

CALIFORNIA HORSE RACING BOARD

1010 Hurley Way, Suite 300
Sacramento, CA 95825

www.chrb.ca.gov

(916) 263-6000

information@chrb.ca.gov



NOTICE OF MEETING

Notice is hereby given that a meeting of the **California Horse Racing Board (CHRB/Board)** will be held on **Thursday, March 16, 2023**, commencing at **9:30 a.m.** at the **Le Meridien Pasadena Arcadia, 130 W Huntington Dr, Arcadia, California**. The audio portion only of the California Horse Racing Board regular meeting will be available online through a link at the CHRB website (www.chrb.ca.gov) under "Webcasts."

The agenda for the regular meeting will consist of the following matters:

AGENDA

Action Items:

1. **Approval of the minutes of January 19, 2023.**
2. **Presentation by the Race Track Chaplaincy of America.**
3. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Del Mar Thoroughbred Club, combined 2022 Summer and Fall Race Meetings.**
4. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Los Angeles Turf Club II, Inc., dba Santa Anita Park 2022 Fall Race Meeting.**
5. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Pacific Racing Association II and Pacific Racing Association, combined 2022 Summer and Fall Race Meetings.**
6. Discussion and action by the Board regarding the **Allocation of Northern California Thoroughbred Racing Dates for racing year 2023.**
7. Discussion and by the Board on the **Request from the California Authority of Racing Fairs (CARF) to Designate the Following 2023 Allocated Race Dates as a Combined Fair Horse Racing Meeting**, pursuant to Business and Professions Code section 19549.1: Alameda County Fair at Pleasanton, June 14, 2023 to July 11, 2023; California Exposition and State Fair, July 12, 2023 to August 1, 2023; Humboldt County Fair at Ferndale, August

- 16, 2023 to August 29, 2023; and The Big Fresno Fair, October 4, 2023 to October 17, 2023.
8. Discussion and action by the Board regarding the **request to modify the distribution of market access fees from Advanced Deposit Wagering to cover the Horseracing Integrity and Safety Authority's 2023 assessment on California racing associations.**
 9. Discussion and action by the Board to **cease pursuit of a 2023 Legislative Proposal to amend health and welfare funding mechanisms for jockeys and backstretch workers** to provide financial stability to those programs.
 10. Discussion regarding the **Inclement Weather Policy as it relates to surfaces and returning to racing and training.**
 11. Reports
 - A. **Executive Director's Report.**
 - B. **Equine Medical Director's Report.**
 12. **Public Comment:** Communications, reports, requests for future actions of the Board. **Note:** During the public comment period, a total of thirty minutes will be allowed for public comments. After thirty minutes, no further comments will be accepted. Each person will be limited to two minutes.
 13. **Closed Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by section 11126 of the Government Code.
 - A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," and as authorized by Government Code section 11126(e).
 - B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding pending administrative licensing or disciplinary matters as authorized by Government Code section 11126(e).
 - C. The Board may convene a Closed Session for the purposes of considering personnel matters as authorized by Government Code section 11126(a).
 14. **Adjournment.**

Additional information regarding this meeting may be obtained from the CHRB Administrative Office, 1010 Hurley Way, Suite 300, Sacramento, CA 95825; telephone (916) 263-6000. This notice is located on the CHRB website at www.chrb.ca.gov. *Information for requesting disability related accommodation for persons with a disability who require aid or services in order to

Notice of CHRB Meeting
March 3, 2023

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participate in this public meeting, should contact Zachary Voss at information@chrb.ca.gov. Requests will be swiftly resolved by CHRB staff.

CALIFORNIA HORSE RACING BOARD

Gregory L. Ferraro, DVM, Chairman
Oscar Gonzales, Vice Chair
Dennis Alfieri, Member
Damascus Castellanos, Member
Brenda Washington Davis, Member
Thomas C. Hudnut, Member
Wendy Mitchell, Member
Scott Chaney, Executive Director
Cynthia Alameda, Deputy Executive Director

Date of Notice: March 3, 2023

CALIFORNIA HORSE RACING BOARD
1010 HURLEY WAY, SUITE 300
SACRAMENTO, CA 95825
(916) 263-6000
FAX (916) 263-6042



PENDING ADMINISTRATIVE ADJUDICATIONS
MARCH 2023

The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters as authorized by Government Code section 11126(e). This shall include any matters mentioned below and/or permitted by law.

CASE

- A. Proposed Decision of Appeal**
Owner and Trainer, Richard Baltas
Case Number: SAC 22-0071

CALIFORNIA HORSE RACING BOARD
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SACRAMENTO, CA 95825
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PENDING LITIGATION
March 2023

COURT LITIGATION

- A. Ruis Racing, LLC v. California Horse Racing Board**
Superior Court of California, County of Los Angeles
- B. Hollendorfer v. California Horse Racing Board**
Superior Court of California, County of San Diego
- C. Baltas v. California Horse Racing Board**
Superior Court of California, County of Los Angeles
- D. Baltas v. California Horse Racing Board (Et. al)**
Superior Court of California, County of Los Angeles
- E. Saldana v. California Horse Racing Board**
U.S. District Court, Southern District of California
- F. Jamgotchian v. California Horse Racing Board**
U.S. District Court, Central District of California

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REGULAR BOARD MEETING MINUTES

Date and Time: January 19, 2023 at 9:30 a.m.

Location: California Exposition and State Fair Grandstand, Clubhouse
1600 Exposition Boulevard
Sacramento, CA

Board Members Present: Gregory Ferraro, Chairman
Oscar Gonzales, Vice-Chairman
Wendy Mitchell, Member
Brenda Washington Davis, Member
Thomas Hudnut, Member

Staff Members Present: Scott Chaney, Executive Director
Cynthia Alameda, Deputy Executive Director
Robert Brodrik, General Counsel
Amanda Brown, Staff Counsel

1. Approval of the minutes of December 15, 2022.

Motion: To approve the minutes of December 15, 2022.

Motioned/Seconded: Hudnut/Davis.

Roll call vote: **Aye:** Gonzales, Hudnut, Davis, Ferraro. **Nay:** None. **Abstain:** Mitchell.

Motion carried.

Pages 3-5 in the Board transcript.

2. Discussion and action by the Board regarding the Allocation of Northern California Thoroughbred Racing Dates for racing year 2023.

Motion: To allocate the August 23, 2023, to August 29, 2023 racing dates to the Humboldt County Fair at Ferndale.

Motioned/Seconded: Gonzales/Davis.

Roll call vote: **Aye:** Davis, Gonzales, Mitchell. **Nay:** Hudnut, Ferraro. **Motion failed.**

Pages 5-44 in the Board transcript.

3. Discussion and action by the Board regarding approving a Plan Amendment to the California Horse Racing Board Defined Contribution Retirement Plan for California Licensed Jockeys.

Proceedings of the Regular Meeting of January 19, 2023

Motion: To approve the Plan Amendment to the California Horse Racing Board Defined Contribution Retirement Plan for California Licensed Jockeys.

Motioned/Seconded: Mitchell/Hudnut.

Roll call vote: Aye: Hudnut, Davis, Gonzales, Mitchell, Ferraro. **Nay:** None. **Motion carried.**

Pages 44-46 in the Board transcript.

4. Discussion and action by the Board on the **Renewal Application for License to Operate a Minisatellite Wagering Facility at Sammy's Original** in Lake Forest, California.

Motion: To approve the Renewal Application for License to Operate a Minisatellite Wagering Facility at Sammy's Original in Lake Forest, California.

Motioned/Seconded: Gonzales/Hudnut.

Roll call vote: Aye: Mitchell, Gonzales, Davis, Hudnut, Ferraro. **Nay:** None. **Motion carried.**

Pages 46-50 in the Board transcript.

5. Discussion and action by the Board regarding the delegation of authority to the executive director pursuant to California Business and Professions Code section 19428 for one year.

Motion: To delegate authority to the executive director pursuant to California Business and Professions Code section 19428 for one year.

Motioned/Seconded: Mitchell/Gonzales.

Roll call vote: Aye: Hudnut, Davis, Mitchell, Gonzales, Ferraro. **Nay:** None. **Motion carried.**

Pages 50-51 in the Board transcript.

6. REPORTS.

A. Executive Director's Report.

B. Equine Medical Director's Report.

Pages 51-67 in the Board transcript.

7. PUBLIC COMMENT.

Page 67 in the Board transcript.

MEETING ADJOURNED AT 11:16 A.M.

Proceedings of the Regular Meeting of January 19, 2023

A full and complete transcript of the aforesaid proceedings are on file at the office of the California Horse Racing Board, 1010 Hurley Way, Suite 300, Sacramento, California, and therefore made a part hereof.

Chairman

Executive Director

CALIFORNIA HORSE RACING BOARD

March 16, 2023 REGULAR

BOARD MEETING

There is no board package material for Item 2

Agenda Item 3

STAFF ANALYSIS DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF DEL MAR THOROUGHBRED CLUB, COMBINED 2022 SUMMER AND FALL RACE MEETINGS

Regular Board Meeting
March 16, 2023

ISSUE

The Del Mar Thoroughbred Club (DMTC) is requesting approval to distribute race day charity proceeds generated at two live race meetings during the year 2022: July 13, 2022, through September 13, 2022, and from November 9, 2022, through December 6, 2022. The combined race meetings statutory distribution amount is \$98,320. DMTC is proposing to supplement the 2022 combined race day charity day proceeds and increase the distribution by \$62,337, and distribute a total amount of \$160,657, to nine beneficiaries. The charitable organizations selected and its amounts to be distributed are listed on the attachment. Staff notes that 100 percent of the proposed charity distributions are made to equine related charity organizations.

BACKGROUND

Business and Professions Code section 19550 states the Board shall require each licensed racing association that conducts 14 or less weeks of racing to designate three racing days, and each licensed racing association that conducts more than 14 weeks of racing to designate five racing days during anyone meeting, to be conducted as charity days by the licensee for the purpose of distribution of the net proceeds there from to beneficiaries through the distribution agent. No racing association shall be required to pay to a distributing agent for the purpose of distribution to beneficiaries more than an amount equal to two-tenths of one percent of the association's total on-track handle on live races conducted by the association at the meeting. Business and Professions Code section 19555 requires that proceeds are to be distributed to beneficiaries within 12 calendar months after the last day of the meet during which charity days were conducted. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 30 percent of the distribution shall be made to charities associated with the horse racing industry. An additional five percent shall be paid to a welfare fund and another five percent shall be paid to a nonprofit corporation, the primary purpose of which is to assist horsemen and backstretch personnel who are being affected adversely as a result of alcohol or substance abuse. In addition to the above distributions, a separate 20 percent shall be made to a nonprofit corporation or trust, the directors, or trustees of which shall serve without compensation except for reimbursement for reasonable expenses, and which has as its sole purpose the accumulation of endowment funds, the income on which shall be distributed to qualified disabled jockeys.

RECOMMENDATION

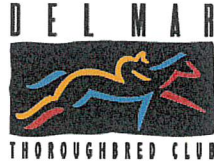
This item is presented for Board discussion and action.

CHRB ANALYSIS

Del Mar Thoroughbred Club (DMTC), 2022 Combined Charity Day Proceeds
July 13, 2022 - September 13, 2022, and November 9, 2022 - December 6, 2022

#	Nonprofit Organization	Statutory Distribution Amounts	Disbursement Percentage	Percentage Required By Horse Racing Law (from the 2/10 of 1%)	Notes	DMTC Voluntary - Supplemental Distributions	Total Distributions
1	CARMA*	\$ 68,824.00	70%	minimum of 30%	a	\$ 11,969.00	\$ 80,793.00
2	Permanently Disabled Jockeys Fund *	19,664.00	20%	minimum of 20%	d	-	19,664.00
3	Racing & Medication Consortium*	-	-			20,000.00	20,000.00
4	Winners Foundation*	4,916.00	5%	minimum of 5%	c	84.00	5,000.00
5	California Thoroughbred Horsemen's Foundation*	4,916.00	5%	minimum of 5%	b	84.00	5,000.00
6	Race Track Chaplaincy/Southern California*	-	-			5,000.00	5,000.00
7	Edwin J. Gregson Foundation*	-	-			20,200.00	20,200.00
8	California Center for Equine Health & Performance*	-	-			2,500.00	2,500.00
9	UC Davis - JD Wheat Veterinary Research*	-	-			2,500.00	2,500.00
	Total	\$ 98,320.00	100%		e	\$ 62,337.00	\$ 160,657.00
	Notes						
	a	30% to charities associated with the horse racing industry (B&P 19556(b))					
	b	5% to welfare fund (19556 (b)) described in subdivision (b) of Section 19641					
	c	5% to nonprofit organization to assist horsemen and backstretch personnel affected by alcohol and substance abuse(B&P 19556 (b))					
	d	20% to nonprofit organization that benefits qualified disabled jockeys (B&P 19556 (c)(1))					
	e	overall a minimum of 60% of the charity distribution should go to horse racing industry related					

*Equine and/or horse racing related organization



Josh Rubinstein
President & COO

February 22, 2023

Mr. Scott Chaney
Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Executive Director Chaney:

The Del Mar Thoroughbred Club ("DMTC") is proud of our long-standing commitment to industry charities. In 2022 wagering on DMTC's races generated \$98,320 in Charity Days proceeds through the following:

- Summer Meet – \$85,435
- Fall Meet – \$12,886

DMTC is also supplementing its Charity Days distributions with an additional \$62,337, so the total amount of our Charity Days funding in 2022 will be \$160,657.

Please find attached, for the California Horse Racing Board's consideration, DMTC's proposed 2022 Charity Days distributions. Also attached is a description of each charitable origination.

Thank you for your attention to this matter. If you need further information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Rubinstein", is written over a white background.

