horsemen’s Agreements, in conjunction with subsections 1632(b)(4) and 1632(b)(5). In addition, the proposed amendment modifies subsection 1632(b)(5) to provide direction regarding second and third place mount fees. The proposed amendment will only affect Paymaster of Purses who calculate jockey riding fees, and California’s 304 licensed jockeys. The proposed regulation will not affect any other type of business in California. Therefore, the Board has determined this regulatory action will not have an impact on the creation of new businesses or the 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 1632 amends subsection 1632(b) to increase losing mount jockey riding fees, and to eliminate the dollar amounts for second and third place mounts in the “Less than \$10,000” category. When calculating jockey riding fees for second and third place mounts, the Paymasters of Purses should use the race meeting’s jockey riding fee scales, which are based on the provisions of the Horsemen’s Agreements, in conjunction with subsections 1632(b)(4) and 1632(b)(5). In addition, the proposed amendment modifies subsection 1632(b)(5) to provide direction regarding second and third place mount fees. The proposed amendment will only affect Paymaster of Purses who calculate jockey riding fees, and California’s 304 licensed jockeys. The proposed regulation will not affect any other type of business in California. Therefore, the board has determined that the proposed regulatory action is not relevant to the expansion of businesses currently doing business in the State of California.

BENEFITS OF THE REGULATION TO THE HEALTH AND WELFARE OF CALIFORNIA RESIDENTS, WORKER SAFETY, AND THE STATE’S ENVIRONMENT

The proposed amendment to Rule 1632 amends subsection 1632(b) to increase losing mount jockey riding fees, and to eliminate the dollar amounts for second and third place mounts in the

“Less than \$10,000” category. When calculating jockey riding fees for second and third place mounts, the Paymasters of Purses should use the race meeting’s jockey riding fee scales, which are based on the provisions of the Horsemen’s Agreements, in conjunction with subsections 1632(b)(4) and 1632(b)(5). In addition, the proposed amendment modifies subsection 1632(b)(5) to provide direction regarding second and third place mount fees. The proposed amendment will only affect Paymaster of Purses who calculate jockey riding fees, and California’s 304 licensed jockeys. The proposed amendment to Rule 1632 will not benefit the health of California residents. The proposed amendment will benefit the welfare of California’s jockeys by providing clarity for Paymaster of Purses in calculating jockey riding fees. The regulation does not benefit 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 there were no alternatives considered which would be more effective in carrying out the purposes of the proposed regulation or would be more effective and less burdensome to affected private persons or businesses than the proposed regulation.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION

The proposed amendment to Rule 1632 was discussed at the July 19, 2018 Regular Board Meeting. No alternatives to the recommendation were proposed by the Board or by any other individual or entity at the meeting. No subsequent alternative recommendation were made prior to the notice. The board invites any interested party to submit comments which offer any alternative proposal.

California Horse Racing Board
August 10, 2018

**CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 6. ENTRIES AND DECLARATIONS
PROPOSED AMENDMENT TO
RULE 1632. JOCKEY’S RIDING FEE**

1632. Jockey's Riding Fee.

(a) Winning jockey riding fees in the absence of a contract or special agreement are 10% of the Win Purse.

(1) The purpose of subsection (a) is not to set a minimum or maximum fee. It provides a fee if the parties have not made a written agreement to the contrary.

(2) All fees pursuant to subsection (a) are payable in the lower purse range until the next higher purse range is reached, unless there is a written agreement to the contrary.

(b) Jockey riding fees for losing mounts are:

GROSS PURSE	2nd Mount	3rd Mount	Losing Mount
\$100,000 and up:			\$185.61 202.48
50,000-99,999:			151.24 164.98
25,000-49,999:			130.61 142.48
15,000-24,999:			116.85 127.47
10,000-14,999:			109.98 119.97
Less than \$10,000:	\$118.12	\$101.06	103.12 112.49

(1) The purpose of subsection (b) is to set a minimum, but not a maximum riding fee. No non-winning jockey shall be paid less than the riding fee set forth in subsection (b).

(2) All fees pursuant to subsection (b) are payable in the lower purse range until the next higher purse range is reached unless there is a written agreement to the contrary. However, no such written agreement shall reduce the minimum required by subsection (b).

(3) To determine the horse owner's place purse or show purse when calculating non-winning jockey riding fees, the Paymaster of Purses shall use the purse agreement provided in the Horsemen's Agreement for the race meeting at which the jockeys earned such fees. The losing mount fee shall be paid as provided under subsection (b) of this rule.

(4) For horse races with gross purses between \$10,000 and \$100,000 and up, a minimum of five percent of the horse owner's place purse or show purse plus \$10.00 shall be used when calculating the second place and third place non-winning jockey riding fees.

(5) If the losing mount fee is equal to or greater than the third place mount fee, the Paymaster of Purses shall adjust the mount fees so that the third place mount shall earn at minimum \$2 more than the losing mount, and the second place mount shall earn at minimum \$2 more than the third place mount.

(c) A jockey's fee is considered earned when the jockey is weighed out by the clerk of scales. The fee shall not be considered earned if the jockey elects to take himself off of his mount. If there is a substitution of jockeys, no additional jockey fee or double jockey fee need be paid except when ordered by the stewards.

(d) In this rule "Win Purse" means the amount paid the winning horse less the fees paid exclusively by the owner to enter the horse in the race;

(1) Entry, nomination or other fees paid shall not be deducted from a jockey riding fee if such fees are paid or reimbursed by any person or entity other than the owner.

(e) If the parties agree on the fee to be paid the jockey, a contract or agreement in writing signed by the jockey or his agent and the owner or his authorized agent specifying the agreed upon fee if a winning mount, second place mount, third place mount and losing mount shall be delivered to the paymaster of purses before the running of the race in question. The paymaster of purses shall debit the owner's purse account under the contract or written agreement. If no contract or written agreement is submitted before the running of the race in question, the paymaster of purses shall debit the owner's purse account under the fee scale set forth in this rule.

(f) A jockey may not share in the fees of another jockey.

Authority: Sections 19440, 19501 and 19562,
Business and Professions Code.

Reference: Sections 19401 (a), 19401(d), 19420, 19440, 19501, and 19502,
Business and Professions Code.