Josh Rubinstein
President and COO

cc: Cynthia Almeda
Yannet DeGarcia

**Del Mar Thoroughbred Club
2022 Charity Day & DMTC Supplemental Funding**

Organizations	Summer 2022	Fall 2022	Total for 2022	DMTC Contribution	22 Combined Contribution
California Retirement Management Account (CARMA) *	59,804	9,020	68,824	11,969	80,793
Permanently Disabled Jockeys Fund *	17,087	2,577	19,664	-	19,664
Racing & Medication Consortium *			-	20,000	20,000
Winners Foundation *	4,272	644	4,916	84	5,000
California Thoroughbred Horsemen Foundation *	4,272	644	4,916	84	5,000
Race Track Chaplaincy/Southern California *			-	5,000	5,000
Edwin J. Gregson Foundation *			-	20,200	20,200
California Center for Equine Health & Performance *			-	2,500	2,500
UC Davis - JD Wheat Veterinary Research *			-	2,500	2,500
Totals	85,435	12,886	98,320	62,337	160,657
* Equine Related Charities	85,435	12,886			
Non-Equine Related	0	0			
Percentage of Equine Related Charities	100%	100%			



2022 CHARITABLE ORGANIZATIONS – SUMMER/FALL

CARMA – The California Retirement Management Account (CARMA) provides funding for retirement of California-raced Thoroughbred horses and serves as an educational resource for the public and racing community. CARMA is a charitable 501(c)(3) non-profit organization founded in 2007 to raise money for retired racehorses. It is responsible for hosting fundraising events, educating owners and trainers on equine retirement, raising awareness and working to unify the racing industry in support of its equine athletes. Ways in which this is accomplished include facilitating the transition of racehorses off the track through its Placement Program and showcasing the breed’s versatility as equestrian mounts at its Thoroughbred Classic Horse Show. It is dedicated to the goal of providing funding for their rehabilitation, retraining and/or retirement. CARMA collects funds from racehorse owners, racetracks and other racing groups and organizations, then redistributes the funds to those farms and facilities that prove themselves worthy and capable of fulfilling the group’s goal. Madeline Auerbach is CARMA’s Founders Chair, Billy Koch-President, and Samantha Siegel-Secretary. (Contact phone: 626-574-6654; www.carma4horses.org)

Permanently Disabled Jockeys Fund – Promotes awareness of the needs of permanently disabled jockeys – Provides financial support to permanently disabled jockeys – Provides financial support and assistance in obtaining medical coverage for permanently disabled jockeys – Promotes medical research dedicated to reducing catastrophic injuries within the horse racing industry. Founded in 2006, it is a collaborative effort of many leaders in the horse racing industry, including racetracks, jockeys, horsemen and many others who had a vision of a program that would bring much-needed financial assistance to a group of athletes who have given so much to the sport of horse racing. The PDJF is governed by an independent board comprised of stakeholders from a broad cross-section of the horse racing industry. The mission of PDJF is to promote financial support to permanently disabled jockeys living with a catastrophic on-track injury; provide financial support and assistance for permanently disabled jockeys; and to promote medical research dedicated to reducing catastrophic injuries within the horse racing industry. Nancy LaSala is the group’s president. (Contact phone: 630-595-7660; www.pdjf.org/)

Racing Medication and Testing Consortium -- Striving to develop and promote uniform rules, policies and testing standards at the national level; coordinate research and educational programs that seek to ensure the integrity of racing and the health and welfare of racehorses and participants; and protect the interests of the racing public. Founded in 2000 by a cross-section of racing leaders, the Racing Medication and Testing Consortium (RMTC) has a primary goal of developing and promoting uniform rules, policies and testing standards at the national level for racehorses. The tax-deductible organization strives to develop and promote uniform rules, policies and testing standards at the national level; coordinate research and educational programs that seek to ensure the integrity of racing and the health and welfare of racehorses and participants; and to protect the interest of the racing public. It is currently governed by a Board of Directors consisting of 23 racing industry stakeholders. RMTC Executive Director and COO is Dr. Michael Hardy, Administrative Manager is Ms. Dianne Oakes; www.rmtcnet.com/).

Winners Foundation – The Winners Foundation was established in 1984 as a non-profit organization to provide information, support and referral sources to employees and family members of the California horse racing community who are being adversely affected as a result of mental illness, alcohol and/or substance abuse. There is no charge to anyone seeking aid through the group, which has aided and guided thousands of individuals since its inception. It is currently headed by Darin Scharer, Executive Director. (Contact phone: 626-574-6498; <http://winnersfoundation.org/>)

California Thoroughbred Horsemen's Foundation – The California Thoroughbred Horsemen's Foundation (CTHF) is a non-profit charitable foundation dedicated to improving the quality of life in the community of stable workers at California's racetracks and training centers. It was founded in 1983 and, among its other projects, currently conducts Monday through Friday medical and dental clinics in both Northern and Southern California that are free for stable workers and their families. Ken Smole is President and Chair of CTHF, Cliff Goodrich, Executive Director. (Contact phone: 626-446-0169; www.cthf.info/)

Race Track Chaplaincy/Southern California (RTCA/SC) – The RTCA/SC is a nonprofit organization that was established in 1971 and ministers to the spiritual, emotional, physical and social/educational needs of horse racing's workers. RTCA/SC is an affiliate of Race Track Chaplaincy of America, which has 77 chaplains serving over 117 race tracks throughout the United States and Canada. RTCA/SC offers support, direction and guidance, as well as Church services, at Santa Anita, Los Alamitos and Del Mar. Contact: Chaplain Eli Hernandez, (Contact phone: 626-574-6438; <http://rtcasc.com/>).

Edwin J. Gregson Foundation – The foundation has a primary goal of benefitting and enhancing the quality of life of California’s backstretch workers and their families. It was originally founded by the California Thoroughbred Trainers (CTT) in 1998 and renamed in memory of veteran trainer and past CTT president Edwin J. Gregson, who was the driving force behind its start. Notable among its benefits are the college scholarships it provides annually to family members of backstretch workers. Jenine Sahadi heads the foundation. (Contact phone: 626-447-2145; www.gregsonfoundation.com)

California Center for Equine Health and Performance – The Center for Equine Health (CEH) was established at University of California Davis School of Veterinary Medicine in 1973. The primary purpose of CEH is to serve as an administrative and academic umbrella for research into means and methods of improving equine health, welfare and performance. The team brings together research facilities, students, veterinary residents, researchers and veterinarians to tackle important problems affecting horse health. In conjunction with this, it produces a series of publications that disseminate its findings and pertinent information. Additionally, it serves as the West Coast’s quarantine and treatment station for the potentially devastating venereal disease contagious equine metritis. The center’s current Director is Dr. Carrie J. Finno, DVM, cjfinno@ucdavis.edu. Emeriti Directors include renowned veterinarian Gregory L. Ferraro, DVM, as well as Claudia Sonder, DVM.

UC Davis - JD Wheat Veterinary Orthopedics Laboratory Research Laboratory, School of Veterinary Medicine – The JD Wheat Veterinary Orthopedics Laboratory at UC Davis has been in the forefront of the state’s efforts to understand, treat and prevent musculoskeletal injuries in horses. Using research, education and a range of training tools and methods, the JD Wheat Laboratory has been a key cog in stemming catastrophic equine losses and providing means and methods to enhance safety on the racetrack. Contact: Susan M. Stover, DVM, smstover@ucdavis.edu.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF
RACE DAY CHARITY PROCEEDS OF THE LOS ANGELES TURF CLUB II,
INCORPORATED DBA AS SANTA ANITA PARK 2022 FALL RACE MEETING

Regular Board Meeting
March 16, 2023

ISSUE

Los Angeles Turf Club II (LATC II) is requesting approval to distribute race day charity proceeds generated at its 2022 Fall race meet from September 28, 2022, to November 8, 2022. LATC II is proposing a total distribution of \$19,178.27. The charitable organizations selected and amounts to be distributed are listed on the attachment. Staff notes that 100 percent of the proposed charity distributions are made to horse racing industry related charity organizations.

BACKGROUND

Business and Professions Code section 19550 states the Board shall require each licensed racing association that conducts 14 or less weeks of racing to designate three racing days, and each licensed racing association that conducts more than 14 weeks of racing to designate five racing days during any one meeting, to be conducted as charity days by the licensee for the purpose of distribution of the net proceeds there from to beneficiaries through the distribution agent. No racing association shall be required to pay to a distributing agent for the purpose of distribution to beneficiaries more than an amount equal to two-tenths of one percent of the association's total on-track handle on live races conducted by the association at the meeting. Business and Professions Code section 19555 requires that proceeds are to be distributed to beneficiaries within 12 calendar months after the last day of the meet during which charity days were conducted. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 30 percent of the distribution shall be made to charities associated with the horse racing industry. An additional five percent shall be paid to a welfare fund and another five percent shall be paid to a non-profit corporation, the primary purpose of which is to assist horsemen and backstretch personnel who are being affected adversely as a result of alcohol or substance abuse. In addition to the above distributions, a separate 20 percent shall be made to a nonprofit corporation or trust, the directors or trustees of which shall serve without compensation except for reimbursement for reasonable expenses, and which has as its sole purpose the accumulation of endowment funds, the income on which shall be distributed to qualified disabled jockeys.

RECOMMENDATION

This item is presented for Board discussion and action.

CHRB ANALYSIS

Los Angeles Turf Club II, Inc. dba Santa Anita Park, Fall Race Meet Charity Day Proceeds

September 30, 2022, through November 6, 2022

#	Nonprofit Organization	Amount	Proposed Disbursement Percentage	Percentage Required By Horse Racing Law (2/10 of 1% on-track, live, handle)	Notes
1	California Thoroughbred Foundation*	253.15	1%		a
2	CARMA*	1,610.97	8%		a
3	Edwin J. Gregson Foundation*	2,842.22	15%		a
4	Holy Angels Church (Backside Permanent Deacon)*	166.85	1%		
5	Racetrack Chaplaincy of American (Southern CA Council)*	373.98	2%		a
6	Southern California Equine Foundation, Inc.*	253.15	1%		a
7	United Pegasus Foundation*	253.15	1%		a
8	California Thoroughbred Horsemen's Foundation*	2,188.24	11%	minimum of 5%	b
9	Winners Foundation*	5,369.92	28%	minimum of 5%	c
10	Permanently Disabled Jockeys' Fund*	5,866.63	31%	minimum of 20%	d
	Total Horse Related Charities	\$ 19,178.26	100%	minimum of 60%	e
	Notes:				
	a	30% to charities associated with the horse racing industry (B&P 19556 (b))			
	b	5% to welfare fund (19556 (b)) described in subdivision (b) of Section 19641			
	c	5% to nonprofit organization to assist horsemen and backstretch personnel affected by alcohol and substance abuse (B&P 19556 (b))			
	d	20% to nonprofit organization that benefits qualified disabled jockeys (B&P 19556 (c)(1))			
	e	overall a minimum of 60% of the charity distribution should go to horse racing industry related nonprofit organizations.			

*horse racing industry-related organization



January 23, 2023

California Horse Racing Board
Attention: Scott Chaney
1010 Hurley Way, Suite 300
Sacramento, CA 95825

RE: Los Angeles Turf Club II, Inc. Charity Day Proceeds

Dear Mr. Chaney,

Los Angeles Turf Club II, Inc., doing business as “Santa Anita Park”, has determined the beneficiaries of proceeds from Charity Days races conducted at Santa Anita Park from September 30, 2022 to November 6, 2022, in the amount of \$19,178.27.

Attached is a list of the organizations selected to be the beneficiaries of the Charity Day proceeds and statement about each recipient. Please note that 100% of the distributions are to horse-related charities.

Also attached is the official CHRIMS Report of Handle for the said race meet period upon which this distribution is based.

We request that you please add this matter for discussion and action by the California Horse Racing Board at its next regularly scheduled meeting. Distributions will be made upon approval of the proposed amounts by the Board.

The amount that Santa Anita Park is requesting that the CHRB approve from Charity Days for distribution is a small fraction of the total amount that Santa Anita Park donates to charity each year.

Should you have any questions regarding the distributions, or the matter set forth herein, do not hesitate to contact me.

Sincerely,

Eric Sindler
General Counsel,
California Racing Operations

**Los Angeles Turf Club - Santa Anita
Distribution of Charity Days Proceeds**

September 30, 2022 - November 6, 2022

California Thoroughbred Foundation	4.4%	\$ 253.15			
CARMA	28.0%	\$ 1,610.97			
Edwin Gregson Foundation	49.4%	\$ 2,842.22			
Holy Angels Church	2.9%	\$ 166.85			
Race Track Chaplaincy of America	6.5%	\$ 373.98			
Southern California Equine Foundaation	4.4%	\$ 253.15			
United Pegasus	4.4%	\$ 253.15			
Horse Related Charities Above	100.0%		\$ 5,753.48	\$ 5,753.48 }	30.0% of total distribution
California Thoroughbred Horsemen's Foundation	16.3%	\$ 2,188.24			
Winner's Foundation	40.0%	\$ 5,369.92			
Permanently Disabled Jockey's Fund	43.7%	\$ 5,866.63			
Horse Related Charities Above	100.0%		\$ 13,424.79	\$ 13,424.79 }	70.0% of total distribution
Total Distribution			\$ 19,178.27	\$ 19,178.27	\$ - Must be zero



I. **Horse Related Charities – California B&P Code Section 19556(b) (30% Minimum Distribution)**

California Thoroughbred Foundation – CTF is a 503(c) (3) non-profit organization that provides multiple benefits to individuals involved in the Thoroughbred industry. These include scholarship programs for veterinary medicine students at US Davis and maintenance of the Carleton F. Burke Memorial Library.

CARMA – The California Retirement Management Account is organized to raise money for retired California race horses. Their mission statement provides that they assist thoroughbred retirement facilities that care for and retrain horses whose careers have ended after competing in California Thoroughbred races. Their services include tracking of retired California race horses and in working to find homes for retired equines. CARMA also manages a grant request process and distributes funds to qualified retirement facilities caring for such horses. CARMA is dedicated to the goal of providing funding for rehabilitation, retraining and/or retirement of Thoroughbred horses that have raced in California.

Edwin Gregson Foundation – A non-profit charitable foundation organized for the purpose of improving the lives of backstretch worker and their immediate family members at California race tracks. The organization provides backstretch workers with many educational programs, including “English as a second language,” bible studies and provides numerous programs, including computer training programs at its recreation facility, computer games and various magazines in English and Spanish. It organizes family outings for the workers excursions. The organization also maintains a recreational hall at Santa Anita Park for the benefit of the backside workers and their children.

Holy Angeles Church (Backside Permanent Deacon) – Holy Angeles church is a Catholic Church across the street from Santa Anita Park. A deacon from the church performs a weekly Mass in the recreation room at the track on Monday nights for the workers on the backside. He walks down the shed rows daily in the morning and assists the workers in an endless variety of ways. Examples of the assistance provided include counseling, organizing religious and recreational activities, the collection and distribution of clothing, help with Medicare, Medi-Cal and immigration forms, officiating at holiday gatherings at Santa Anita, etc.

Racetrack Chaplaincy of America – The stated mission of the organization is “The overall mission of RTCA, through its councils and chaplains, is to make disciples for Jesus Christ through teaching, preaching, and ministering to the spiritual, emotional, physical, social, and educational needs of those persons involved in all aspects of the horse racing industry.”

Southern California Equine Foundation, Inc. – SCEF is a nonprofit charitable organization providing hospital and equine ambulance services on the Southern California Thoroughbred racing circuit. Commonly known as the Equine Hospital, SCEF has a long history of service to the

racetrack industry and the equine athlete. This is an organization “dedicated to the care of the injured horse.”

United Pegasus Foundation ENI#95-4497611 – UPF is a 501(c) (3) charitable organization that has become one of the largest Thoroughbred retirement, rehabilitation and adoption organizations, saving hundreds of former race horses from an uncertain destiny by giving them a humane and deserved retirement home and providing for their care at its 27-acre ranch in San Jacinto, California. The retired Thoroughbreds are maintained in pleasant quarters and peaceful surroundings to live out the balance of their lives. This organization depends entirely upon donations for the purchase of food and other amenities required maintaining the Thoroughbreds.

II. **Welfare Fund for Backside Personnel - California B&P Code Section 1964J(b) (5% Minimum Distribution)**

California Thoroughbred Horsemen’s Foundation – CTHF is a 501(c) (3) nonprofit foundation that provides assistance to the low-income backstretch community occupied with the care of Thoroughbred race horses at California’s major race tracks and fair circuits and California Horse Racing Board recognized off-track training centers. The organization maintains three clinics throughout the state, which see over 10,000 people each year, including numerous children who are prepared medically to return to school each year.

III. **Fund for Substance or Alcohol Abuse - California B&P Code Section 19556(b) (5% Minimum Distribution)**

Winners Foundation – The Winners Foundation provides confidential assistance on a one-to-one basis to employees and family members of California race track who are seeking help for alcohol, gambling and drug addiction. Each situation is geared to best support an individual’s desire to change his or her life for the better. The Foundation has developed a large referral base and maintains close relationships with community based services such as anonymous 12 step groups, city and county assistance agencies, detox centers, halfway houses and out-patient and in-patient hospital treatment programs. This service is provided to any employee or family member of anyone involved in the California Thoroughbred horse racing community, free of charge. This includes backstretch works, as well as all employees at Del Mar, Golden Gate Fields, Santa Anita and the California Association of Racing Fairs.

IV. **Permanently Disabled Jockeys Fund - B&P Code Section 19556(c) (20% Minimum Distribution)**

Permanently Disabled Jockeys’ Fund – This is a statutorily mandated distribution per Business and Professions Code Section 19556(c). It provides support to disabled jockeys, as its name implies.

Agenda Item 5

STAFF ANALYSIS DISCUSSION AND ACTION BY THE BOARD REGARDING THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF PACIFIC RACING ASSOCIATION II AND PACIFIC RACING ASSOCIATION, COMBINED 2022 SUMMER AND FALL RACE MEETINGS

Regular Board Meeting
March 16, 2023

ISSUE

The Pacific Racing Association II (PRA II) and the Pacific Racing Association (PRA) are requesting approval to distribute race day charity proceeds generated at two live race meetings during the year 2022: August 24, 2022, through October 4, 2022; October 19, 2022, through December 20, 2022. PRA II and PRA are proposing a combined total distribution of \$7,402.85. The charitable organizations selected and the amounts to be distributed are listed on the attachment. Staff notes that 100 percent of the proposed charity distributions are made to equine related charity organizations.

BACKGROUND

Business and Professions Code section 19550 states the Board shall require each licensed racing association that conducts 14 or less weeks of racing to designate three racing days, and each licensed racing association that conducts more than 14 weeks of racing to designate five racing days during any one meeting, to be conducted as charity days by the licensee for the purpose of distribution of the net proceeds there from to beneficiaries through the distribution agent. No racing association shall be required to pay to a distributing agent for the purpose of distribution to beneficiaries more than an amount equal to two-tenths of one percent of the association's total on-track handle on live races conducted by the association at the meeting. Business and Professions Code section 19555 requires that proceeds are to be distributed to beneficiaries within 12 calendar months after the last day of the meet during which charity days were conducted. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 30 percent of the distribution shall be made to charities associated with the horse racing industry. An additional five percent shall be paid to a welfare fund and another five percent shall be paid to a nonprofit corporation, the primary purpose of which is to assist horsemen and backstretch personnel who are being affected adversely as a result of alcohol or substance abuse. In addition to the above distributions, a separate 20 percent shall be made to a nonprofit corporation or trust, the directors or trustees of which shall serve without compensation except for reimbursement for reasonable expenses, and which has as its sole purpose the accumulation of endowment funds, the income on which shall be distributed to qualified disabled jockeys.

RECOMMENDATION

This item is presented for Board discussion and action.

CHRB ANALYSIS

Pacific Racing Association II & Pacific Racing Association, 2022 Combined Charity Day Proceeds
August 26, 2022 - October 2, 2022, and October 21, 2022 - December 11, 2022

#	Nonprofit Organization	Statutory Distribution Amounts	Disbursement Percentage	Percentage Required By Horse Racing Law (from the 2/10 of 1%)	Notes
1	California Thoroughbred Foundation*	\$ 137.69	2%		a
2	CARMA*	661.82	9%		a
3	Edwin J. Gregson Foundation*	1,137.08	15%		a
4	Neigh Savers Foundation*	104.38	1%		a
5	Race Track Chaplaincy California*	179.89	2%		a
7	California Thoroughbred Horsemen's Foundation*	844.67	11%	minimum of 5%	b
8	Winners Foundation*	2,072.80	28%	minimum of 5%	c
9	Permanently Disabled Jockeys Fund *	2,264.53	31%	minimum of 20%	d
	Total	\$ 7,402.86	100%		e
	Notes				
	a	30% to charities associated with the horse racing industry (B&P 19556(b))			
	b	5% to welfare fund (19556 (b)) described in subdivision (b) of Section 19641			
	c	5% to nonprofit organization to assist horsemen and backstretch personnel affected by alcohol and substance abuse(B&P 19556			
	d	20% to nonprofit organization that benefits qualified disabled jockeys (B&P 19556 (c)(1))			
	e	overall a minimum of 60% of the charity distribution should go to horse racing industry related nonprofit organizations.			

*Equine and/or horse racing related organization



GOLDEN GATE FIELDS

October 23, 2022

California Horse Racing Board
Attention: Scott Chaney
1010 Hurley Way, Suite 300
Sacramento, CA 95825

RE: Pacific Racing Association, Charity Day Proceeds

Dear Mr. Chaney,

Pacific Racing Association, doing business as “Golden Gate Fields,” has determined the beneficiaries of proceeds from Charity Days races conducted at Golden Gate Fields from August 26, 2022 – December 11, 2022, in the amount of \$7,402.85.

Attached is a list of the organizations selected to be the beneficiaries of the Charity Day proceeds and statement about each recipient. Please note that 100% of the distributions are to horse-related charities.

Also attached is the official CHRIMS Report of Handle for the said race meet period upon which this distribution is based.

We request that you please add this matter for discussion and action by the California Horse Racing Board at its next regularly scheduled meeting. Distributions will be made upon approval of the proposed amounts by the Board.

The amount that Golden Gate Fields is requesting that the CHRB approve from Charity Days for distribution is a small fraction of the total amount that Golden Gate Fields donates to charity each year.

Should you have any questions regarding the distributions, or the matter set forth herein, do not hesitate to contact me.

Sincerely,

Eric Sindler
General Counsel,
California Racing Operations

Pacific Racing Association - Golden Gate Fields

Distribution of Charity Days Proceeds

August 26, 2022 - December 11, 2022

California Thoroughbred Foundation	6.2%	\$ 137.69			
CARMA	29.8%	\$ 661.82			
Edwin Gregson Foundation	51.2%	\$ 1,137.08			
Neigh Sayers Foundation	4.7%	\$ 104.38			
Race Track Chaplaincy of America	8.1%	\$ 179.89			
Pegasus Foundation	0.0%	\$ -			
Horse Related Charities Above	100.0%		\$ 2,220.86	\$ 2,220.86	} 30% of total distribution
California Thoroughbred Horsemen's Foundation	16.3%	\$ 844.67			
Winner's Foundation	40.0%	\$ 2,072.80			
Permanently Disabled Jockey's Fund	43.7%	\$ 2,264.53			
Horse Related Charities Above	100.0%		\$ 5,182.00	\$ 5,182.00	} 70% of total distribution
Total Distribution			\$ 7,402.85	\$ 7,402.85	\$ - Must be zero



GOLDEN GATE FIELDS

Pacific Racing Association Golden Gate Fields

I. Horse Related Charities – California B&P Code Section 19556(b) (30% Minimum Distribution)

California Thoroughbred Foundation – CTF is a 503(c) (3) non-profit organization that provides multiple benefits to individuals involved in the Thoroughbred industry. These include scholarship programs for veterinary medicine students at US Davis and maintenance of the Carleton F. Burke Memorial Library.

CARMA – The California Retirement Management Account is organized to raise money for retired California race horses. Their mission statement provides that they assist thoroughbred retirement facilities that care for and retrain horses whose careers have ended after competing in California Thoroughbred races. Their services include tracking of retired California race horses and in working to find homes for retired equines. CARMA also manages a grant request process and distributes funds to qualified retirement facilities caring for such horses. CARMA is dedicated to the goal of providing funding for rehabilitation, retraining and/or retirement of Thoroughbred horses that have raced in California.

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Neigh Savers Foundation – Neigh Savers creates new beginnings for retired racing Thoroughbreds by building relationships, both on and off the track, to help as many horses as possible. Through rescue, rehabilitation and retraining the organization provides the foundation needed for racing Thoroughbreds to successfully transition into new careers. Whether the horse is an Off-Track Thoroughbred (OTTB) ready to end its racing career or one that has been injured on the track or has found itself standing at an auction or on a feedlot with no other options, Neigh Savers strives to make a difference, one OTTN at a time.

Racetrack Chaplaincy of America – The stated mission of the organization is “The overall mission of RTCA, through its councils and chaplains, is to make disciples for Jesus Christ through teaching, preaching, and ministering to the spiritual, emotional, physical, social, and educational needs of those persons involved in all aspects of the horse racing industry.”

II. **Welfare Fund for Backside Personnel - California B&P Code Section 19556(b) (5% Minimum Distribution to Welfare Fund described in 19641(b))**

California Thoroughbred Horsemen's Foundation – CTHF is a 501(c) (3) nonprofit foundation that provides assistance to the low-income backstretch community occupied with the care of Thoroughbred race horses at California's major race tracks and fair circuits and California Horse Racing Board recognized off-track training centers. The organization maintains three clinics throughout the state, which see over 10,000 people each year, including numerous children who are prepared medically to return to school each year.

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IV. **Permanently Disabled Jockeys Fund - B&P Code Section 19556(c) (20% Minimum Distribution)**

Permanently Disabled Jockeys' Fund – This is a statutorily mandated distribution per Business and Professions Code Section 19556(c). It provides support to disabled jockeys, as its name implies.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE
ALLOCATION OF NORTHERN CALIFORNIA THOROUGHBRED RACING
DATES FOR RACING YEAR 2023

Regular Board Meeting
March 16, 2023

ISSUE:

Every year, the California Horse Racing Board (Board) hears from industry stakeholders regarding the allocation of race dates for the following year. This discussion is initially held at the Race Dates Committee (Committee) meeting, prior to being presented to the Board at a regular meeting for final approval of the allocated race dates. In the past, there has been discussion of adopting a multi-year allocated race dates calendar, but to date one has not been established.

The Board discussed the allocation of 2023 race dates at the September 2022 Race Dates Committee meeting, then again at the September 2022, October 2022, December 2022, and January 2023 regular Board meetings. At the September 2022 Board meeting, the Board adopted the 2023 Southern California race dates and the 2023 Harness racing dates. The Board deferred the 2023 Northern California race date discussion until the October meeting to allow time for additional considerations.

At the October 2022 Board meeting, the Board heard from industry stakeholders regarding the 2023 proposed Calendar for fair and thoroughbred racing but held off finalizing the dates to provide further time for additional considerations. At the December 2022 Board meeting, the Board again heard from industry stakeholders who asked to table the item for an additional month to give stakeholders more time to come to an agreement. At the January 2023 Board meeting, the Board was unable to reach an agreement regarding the allocation of 2023 Northern California race dates.

RECOMMENDATION:

This item is presented for discussion.



Sent via Email

March 1, 2023

Gregory L. Ferraro, Chairman
Scott Chaney, Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Mr. Ferraro and Mr. Chaney,

Following the spirited discussion regarding the scope of the 2023 Ferndale race dates and the follow-up discussion set for March 16, I am writing to inform all CHRB members of the TOC position on this matter for your advance review. I ask that you kindly share this information with the full Board. The reason for this written submission is the subject matter is complex in nature and I would like to carefully draw out the key points.

2023 Purse Update - Viability

Thanks to the temporary Covid-related ADW supplemental funding agreed to between TOC and TVG/Xpressbet, we were able to increase purses over the last two years at California racetracks. Without this influx for 2023, there is a need to adjust purses for the 2023 Santa Anita Spring, 2023 Santa Anita Fall and 2023 Del Mar fall meets. Purse money at Golden Gate is also in a tenuous position where nearly 80 percent of the horses are owned or partially owned by trainers and approximately 65 percent of the horse population are California bred. These adjustments could have an immediate impact on all meets, especially CARF and Los Alamitos where history shows it is incredibly reliant on a healthy ecosystem to support it.

The potential granting of host track status to Ferndale for two weeks in August will have a further and material decrease in purse generation and commissions for California as well as a negative impact on industry programs such as equine research, jockey and backstretch welfare and government-related programs. This is due to lower handle on Ferndale's inferior racing content. The clear benefit of host track status for Ferndale is the commissions it can derive from racing conducted at Del Mar and Saratoga, among others.

Ferndale - Viability

Nearly half of the horses that compete at Ferndale are from Oregon. The Oregon summer racing calendar provides a break between the Tillamook and Grants Pass meets to include Ferndale into the circuit. There is no turf course at Ferndale, only a half-mile dirt track designed for a lower tier of racing. During the two-week Ferndale meet last year, Southern California brick and mortar and ADW handle was a mere \$10,000 per race. One-way travel time to Ferndale is 257 miles from Golden Gate.

285 W. HUNTINGTON DR., ARCADIA, CA 91007 (626) 574-6620

CHAIRMAN: GARY FENTON

PRESIDENT & CEO: WILLIAM NADER

EXECUTIVE DIRECTOR: JORDYN EGAN

NORCAL DIRECTOR OF OPERATIONS: WAYNE ATWELL

SOCAL DIRECTOR OF OPERATIONS & MEMBER SERVICES: ELSA PERON

The combination of the above results in average field size of 5.3 over the past five seasons, and, most recently 5.0 last year. Further, there is no OTB or satellite facility in Ferndale and, therefore, no connection to the California horse industry over the remaining 50 weeks of the calendar year.

In 2009, Ferndale was awarded both weeks as host. Subsequently, CARF elected to prefer Santa Rosa as the host over Ferndale in years 2010 and 2011 before Santa Rosa discontinued its CARF relationship shortly thereafter. In eight of the nine years from 2011-2019, Ferndale raced for two weeks without any host track status and generated enough purse money to cover purse distribution.

Ferndale's strong connection with the Oregon racing circuit and ability to sustain its racing without California host track status was captured in a quote from James Morgan in the September 7, 2017 edition of the Ferndale Enterprise: "If we don't get unoverlapped (dates), the HCF will still survive as a racing fair because of the tenacity and determination of people like you (Wotherspoon, Doutrich and Aldrich) that support the fair, and the fact we can become the Saratoga, the Del Mar of the Oregon circuit, because even though we have diminishing purses, we're still three times what Tillamook is, right?"

In the following year, 2018, Ferndale was awarded one week of host status in the following year before reverting to the normal practice of no host status in 2019. Ferndale did not operate in 2020 and has enjoyed host status for one of its two weeks in each of the last two years.

Financial Impact to Racing Industry

The difference in fund generation between Ferndale running opposed – as was the pre-Covid tradition – to potentially running unopposed is projected to result in a loss of nearly \$1 million to the California horse racing industry, including \$455,884 to purses, \$411,474 to commissions and further reductions to Breeders, Backstretch and Jockey Workers Compensation, as well as industry and government programs. Please refer to **ANNEX A**.

ANNEX B shows the impact on live racing from the two scenarios while **ANNEX C** provides a recap of racing statistics for Ferndale from 2009 – 2022.

Recommendation

Without the supplemental funding of purses from alternative forms of gaming enjoyed by our competitive states, every dollar matters in California racing. The TOC is aligned with the CHRB mission statement to ensure the integrity, viability, and safety of the California horse racing industry. Accordingly, with viability at issue, the TOC recommendation is to grant Ferndale race dates for two weeks, consistent with past practice, and revert to the prior arrangement from 2011-2019 when Ferndale was not the host for either week. This respects the opportunity for Ferndale to continue to be a part of California horse racing while providing for a more viable racing industry within the state regarding allocation of race dates, quality of racing, distribution of wagering commissions and purse structure.

In summary, this would result in a more sustainable California horse-racing industry, preserving the value of key metrics such as handle, purses, and commissions as well as welfare, industry, and government-related programs at a time when our competitiveness and viability are in jeopardy.



Bill Nader
President & CEO

ANNEX A

Impact on Fund Generation:

2022	Scenarios	Track Commissions	Breeders	Purses	Backstretch & Jockey Workers Comp	Backstretch Pensions	Other Industry Programs	Government Taxes Programs	Total Fund Generation
	Scenario 1								
	Host: Both weeks at Ferndale								
	Revenue	\$726,792	\$90,639	\$835,920	\$20,881	\$7,906	\$47,370	\$129,898	\$1,859,405
	Scenario 2								
	Host: Both weeks not Ferndale								
	Revenue	\$1,138,266	\$111,320	\$1,291,804	\$40,562	\$12,508	\$63,480	\$155,111	\$2,813,051
	Economic Impact	\$411,474	\$20,681	\$455,884	\$19,681	\$4,602	\$16,110	\$25,214	\$953,646

- 1) **Other Industry Programs** includes Equine Research, Backstretch, Retirement & Welfare, CHRIMS, TOC & CTT
- 2) **Government Taxes & Programs** includes CHRB Support, City Taxes, Department of Industrial Relations and HISA.
- 3) Data is from calendar year 2022. Scenario 1 assigns host status to Ferndale for both weeks. Scenario 2 assigns host status to Santa Rosa for week 1 & Golden G. for week 2.
- 4) Charts exclude the southern zone handle.

ANNEX B

Impact On Live Racing:

Scenarios		Race Days	Races	Runners	Ave Field Size	Purses Paid	Handle Host Track	Handle CA - Northern Zone	Handle Exports (OOS)	Total Handle
Senario 1	Host: Both weeks at Ferndale									
	Racing Statistics	6	38	193	5.1	\$350,000	\$2,187,958	\$17,267,386	\$1,135,529	\$18,402,915
Senario 2	Host: Both weeks not Ferndale									
	Racing Statistics	12	87	483	5.6	\$1,342,500	\$10,480,630	\$20,547,478	\$6,083,936	\$26,631,414
	Impact	6	49	290	0.5	\$992,500	\$8,292,672	\$3,280,092	\$4,948,407	\$8,228,499

- 1) **Other Industry Programs** includes Equine Research, Backstretch, Retirement & Welfare, CHRIMS, TOC & CTT
- 2) **Government Taxes & Programs** includes CHRB Support, City Taxes, Department of Industrial Relations and HISA.
- 3) Data is from calendar year 2022. Scenario 1 assigns host status to Ferndale for both weeks. Scenario 2 assigns host status to Santa Rosa for week 1 & Golden G. for week 2.
- 4) Total Handle is Handle CA - Northern Zone + Handle Exports (OOS), which generates revenue for the Northern Zone.

ANNEX C

Ferndale Racing Statistics										
	Race Days	TB Races	TB Runners	Ave. Field Size	TB Purses Paid	Ave. Purse Per Race	Ave. Daily Attendance	Exclusive Host Status	Host 1st Week	Host 2nd Week
2009	8	43	300	7.0	\$334,300	\$7,774	3,110	Two Weeks	Ferndale	Ferndale
2010	8	66	427	6.5	\$328,050	\$4,970	3,115	One Week	Santa Rosa	Ferndale
2011	8	61	378	6.2	\$313,200	\$5,134	2,417	No Weeks	Santa Rosa	Golden G.
2012	8	59	351	5.9	\$341,465	\$5,788	2,176	No Weeks	Golden G.	Golden G.
2013	8	53	313	5.9	\$319,925	\$6,036	2,091	No Weeks	Golden G.	Golden G.
2014	6	46	270	5.9	\$256,813	\$5,583	2,527	No Weeks	Golden G.	Golden G.
2015	6	54	324	6.0	\$314,300	\$5,820	2,329	No Weeks	Golden G.	Golden G.
2016	6	50	305	6.1	\$329,750	\$6,595	2,180	No Weeks	Golden G.	Golden G.
2017	7	50	280	5.6	\$267,304	\$5,346	2,512	No Weeks	Golden G.	Golden G.
2018	8	54	294	5.4	\$337,600	\$6,252	2,229	One Week	Ferndale	Golden G.
2019	6	44	240	5.5	\$260,921	\$5,930	2,981	No Weeks	Golden G.	Golden G.
2020	0	0	0	0.0	\$0	\$0	0	N/A		
2021	6	43	232	5.4	\$306,000	\$7,116	1,766	One Week	Ferndale	Golden G.
2022	6	42	211	5.0	\$350,000	\$8,333	2,327	One Week	Ferndale	Golden G.
Median Based on Status as Exclusive Host										
Other Track Host	6.5	51.5	309	5.9	\$313,750	\$5,804	2,373	8	9	11
Ferndale Host	8	43	294	5.4	\$334,300	\$7,116	2,327	5	4	2

Notes:

- 1) Highlighted lines represent the years that Ferndale was Host.
- 2) Only data from Thoroughbred races are included in the statistics.
- 3) The source for Attendance data is the CHRB annual reports.
- 4) Santa Rosa operated independently starting in 2013

CALIFORNIA HORSE RACING BOARD
2023 ALLOCATED RACE DATES CALENDAR

*Note: The allocation begins on the Wednesday prior to opening day
and concludes on the Tuesday following closing day.*

THOROUGHBRED MEETINGS - CENTRAL & SOUTHERN ZONES

<u>Location</u>	<u>Allocated Dates *</u>
Santa Anita	12/21/22 – 06/20/23
Del Mar	07/12/23 – 09/12/23
Los Alamitos	09/13/23 – 09/26/23
Santa Anita	09/27/23 – 11/07/23
Del Mar	11/08/23 – 12/05/23
Los Alamitos	12/06/23 – 12/19/23

THOROUGHBRED MEETINGS - NORTHERN ZONE

Golden Gate Fields (PRAI)	12/21/22 – 06/13/23
Golden Gate Fields (PRAII)	08/30/23 – 10/03/23
Golden Gate Fields (PRAI)	10/18/23 – 12/19/23

QUARTER HORSE MEETINGS - STATEWIDE

Los Alamitos	12/21/22 – 12/19/23
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HARNESS MEETINGS – STATEWIDE

Cal Expo	12/21/22 – 05/09/23
Cal Expo	11/01/23 – 12/19/23

FAIR MEETINGS - STATEWIDE

Alameda Fair at Pleasanton	06/14/23 – 07/11/23
L.A. County Fair at Los Alamitos	06/21/23 – 07/11/23
State Fair at Cal Expo	07/12/23 – 08/01/23
Sonoma Fair at Santa Rosa	08/02/23 – 08/15/23
Humboldt Fair at Ferndale	08/16/23 – 08/22/23
TBD	08/23/23 – 08/29/23
Big Fresno Fair at Fresno	10/04/23 – 10/17/23

* Date Block Allocation. Actual days of live racing are determined at the time applications are approved by the Board.

The 2023 Race Dates for Southern California and Harness Racing were allocated at the 09/15/2022 regular meeting of the Board. The remaining 2023 Race Dates for Northern California will be allocated at a later date TBD.

2023 Northern California Race Dates

December 2022						
Su	Mo	Tu	We	Th	Fr	Sa
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
						2

GG (PRAI) - Dec 21, 2021 - Jun 13; Oct 18 - Dec 19
 Pleasanton - June 14 through July 11, 2023
 Sacramento - July 12 through August 1, 2023
 Sonoma - August 2 through August 15, 2023
 Humboldt - August 16 through August 29, 2023
 GG (PRAII) August 23 through October 3, 2023
 Fresno - October 4 through October 17, 2023

	Wks
PRAI	34
Pleasanton	4
Sacramento	3
Sonoma	2
Humboldt	2
PRAII	6
Fresno	2

Total Weeks: 53

January						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
						4

February						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				
						4

March						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	
						5

April						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						4

May						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
						5

June						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	
				1		3

July						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31				1	3

August						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		
				2	2	2

September						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
						4

October						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
					2	2

November						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		
						5

December						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						2



October 5, 2022

California Horse Racing Board [CHRB]
1010 Hurley Way
Sacramento, California

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Attention: Scott Chaney, Executive Director, & Commissioners

Subject: Dates, 2023

Mr. Chaney and Commissioners:

On behalf of California Thoroughbred Trainers [CTT], please review the following and attached commentary and exhibits as to factors bearing on CHRB's allocation of Thoroughbred dates for 2023.

History of Racing Dates

With perhaps one exception (the opening of Santa Anita occurring each year of racing since 1934 during the Christmas holidays), California's history of assigned racing dates is one of evolution and change. If only for reference, it's instructive to contemplate and debate the nearly infinite number of criteria that CHRB has taken into consideration over the years, including past history, all the while observing its statutory duty to provide for "maximum expansion of horse racing opportunities in the public interest." [Business and Professions Code Section 19401 (c)]

This is a thankless task for the regulator, balancing any number of both rational and sentimental pleas from your licensees, including CTT, but all of us must rely on your objectivity and careful consideration of data in making decisions in the public interest.

You have heard any number of statements in various meetings and correspondence about "history," much of which has been somewhat emotional or misleading, rather than entirely objective and factual. We believe you should continually and explicitly consider that no racing association, or fair, owns any particular dates, especially inasmuch as the economic, competitive, sporting, and regulatory landscapes have all changed so dramatically, and at increasing speed, over the decades. [In this connection, please see the facts and commentary in our Exhibits, attached.]

Relying on the objectivity of the regulator to keep up with actual and anticipated changes as much as possible, we must all realize that there is one and only one fundamental constant: there are only 52 weeks in a year. And, due to the Christmas calendar, practically speaking one less as far as racing is concerned.

In Northern California, contention over racing dates is now concentrated in the summer period, as you know. Our exhibits and commentary therefore concentrate on that period, and factors relating to it.

CTT's Interests

By statute, one of CTT's principal duties is to advocate for the welfare of the backstretch community, including all licensed employees and trainers. In addition, the overwhelming majority of trainers in Northern California are also themselves owners and, therefore, also members of Thoroughbred Owners of California (TOC). This backstretch community, as a whole, is a vibrant, living, year-around economic engine, which relies on racing for its very fuel, for the livelihoods of thousands of people. Their living and working conditions, and economic stability, are essential considerations for CHRB, as well as CTT, CARF, all racing associations, fairs, and TOC.

In late 2021 and early 2022, with the valuable encouragement of CHRB, all industry stakeholders came together on a plan to have Golden Gate Fields closed for stabling and training in the summer of 2022 for mandatory deferred maintenance. CTT also advocated for a replacement of its aging Tapeta track during that period; the industry has learned that such synthetic surfaces are subject to ongoing deterioration over time. We were advised by Stronach management, however, that that project would be delayed until 2023. This upgrade is a critical matter for equine safety, we believe, in that the Tapeta track currently installed and maintained at Golden Gate is by far the oldest one in the world. We understand that there is a six-months lead time required for acquiring the specialized cushion material needed.

Therefore, in our opinion, the first decisive factor in determining the racing dates for summer 2023 is to understand the length of time for Golden Gate Fields to be closed for stabling and training, and what projects will be undertaken this coming summer. We are advised that the specialized base underlying the Tapeta racing/training cushion has been continually maintained properly, and was inspected and confirmed to be in good condition this past summer. So, only the cushion surface would need replacement; if that is so, then we should plan for a scheduled 2023 closure which may be two weeks (or more?) shorter than this year, thus alleviating the expensive and difficult proposition of having three stable areas open for a week or more (Pleasanton, Sacramento, Santa Rosa). We understand that a commitment for new cushion material must be made to Tapeta before the end of this year, in order to assure that proper materials are available for efficient installation. We would appreciate CHRB's confirmation of these plans, in the interest of continuing equine safety.

Moreover, this decision drives all others: the dates when Golden Gate Fields must be vacated, the duration for its closure, and the locations to be open for racing and training elsewhere. The logistics and costs – financial as well as the health and welfare of humans and horses – are critical to understand as soon as possible. This year, in early August, there was even a short period when all four principal stable areas in Northern California were open (Pleasanton, Sacramento, Santa Rosa, and Golden Gate). Everyone understands this is uneconomic and not in the best interests of racing or the backstretch community – but the complexities of scheduling cited above are not easy to resolve.

All of these welfare (and expense) issues are critical for the industry, not just CTT.

In our view, we believe the weeks of racing and use of Cal Expo for training in the hottest months of the summer should be significantly reduced, in favor of Santa Rosa. Santa Rosa's climate during the summer is more temperate, and its original investment in its turf course, not to mention its recent expensive enhancement of that course, should be rewarded, by granting of an additional week, with or without fair activities, for a total of 3 weeks racing. This would enable less reliance on Cal Expo during its most oppressive climate: Santa Rosa is and always has been a superior location for the welfare both of horses and backstretch employees, and for both racing and training.

The fact that Santa Rosa is not a member of CARF should have no bearing on the allotment of racing dates, nor should the standing of the California State Fair as an entity. Santa Rosa's reliance on its racing is critical to its future, and no fair has greater community support for its racing.

Finally, in point of fact, Santa Rosa's daily average generation of purses via its handle *exceeds all other fairs* virtually every year. Without the summer stabling situation and schedule that afflicted the northern racing community this year, Santa Rosa's business would doubtless have been more robust than it was.

Financial Considerations

The debates of recent years and in recent meetings of CHRB have highlighted just how significantly purse generation and fiscal responsibility have changed in the ever-developing era of simulcasting and ADW.

Originally, all purses were generated from a fair or association's own live racing. No longer. Today, what is the most prized asset of being awarded racing dates in the summer? Is it live racing, or not?

In recent years, the importance of “host track” designation has become increasingly important in date requests. We continually hear discussion about “having dates” when Saratoga and Del Mar are operating, principally to maximize income from ADW as hosts, as opposed to producing live racing. We have even seen a fair evince great concern about Del Mar moving a major stakes fixture from one weekend to another, due to its impact on that fair’s simulcast handle.

We believe the CHRB should consider determining, objectively, the economic consequences of how racing dates are awarded, not just to purse generation, but also to the overall financial viability of fairs and racing associations. Exactly what is the amount of income being generated for hosts when racing isn’t being conducted, and where does that revenue flow, aside from purses? How does it vary, by time of year, by week, and so forth? Where is the accountability for all such revenues? What exactly are the commissions and purses generated from imported/host races alone during the 7-week summer period? We need to remember that such revenues are not generated only via ADW, but also at brick and mortar satellites.

We all seem to bemoan short fields, and proclaim there’s “too much racing” for the number of horses available. [Please see attached data as to North American and California foal crops.] Does that indicate a consensus, that we should strive for the optimum balance between breaks without racing and live racing opportunities? How can we achieve that optimum balance without knowing the financial facts?

Once we have those facts, is it conceivable that the CHRB, as regulator, could assign specific dates when live racing cards must be presented, and at the same time provide for dark weeks (no live racing) where the available ADW income would go either to a specific host, or be shared among hosts, on some rational basis?

We don’t suggest that this would necessarily make your decisions any easier, but we do suggest that decisions should be made on the basis of all available, objective data, including verified financial data, to the extent possible.

Conclusion

It is axiomatic that it’s simpler to state a problem than devise a solution.

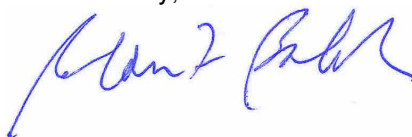
To us, it seems that all the information we should have is still not necessarily available at present, beginning with the essential decisions and commitments relating what we believe is the necessary condition for the ongoing prosperity of all racing in Northern California: the well-being of both the equine and human communities based at Golden Gate Fields, as well as its financial health.

Further, we believe – principally for reasons of climate and facilities, including its turf course – that Santa Rosa should again be allocated 3 weeks of racing, and that it may become (with Pleasanton) one of the two facilities open when Golden Gate is closed.

The issue of balancing live racing weeks and non-racing host weeks should be examined closely, throughout California, based on close review of all relevant financial data, including purse and other revenue generation.

Finally, we do not see a pressing need, at present, to award and commit to 2023 Northern California dates until these matters are resolved carefully.

Sincerely,



Alan F. Balch
CTT Executive Director

AB:ac

Exhibit A Timeline of Critical Dates/Data

1960	North American Foal Crop: 13,000
1963	Tanforan (San Bruno) Closed: Dates Split Between Golden Gate/Bay Meadows
1965	North American Foal Crop: 19,000
1967-68	California Racing Calendar Expanded, Day/Night and North/South Overlaps
1968	San Joaquin (Stockton) and Humboldt (Ferndale) dates overlap
1975	North American Foal Crop: 28,000
1980-81	California Calendar Filled All Weeks, North & South
1986	North American Foal Crop: 51,300 [All-time Peak] Simulcasting, Fair Satellite, Inter-track Wagering Began in Northern California
1995	North American Foal Crop: 35,000 Northern California Dates Overlaps Commonplace – Stockton and Golden Gate Humboldt and San Mateo Fairs, + partial Sacramento (Labor Day) Fresno and Bay Meadows
2000	North American Foal Crop: 37,750 California Foal Crop: 3,600
2000-04	Sacramento: 12 Racing Days Annually, week of 20 August through Labor Day San Mateo County/Bay Meadows: Overlapped Annually, Humboldt/Ferndale
2005-07	No Thoroughbred Racing at Sacramento/Cal Expo
2008-09	Sacramento Returns to Race “Traditional” Late August – Labor Day
2009	Last year of Solano County Fair Racing (Vallejo)

2010 North American Foal Crop: 28,400 (See 1975 above.)
California Foal Crop: 2,000
Sacramento Moves to Occupy Solano County/Vallejo Prior Dates

2015 Sacramento Adds Third Week

2015-17 Santa Rosa Races Third Week Without Fair

2018 Santa Rosa Loses Third Week

2019 North American Foal Crop: 20,400 (See 1965 above.)
California Foal Crop: 1,664

Sources: California Horse Racing Board, Annual Reports
The Jockey Club, Fact Book

Commentary on Exhibit A

Equine racing population everywhere in America at operating tracks and approved training facilities is at its peak during the months of June through August, owing to the influx of two-year-olds beginning to train and race, while three-year-olds and older horses continue to fill races.

Going back many decades, this peak of population was why the very first overlaps in California racing could occur between north and south: fairs and fair racing were scheduled in the north at the same time as Del Mar in the south. Later, when the national Thoroughbred foal crop was at its peak, in the mid-1980s, that overlap was supplemented by additional summer racing overlaps, even between fairs: the San Mateo County Fair at Bay Meadows with the California State Fair at Sacramento, over Labor Day weekend dates. Other race meetings, including Humboldt County's dates (Ferndale), have been overlapped with others multiple times. Fresno was overlapped with Bay Meadows. Stockton was overlapped with Golden Gate Fields.

However, as foal crops and racing opportunities began to contract, slowly at first, then rapidly with the advent of simulcasting, Advance Deposit Wagering [ADW], and the Internet, any number of ramifications have presented the CHRB with dilemmas which still exist today, particularly in Northern California. In any regulatory setting, it's plausible to suggest that government regulation – however difficult it always is – is less difficult during periods of growth than it is during contraction.

Bay Meadows closed in 2008, and its property was developed, following the same path as Tanforan (in San Bruno) had, decades earlier.

Later, Stockton (San Joaquin County) and Vallejo (Solano County) joined the San Mateo County Fair in relinquishing their racing. This resulted in a further concentration of racing dates at Pleasanton (Alameda County) and Cal Expo (Sacramento County).

Complicating the evolution of those racing dates was the evolving situation in Sacramento: dates of the fair at Cal Expo were themselves subject to change. In addition, for three years (2005-2007), Cal Expo was not a member of California Authority of Racing Fairs [CARF], and did not race any dates. Perhaps the most important development was Cal Expo moving to the previous Vallejo dates in 2010, two years after rejoining CARF, having first resumed racing in its "traditional" dates. In 2013, Santa Rosa resigned its membership in CARF.

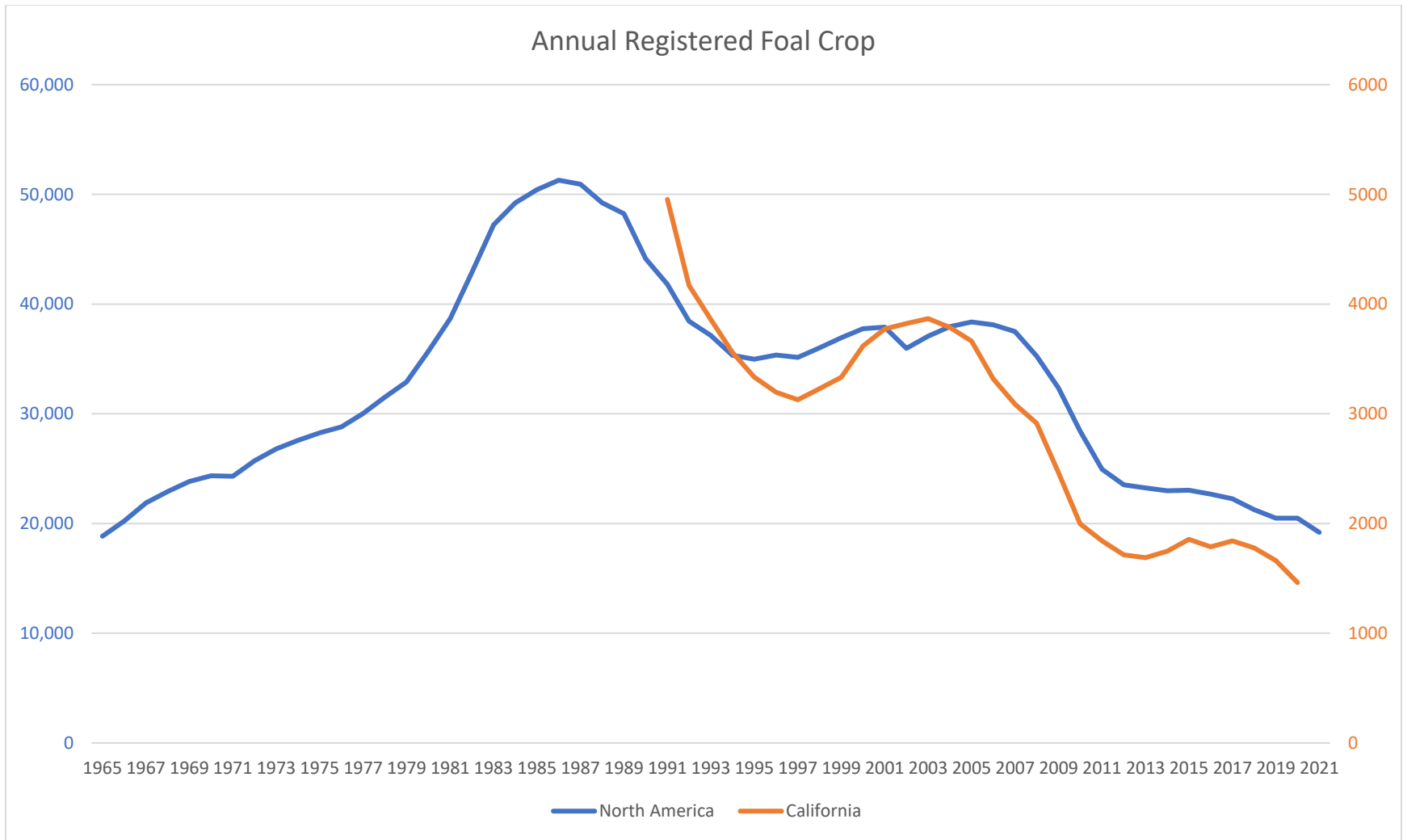
Looming over all these moving parts is the serious difficulty fairs have in booking essential fair entertainment, such as carnivals, and the continually expanding school calendars into ever earlier summer dates, another critical complication for scheduling of fair activities (as opposed to racing).

CHRB, therefore, seems to be tasked not only with an inability to expand the annual calendar beyond 52 weeks, but also with **refereeing disputes among fairs over non-racing activities**. In at least one instance, Humboldt County, CHRB is apparently asked to schedule racing there in order to maintain the very economic viability of an important local community event, above and beyond the interests of California race *per se*.

Overall, there are so many competing interests here, that CHRB is expected to have the wisdom of Solomon to make decisions . . . nevertheless, its fundamental statutory charge remains constant: expanding horse racing opportunities in the public interest.

**Northern California Racing Fairs - Race Dates History
2000-2022**

									Total Race		Notes
	Stockton	Pleasanton	Vallejo	Santa Rosa	San Mateo	Ferndale	Sacramento	Fresno	Days		
2000	6/14-6/25 (10)	6/28-7/9 (11)	7/12-7/24 (12)	7/26-8/7 (12)	8/9-8/21 (12)	8/10-8/20 (10)	8/23-9/4 (12)		10/4-10/15 (11)	90	
2001	6/13-6/24 (10)	6/27-7/8 (11)	7/11-7/23 (12)	7/25-8/6 (12)	8/8-8/20 (12)	8/9-8/19 (10)	8/22-9/3 (12)		10/3-10/14 (11)	90	
2002	6/12-6/23 (10)	6/26-7/7 (11)	7/10-7/21 (11)	7/24-8/5 (12)	8/7-8/19 (12)	8/8-8/18 (10)	8/21-9/2 (12)		10/2-10/13 (10)	88	
2003	6/11-6/22 (10)	6/25-7/6 (11)	7/9-7/20 (10)	7/23-8/4 (12)	8/6-8/18 (12)	8/7-8/17 (10)	8/20-9/1 (12)		10/1-10/13 (11)	88	
2004	6/16-6/27 (10)	6/30-7/11 (11)	7/14-7/26 (11)	7/28-8/9 (12)	8/11-8/23 (12)	8/12-8/22 (10)	8/25-9/6 (12)		10/6-10/18 (11)	89	
2005	6/15-6/26 (10)	6/29-7/10 (11)	7/13-7/25 (11)	7/27-8/8 (12)	8/10-8/25 (12)	8/11-8/21 (10)	No TB Racing		10/5-10/16 (11)	77	Cal Expo left CARF
2006	6/14-6/25 (10)	6/28-7/9 (11)	7/12-7/24 (11)	7/26-8/7 (12)	8/9-8/24 (12)	8/10-8/20 (10)	No TB Racing		10/4-10/15 (11)	77	Cal Expo left CARF
2007	6/14-6/24 (9)	6/27-7/8 (11)	7/11-7/15 (5)	7/18-8/6 (18)	8/8-8/19 (11)	8/9-8/19 (10)	No TB Racing		10/3-10/14 (11)	75	Cal Expo left CARF
		Pleasanton	Vallejo	Santa Rosa	San Mateo	Ferndale	Sacramento	Stockton	Fresno		
2008		6/25-7/6 (11)	7/9-7/21 (11)	7/23-8/4 (12)	8/6-8/17 (10)	8/7-8/17 (10)	8/20-9/1 (11)	9/3-9/14 (9)	10/1-10/13 (11)	85	Cal Expo back in/Stockton to Sept.
	Stockton	Pleasanton	Vallejo	Santa Rosa	CARF 1 @ GGF	Ferndale	Sacramento	CARF 2 @ GGF	Fresno		
2009	6/17-6/28 (9)	7/1-7/19 (15)	7/2-7/26(5)	7/29-8/9 (10)	8/12-8/23 (10)	8/14-8/23 (8)	8/26-9/7 (11)	9/10-10/4 (16)	10/7-10/18 (11)	95	69-CARF;26@GGF;Stk back to June;BM done
	Stockton	Pleasanton	Sacramento	Santa Rosa		Ferndale			Fresno		
2010	6/16-6/20 (5)	6/23-7/11 (15)	7/14-7/25(10)	7/28-8/15 (15)		8/13-8/22 (8)			10/6-10/17 (10)	63	Cal Expo moves to Vallejo Dates
2011	6/16-6/19 (4)	6/23-7/10 (13)	7/14-7/24 (9)	7/27-8/14 (15)		8/12-8/21 (8)			10/6-10/16 (9)	58	
		Pleasanton	Sacramento	Santa Rosa		Ferndale		Stockton	Fresno		
2012		6/21-7/8 (13)	7/12-7/22 (8)	7/25-8/12 (15)		8/15-8/26 (8)		9/20-9/30 (8)	10/4-10/14 (9)	61	Stk to September again
2013		6/19-7/9 (12)	7/10-7/23 (8)	7/24-8/13 (13)		8/14-8/25 (8)		9/18-10/1 (6)	10/2-10/15 (9)	56	43-CARF;13-SR
2014		6/19-7/5 (12)	7/10-7/20 (7)	7/21-8/10 (13)		8/13-8/24 (6)		9/19-9/28 (6)	10/1-10/13 (9)	53	40-CARF;13-SR
2015		6/17-7/5 (12)	7/10-7/26 (11)	7/30-8/16 (11)	3rd wk w/o fair	8/21-8/30 (6)		9/11-9/20 (6)	10/8-10/18 (9)	55	44-CARF;11-SR later in calendar;Cal Expo 3 wk
2016		6/15-7/5 (12)	7/6-7/29 (10)	7/27-8/16 (11)	3rd wk w/o fair	8/19-8/30 (6)		9/21-10/4 (6)	10/5-10/18 (9)	54	43-CARF;11-SR
		Pleasanton	Sacramento	Santa Rosa		Ferndale		Pleasanton	Fresno		
2017		6/21-7/11 (11)	7/12-8/1 (11)	8/2-8/22 (11)	3rd wk w/o fair	8/23-9/5 (7)		9/20-10/3 (7)	10/4-10/17 (9)	56	45-CARF;11-SR
2018		6/13-7/10 (15)	7/11-7/31 (11)	8/1-8/14 (8)	loss of 3rd wk	8/15-8/28 (7)		Dates to GGF	10/3-10/16 (9)	50	42-CARF;8-SR
2019		6/12-7/9 (15)	7/10-7/30 (11)	7/31-8/13 (8)	loss of 3rd wk	8/14-8/27 (6)	overlap w/ GGF	Dates to GGF	10/3-10/16 (9)	49	41-CARF;8-SR
2020											Pandemic Revised Calendar
Revised		6/17-7/14 (12)	7/15-7/28 (6)	7/29-8/11 (6)				Dates to GGF		24	18-CARF (all run at Pleasanton);6-SR @ GGF
											28-CARF (all run at Pleasanton w/ 2 wks of Sac given to GGF for stabling \$\$); 6-SR@GGF
2021		6/16-7/13 (13)	7/14-7/20 (3)	8/4-8/17 (6)		8/18-8/31 (6)	2nd wk w/ GGF	Dates to GGF	10/6-10/19 (6)	34	
2022		6/15-7/12 (13)	7/13-8/2 (9)	8/3-8/16 (7)		8/17-8/30 (6)	2nd wk w/ GGF	Dates to GGF	10/5-10/18 (7)	42	35-CARF;7-SR



Source: The Jockey Club

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FAX COVER SHEET

TRANSMITTED TO:

RACE DATES COMMITTEE

Oscar Gonzales, Chairman
 Wendy Mitchell, Member
 Damascus Castellanos, Member
 Scott Chaney, Executive Director
 Cynthia Alameda, Assistant Executive Director

FAX: 916-263-6042

From: JAMES R. MORGAN, Attorney at Law

Date: September 9, 2022

DOCUMENTS	NUMBER OF PAGES*
Letter dated 9/9/22 to RACE DATES COMMITTEE	21 (including cover)
Attachments to Letter dated 9/9/22	

COMMENTS:

Please share Humboldt County Fair position with Race Dates Committee.

Thank you,



James R. Morgan

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JAMES R. MORGAN, *Special Counsel*

HUMBOLDT COUNTY FAIR ASSOCIATION

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Facsimile: (925) 934-6092
Email: james@morgan4law.com

September 9, 2022

RACING DATES COMMITTEE

Oscar Gonzales, Chairman
Wendy Mitchell, Member
Damascus Castellanos, Member
Scott Chaney, Executive Director
Cynthia Alameda, Assistant Executive Director

Re: **Humboldt County Fair Plea to End Overlap Race Dates in 2023,
for our 127th year of Hosting Live Racing**

Dear Members of the Racing Dates Committee:

On behalf of the people of Humboldt County, the live racing fans of Northern California and for the betterment of the sport, we respectfully request that 2023 be the year that the CIIRB recognizes two inescapable realities:

1. Declining horse populations cannot support two venues running at the same time in the same region, and;
2. Given rising costs and need to offer competitive purse structures, no live race meet in California can self-sustain without host status commissions and the corresponding contributions toward purses.

Overlap Targets HCF by Luring Horses Competing on Fair Circuit.

During the overlapped weekend, GGF ran 158 horses that had previously made a start. Of those, 137 had run their last race on the Fair Circuit. Those horses comprised 87% of the GGF entries during the overlapped week and raced at other fairs but bypassed HCF due to the overlap.

As a result, HCF had 14 races with 4 horses, twice as many as 2021. Four horse fields eliminate handle for exotic and show wagers. Racing without overlap would increase the number of horses migrating to HCF and reduce small field sizes.

Oscar Gonzales, Chairman
Wendy Mitchell, Member
Darnascus Castellanos, Member
Scott Chaney, Executive Director
Cynthia Alameda, Assistant Executive Director

Page 2

September 9, 2022

Humboldt remains an important gateway for new owners, trainers, and horses from Oregon and those new to the sport. Eclipse award winning owners (Allen Aldrich) and breeders (Steve Coburn) started out at the HCF and remain staunch supporters. Nationally prominent track announcers Frank Mirahmadi and Chris Griffin honed their craft from the Ferndale announcer's booth.

Live Racing Fosters New Fans, Owners, and Interest in the Sport.

Our IICF published attendance numbers for overlapped Saturday, August 28, 2022, were 5,016 (see attached chart). There were over 7,000 paid admissions and an additional 2,500 in VIP Pass Admissions. The fans overflowed and the energy was palpable.

That same GGF day, August 28, 2022, their published attendance was 807 (see attached chart).

On the overlapped Sunday, August 29, 2022, our HCF attendance was listed as "unavailable". However, the stands were again overflowing, the 9-race card was exciting to all in attendance. Handle was up nearly 70% from the day before (see attached chart).

For the three days of overlap GGF had published attendance of 351 (8/26/22), 807 (8/27/22) and 510 (8/28/22) for a total of 1,668 for three days. HCF eclipsed that cumulative attendance number each and every day, separately, during the overlap period.

It is compelling to look at the attached pictures from the live racing at the HCF during the overlap period in contrast to live pictures of the lack of crowd at GGF during the overlap (see attached photos).

Financial Necessity Mandates All Meets Race Without Overlap.

All other meets in the State race without any overlap in their region. Costs of conducting live racing, labor, insurance, maintenance, and insurance continue to rise.

CARF expenses to IICF are the same as they are to Alameda, Fresno and Sacramento fairs. There is no relief from those expenses during our week with overlap.

AB 763 monies are insufficient to put a dent in those costs.

Every other California race meet relies on host status to cover those expenses.

Oscar Gonzales, Chairman
Wendy Mitchell, Member
Dumascus Castellanos, Member
Scott Chaney, Executive Director
Cynthia Alameda, Assistant Executive Director

Page 3
September 9, 2022

This 127-year-old tradition needs to be perpetuated and deserves your consideration for having both weeks without overlap. The community is sustained by the fair related revenue and racing fans, new and old alike, and the region should not be left without a live racing venue.

In Mitigation, GGF Now has the Most Lucrative Betting Weekend of the Summer.

Beginning in 2022, Del Mar moved its Pacific Classic weekend to Labor Day, a weekend when GGF races without overlap. Previously the Pacific Classic was during the HCF meet. This should make up for any revenue lost by GGF for no longer sharing a week with HCF.

The Community Has Been Tenacious about Sustaining Live Racing and their Facility.

Live racing is vital to the Humboldt County economy. Sponsors, racing fans and individuals raised well over \$80,000 through the Ferndale Jockey Club and other fund-raising efforts to make up for their losses in conducting a live meet with overlap. Those monies were invested in assisting trainers with horse transportation, licensing, insurance, and racing incentives to supplement the fair horses electing to run at GGF during the overlap.

This locally sponsored fund contributed \$7,000 for a quarter horse stakes race, \$2,000 for each maiden race and \$2,000 for a non-winner in 2022 race. Attending horsemen, and their staff were treated to a fish fry, BBQ and received VIP status allowing them to feast on a lavish spread provided each race day in a designated VIP area.

The track, once again, was in impeccable condition, with no break down or incidents. Investments have been made to improve the stables, paddock, Winner's Circle, safety railings, and other improvements to ensure the quality of the facility going forward.

This should be the year that the CHRB takes the appropriate step of allowing HCF two weeks without overlap and with host status. The HCF cannot sustain with rising prices and an overlapped week where their expenses greatly exceed their revenue. The five remaining live racing fairs are important to the future of racing in the Northern California region. When HCF races without overlap, it contributes over \$200,000 per week to the CARF consolidated purse fund. Those funds are crucial to sustaining each of the remaining CARF fairs.

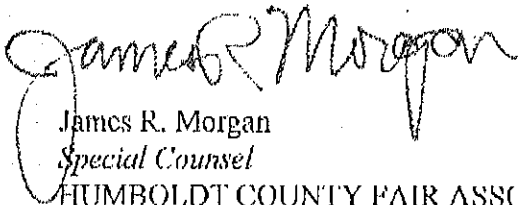
No live racing community has done more, per capita, than the supporters of the HCF, and yet, no live racing venue is more at risk solely due to the antiquated policy of allowing GGF to run a week in overlap with the HCF. Perpetuation of a racing schedule that allows any regional

Oscar Gonzales, Chairman
Wendy Mitchell, Member
Damascus Castellanos, Member
Scott Chancy, Executive Director
Cynthia Alameda, Assistant Executive Director
Page 4
September 9, 2022

overlap makes no economic sense and unnecessarily hastens the closure of the 127 year live racing tradition in Ferndale.

Your careful consideration of our request is critically important to the future of live racing in Humboldt County and in the four other remaining racing fairs as well. It would be our fervent desire that sometime, someday, each of you could experience the incomparable magic of a live race day at Ferndale. It remains the last boutique venue in California for live racing as it was always meant to be.

Respectfully submitted,



James R. Morgan
Special Counsel

HUMBOLDT COUNTY FAIR ASSOCIATION

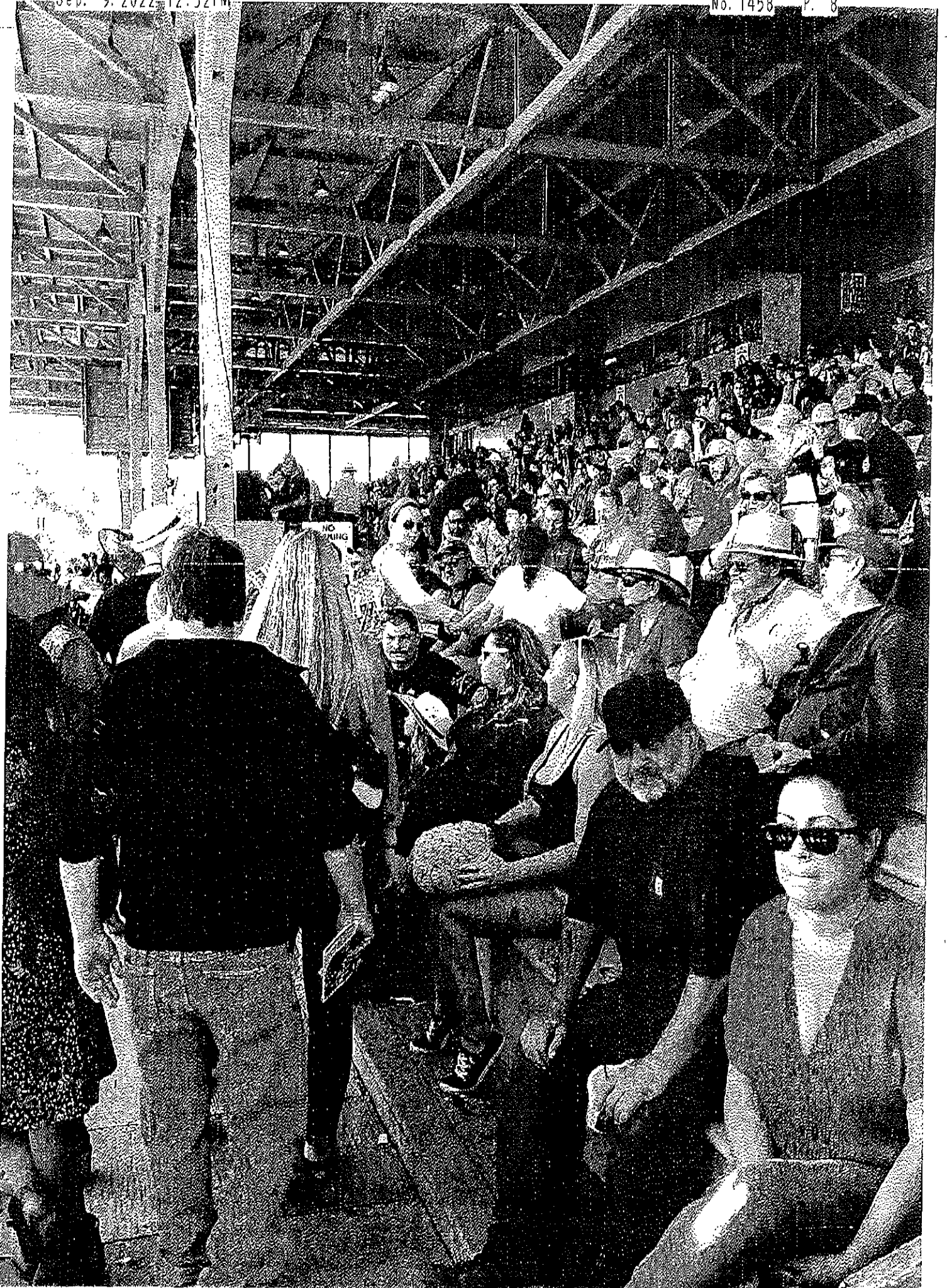
Telephone: (925) 947-0200

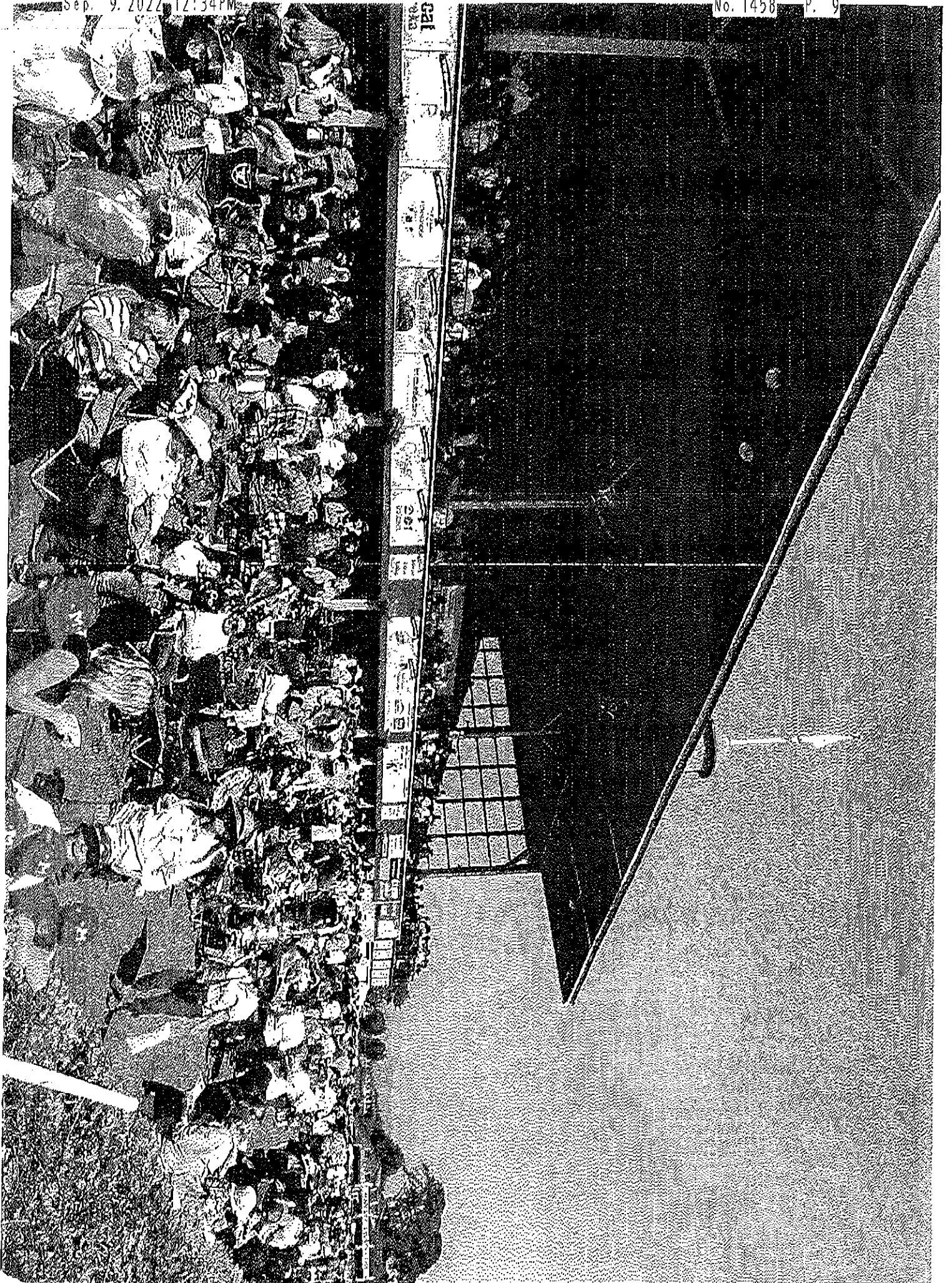
Facsimile: (925) 934-6092

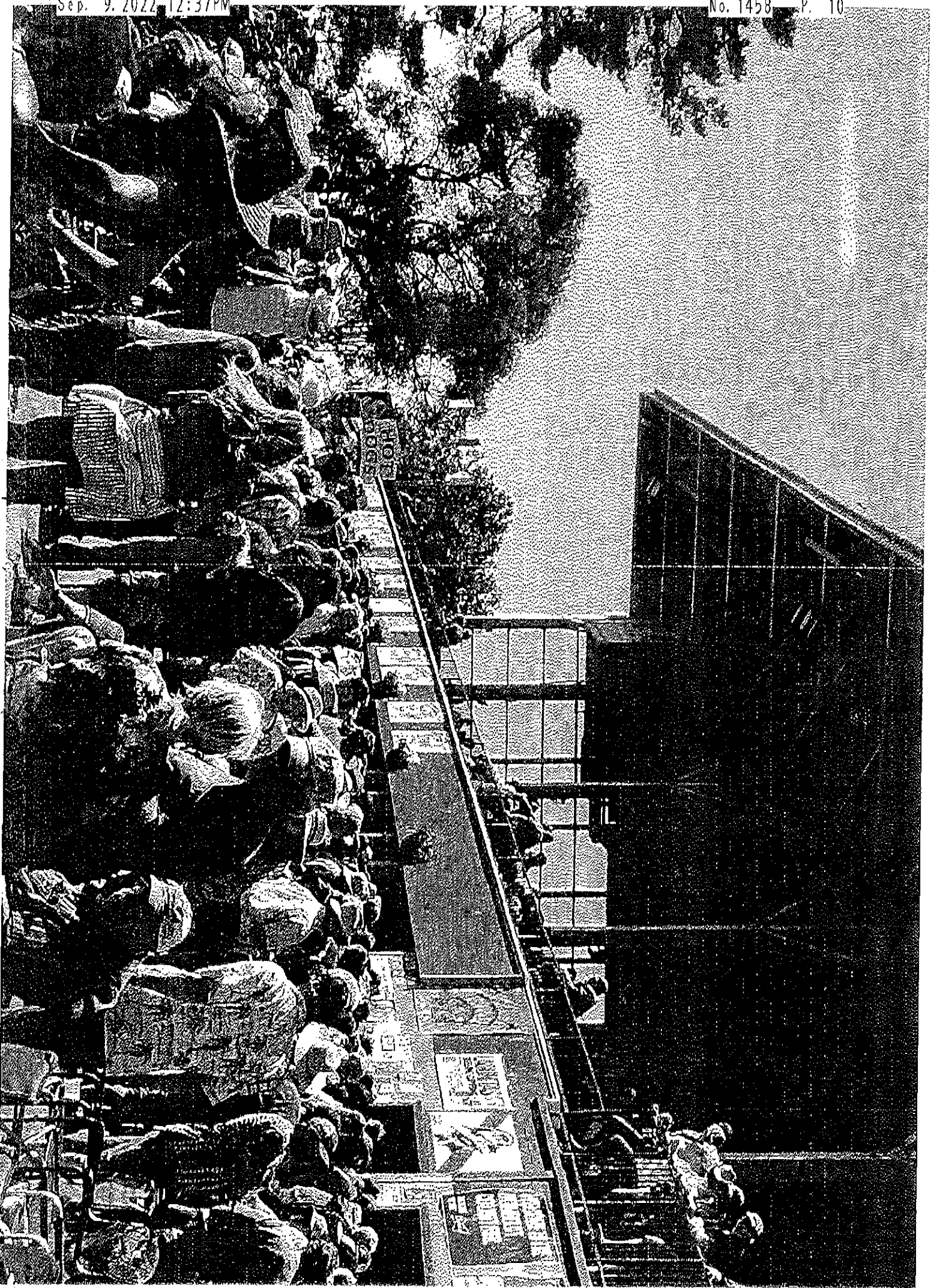
james@morgan4law.com

HCF PHOTOS











SEVENTH RACE
Ferndale

5 FURLONGS. (57) ALLOWANCE. Purse \$15,000 (plus \$2,940 CBOIF - California Bred Owner Fund)
FOR THREE YEAR OLDS AND UPWARD WHICH HAVE NOT WON \$15,000 IN 2022. Three Year Olds,
122 lbs.; Older, 126 lbs.

AUGUST 27, 2022

Value of Race: \$19,740 Winner \$11,700; second \$3,900; third \$2,340; fourth \$900; fifth \$450; sixth \$150. Mutuel Pool \$38,272.00 Exacta Pool \$14,288.00 Trifecta Pool \$11,504.00 Superfecta Pool \$5,324.00

Last Raced	Horse	M/E	Qt.	A.	Wt.	PP	St.	$\frac{a}{f}$	$\frac{b}{c}$	Str	Fin	Jockey	Odds \$1
13Aug22 0SR7	Strike It Lucky	L	bf	5	126	3	4	51	3 $\frac{1}{2}$	21	1hd	Goodgame R	1.60
21Aug22 6Fer3	Debt Monger	L	bf	5	126	6	6	6	42	3hd	23 $\frac{3}{4}$	Gonzalez O O	6.40
17Jly22 3Sac1	Dumb Luck	L		6	119	1	1	22	21 $\frac{1}{2}$	41 $\frac{1}{2}$	31 $\frac{1}{2}$	Rodriguez J E7	2.70
11Aug22 5Til1	Starboard List	L	b	6	126	2	2	1hd	12	1hd	4 $\frac{1}{2}$	Smith T E	6.50
5Aug22 1SR4	Stanford Bay	L	b	3	122	4	3	31	52	52 $\frac{1}{2}$	5 $\frac{3}{4}$	Garcia E	5.00
5Aug22 1SR3	Rhodium Runner	L	b	3	122	5	5	4hd	6	6	6	King M	6.80

OFF AT 5:29 Start Good. Won driving. Track fast.

TIME :233, :481, 1:013 (:23.60, :48.31, 1:01.61)

\$2 Mutuel Prices:

3 - STRIKE IT LUCKY	5.20	3.60	2.40
7 - DEBT MONGER		5.60	3.00
1 - DUMB LUCK			3.20

\$1 EXACTA 3-7 PAID \$11.30 \$1 TRIFECTA 3-7-1 PAID \$42.60
10 CENT SUPERFECTA 3-7-1-2 PAID \$9.92

Dk. h or br. q, (Mar), by Lucky Pulpit - Heat Striker, by Unusual Heat. Trainer Guerrero Emilio. Bred by Mr & Mrs Larry D Williams (Cal).

STRIKE IT LUCKY was outsprinted, tracked the pace, rallied three wide on the second turn, got to terms, was engaged by the runner up and dug in determinedly to get the nod. DEBT MONGER had no speed, circled rivals four wide while rallying on the second turn, got to terms with the winner, battled but missed. DUMB LUCK hustled along early, got outsprinted down the backstretch, pressed to the second turn, was outkicked to the stretch and finished evenly. STARBOARD LIST was sent for speed, got fanned out to the four path to the backstretch, edged away to the second turn then saved ground but tired in the final furlong. STANFORD BAY tracked the pace for three furlongs, shifted off the rail on the second turn but lacked a closing response. RHODIUM RUNNER was four wide to the backstretch, trailed to the stretch and did not rally.

Owners- 1, Boardshorts Stables LLC; 2, Aquino Angela M; 3, Scott Leon; 4, Harsiman Logan; 5, Orta J Roque and Orta Luciano; 6, Greiner Renee

Trainers- 1, Guerrero Emilio; 2, Aquino Angela M; 3, Howey Quinn; 4, Macfeyl Bruno; 5, Ramos Jesus; 6, Greiner Gary

Scratched- Lemon Zinger (14Aug22 0SR 0)

\$1 Pick Three (3-1-3) Paid \$77.30; Pick Three Pool \$3,200.

\$2 Daily Double (1-3) Paid \$49.20; Daily Double Pool \$2,596.

50 CENT Pick Four (2/4-3-1-3/4) Paid \$67.65; Pick Four Pool \$8,573.

50 CENT Pick Five (1-2/4-3-1-3/4) 5 Correct Paid \$221.55; Pick Five Pool \$5,910.

20 CENT Pick 6 Jackpot (3-1-2/4-3-1-3/4) 6 Correct Paid \$312.16; Pick 6 Jackpot Pool \$14,572 Carryover Pool \$220,155.

20 CENT Super High Five Jackpot (3-7-1-2-5) Paid \$35.62;

Super High Five Jackpot Pool \$1,200 Carryover Pool \$6,625.

Attendance: 5,016 Mutuel Pool: \$389,397.00

DRIFTS

\$200 DEPOSIT MATCH
& FREE FORMULATOR



**NINTH RACE
Ferndale**

AUGUST 20, 2022

1 1/2 MILES. (2:43) C. J. HINDLEY HUMBOLDT COUNTY MARATHON H. Purse \$20,000 (plus \$3,150 Other Sources) FOR THREE YEAR-OLDS AND UPWARD. By subscription of \$50 to accompany the nomination, \$200 additional to enter. \$500 to Supplement by noon, Wednesday, August 24, 2021, With \$20,000 Guaranteed, of which 60% to the winner, 20% to second, 12% to third, 6% to fourth and 2% to fifth. Weights Wednesday, August 24, 2022. Starters to be named through the entry box in the usual manner. High Weights Preferred.

Value of Races: \$23,150 Winner \$14,200; second \$4,000; third \$2,700; fourth \$1,200; fifth \$150; sixth \$450; seventh \$450. Mutuel Pool \$50,100.00 Exacta Pool \$25,315.00 Trifecta Pool \$25,573.00 Superfecta Pool \$17,330.00

Last Raced	Horse	M/Eqt.	A.	WL	PP	1/4	1/2	1	1 1/2	Str	Fin	Jockey	Odds \$1
14Aug22 9SR2	Mount Pelliar	b	4	123	4	52	52	56	4 1/2	3rd	11	King M	0.50
5Aug22 7Dmr6	Honos Man	bf	6	126	2	6 1/2	6 1/2	4hd	31	1 1/2	2nk	Rodriguez J E	1.90
24Jly22 3Sac4	Agent Zero	b	6	121	7	32 1/2	3 1/2	22	50	55	3 1/4	Flores Pablo	18.60
7Aug22 1SR2	Wine and Whisky	b	5	123	1	4 1/2	4hd	32	2 1/2	4 1/2	4 1/4	Monroy F	5.70
10Aug22 2Dmr4	ColonelsdrkTemper	f	8	126	3	11	1 1/2	1 1/2	1 1/2	2hd	5 1/4	Figueroa O	1.10
14Aug22 4SR4	Canyon Crest		5	121	6	7	7	63	60	620	640	Smith T E	15.90
19Aug22 6Fer5	Lono		5	120	5	2hd	21	7	7	7	7	Go odgame R	25.90

OFF AT 6:22 Start Good. Won driving. Track fast.

TIME :513, 1:182, 1:454, 2:134, 2:40, 2:54 (:51.72, 1:18.59, 1:45.80, 2:13.81, 2:40.17, 2:54.04)

\$2 Mutuel Prices:

4 - MOUNT PELLIAR	19.00	6.20	3.40
2 - HONOS MAN		3.40	2.60
7 - AGENT ZERO			8.80

\$1 EXACTA 4-2 PAID \$24.90 \$1 TRIFECTA 4-2-7 PAID \$473.50 10 CENT SUPERFECTA 4-2-7-1 PAID \$121.95

Dic h or br g, (Mar), by Declaration of War - Hurricane Source-Ire, by Hurricane Run-Ire. Trainer Greiner Gary. Bred by Edward P Swyer & Allan Stable Inc (Ky).

MOUNT PELLIAR was unhurried to the stretch the second turn but was caught in some traffic and had to check, again settled to the final turn then rallied four wide to the stretch, continued to respond and edged clear late. HONOS MAN had no speed, saved ground on the final bend, pushed to the front into the stretch then could not stall the winner. AGENT ZERO tracked the pace for a mile, bid two wide to the stretch but was outkicked to mid stretch then slayed on determinedly. WINE AND WHISKY was allowed to settle for a mile, bid two wide on the final turn but could not make an impact in the drive. COLONEL SDARKTEMPER set the pace for a mile and a quarter, resisted to the stretch then tired. CANYON CREST had no speed, saved ground on all the turns but lacked a closing response. LONO pressed the pace for a mile then gave way, stopped, was eased but walked off.

Owners- 1, Greiner Renee; 2, Scott Leon; 3, Branch William A; 4, Fernandez Robert Tamayo Isidro and Tipton John; 5, Herbertson Scott; 6, Marlin Jill A; 7, Williams Gabriel A


Trainers- 1, Greiner Gary; 2, Howey Quinn; 3, Meler Monty R; 4, Tamayo Isidro, 5, Wong Jonathan; 6, McDonald Melanie W; 7, Williams Gabriel A

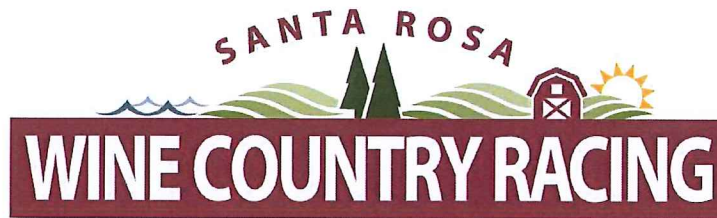
- \$2 Daily Double (4-4) Paid \$22.00; Daily Double Pool \$5,387.
- \$1 Pick Three (1-4-4) Paid \$516.70; Pick Three Pool \$6,203.
- 50 CENT Pick Four (5-1-4-4) Paid \$2,615.55; Pick Four Pool \$13,953.
- 50 CENT Pick Five (2/6-5-1-4-4) 5 Correct Paid \$11,493.35; Pick Five Pool \$15,329.
- 20 CENT Pick 6 Jackpot (1-2/6-5-1-4-4) 6 Correct Paid \$7,398.22; Pick 6 Jackpot Pool \$49,350 Carryover Pool \$242,350.
- 20 CENT Super High Five Jackpot (4-2-7-1-3) Paid \$69.28; Super High Five Jackpot Pool \$5,486 Carryover Pool \$9,092.

Attendance: Unavailable Mutuel Pool: \$565,550.00

DRIVEs

**\$200 DEPOSIT MATCH
& FREE FORMULATOR**





October 4, 2022

Hon. Oscar Gonzales
Chair, Racing Dates Committee
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Chairman Gonzales,

Unfortunately, I was unable to attend the September Racing Dates Committee meeting and as such I would like to insure that what we are proposing for the Sonoma County Fairgrounds 2023 race dates is clear.

In 2016 and 2017, Sonoma County Fair ran two weeks of live horse racing simultaneous with our annual Fair and one week without a Fair. This third week was called a "bonus week". This additional week was very successful, even though it did not occur in conjunction with a traditional Fair.

We are proposing that our meet begin on July 26th and end on August 15th. The first week's racing would run concurrent with our annual Fair Horse show and some grounds entertainment, with the final two weeks of racing running with the full fair. The non-Fair racing week would have daily food and beverage specials and provide the opportunity for race fans to purchase box seats that are typically only available to season box holders during the Fair.

We feel that the following points, as outlined in our September 07, 2022 letter, support our request for a third week of racing.

- Our on-track attendance and handle have consistently been higher than those in Sacramento.
- On average, Sonoma County Fair generates higher purses than any other fair. We feel that a three week meet will further strengthen purse generation and allow us to continue to pay some of the highest purses in the fair circuit.
- The Sonoma County Fair made a significant investment in Fair racing by installing a turf course; the only one in the Northern California fair racing circuit. To ensure the utmost safety of our horses and jockeys, we have added a new state-of-the-art Duralock turf rail. A three

week meet will help Santa Rosa continue to fund facility improvements and maintain its level of excellence.

- The horsemen have expressed to management that they would like to run for three weeks again in Santa Rosa. More specifically, they have commented on the excellent condition and safety of both our dirt and turf surfaces, the quality of facility accommodations, and the temperate climate that is more like that of Golden Gate Fields.

Commissioner Gonzales, we appreciate your thoughtful consideration of our request and hope that you might be a champion for the Sonoma County Fairground's request for an additional week of Live Horseracing.

Sincerely,



Rebecca Bartling
CEO, Sonoma County Fairgrounds
Wine County Racing

CC: Scott Chaney, Executive Director CHRB



1/ST

October 13, 2022

Mr. Scott Chaney
Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

RE: 2023 Northern Racing Calendar

Dear Mr. Chaney,

As we discussed, following the September 15, 2022 California Horse Racing Board meeting, Golden Gate Fields (“GGF”), the Thoroughbred Owners of California (“TOC”) and the California Thoroughbred Trainers (“CTT”) have prepared an analysis of the probable impact of two weeks of un-overlapped racing at the Humboldt County Fair. We believe it is important that the Board have access to the facts prior to entertaining a proposal to eliminate a Week of racing at GGF.

To begin, we note that field size at Ferndale in Week 2 (overlapped) averaged 5.1 horses while Week 1 (un-overlapped) averaged only 4.9. Importantly, during both Week 1 and 2 a significant percentage of participating horses made their last start prior to the Ferndale meet in Oregon, not California. During Week 1 37 of 89 total starters (42%) made their last start in Oregon versus 42 from Northern California (47%). Moreover, only ten trainers based in the Bay Area shipped horses to run at Ferndale for the entire meet. During Week 2, of the 74 horses that ran back in a week 35 were based in Oregon (47.3%) and 31 were from Northern California (42%).

As far as economic impact, the Ferndale/GGF standalone and overlapped weeks in 2022 generated a total of \$990,345 in purses. Of that amount, GGF contributed \$438, 242 in one week while two weeks of Ferndale racing generated only \$552,102. As set forth on the attached spreadsheet, our projections indicate that two weeks of Ferndale un-overlapped would cost the purse account over \$255,000 and cost GGF at least \$390,000 in commission while continuing to bear the cost of remaining open for training for the benefit of racing in the Northern zone.

For your review, we have provided one further analysis that projects the results of two Weeks of overlap. While not likely a preferred outcome for some there is clear benefit to the purse account in that scenario.

It is clear from the numbers that inflicting significant costs on the purse account and a major financial hit to GGF for the benefit, in large part, of Oregon based horsemen is unwarranted. We would appreciate the opportunity to review these statistics with you and the Chair of the Race Dates Committee and to respond to any questions you may have.

Very truly yours,

Gary Fenton
Chair
Thoroughbred Owners of California

Alan F. Balch
Executive Director
California Thoroughbred Trainers

Craig R. Fravel
Executive Vice-Chairman
1/ST Racing and Gaming

cc: Greg Ferraro
Oscar Gonzales



March 14, 2023

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Arcadia, CA 91066-0039
(626) 447-2145 (Office)
(626) 446-0270 (Fax)
E-Mail: info@caltrainers.org

NO. CALIFORNIA - FIELD OFFICE

Golden Gate Fields
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P.O. Box 6027
Berkeley, CA 94706
(510) 524-3081 (Office)
(510) 524-5280 (Fax)
E-Mail: nocactt@aol.com

www.caltrainers.org

VIA ELECTRONIC MAIL

California Horse Racing Board [CHRB]
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Attention: Scott Chaney, Executive Director

Reference: Northern California Race Dates, Golden Gate Fields & Humboldt County Fair

Ladies and Gentlemen of the Board and Staff:

All of us in California racing have witnessed the evolution of the allocation of racing dates in Northern California for an extended period, not just this year. California Thoroughbred Trainers [CTT] has previously submitted extensive written documentation of that evolution, which has been published repeatedly.

We add to that documentation now, with our specific recommendation.

Humboldt County's racing weeks should be entirely overlapped by Golden Gate Fields.

We have noted with dismay that some may incorrectly believe the current issue is whether to have a one-week overlap between Golden Gate and Ferndale, or, as Humboldt now suggests, no overlap for two weeks.

First, CHRB Rule 1430 provides the Board broad authority as to the allocation and reconsideration of allocation of racing dates.

Also, as we have stated previously, the statutory charge to CHRB [Horse Racing Law Section 19401 (c)] is to provide for "maximum expansion of horse racing opportunities in the public interest." Overlapping any/all weeks allocated to Ferndale is consistent with that provision: trainers and owners should have their choice as to where to race. Moreover, in the absence of overlapped weeks, owners and trainers in the Bay Area who want to race are faced with an undesirable option of shipping horses 6 or more difficult hours each way to Ferndale, in order to race only on dirt, on a half-mile track – conditions which most owners and trainers view as incompatible with the industry's stated goal of equine welfare and safety above all else.

Finally, Section 19601.2 of the Racing Law specifically provides for the "simultaneous conduct" of other racing during Humboldt's dates. Importantly, it requires how wagering monies "**shall**" [emphasis added] be distributed in the event of overlapped dates. This confirms that the people of California, through the Legislature, have already contemplated and decided that overlaps are specifically approved and how, in the event of such overlaps, funds "shall" be shared. Critically, the statute also requires that the overlapping Thoroughbred meeting (expressly not Humboldt) "shall" be the simulcast Host.

It may well be that Humboldt County Fair objects to some aspects of the applicable statute's clear mandates; however, pressuring a state agency [CHRB] to encourage or approve going beyond or counter to the law is unseemly and, we believe, unfair to other stakeholders. The people of California speak through legislation signed by the Governor; these *statutory* provisions as to fairness and finance ought not be minimized or ignored by CHRB, we believe. Clearly, the Legislature was aware of, studied, and took specific notice of the potential scheduling situation now at hand.

Furthermore, all Humboldt's racing weeks have been overlapped many times in the past – such a schedule has ample precedent. In point of fact, in 6 of the 8 years prior to the Covid hiatus (2019-21), there were two-week overlaps between Golden Gate Fields and Ferndale. In 11 of the last 15 years that it conducted a race meeting, Ferndale was overlapped for two weeks. Humboldt County has never been a component of the Northern California racing calendar comparable to Thoroughbred associations and other racing fairs. Objective data proves its sub-optimal contributions. Over the last 5 years, Golden Gate in August/September averages field size of 6.7, and 8.6 races per day. Ferndale's average field size is barely 5 horses per Thoroughbred race, for about 6 races a day.

Finally, it would appear that Humboldt and CARF are requesting un-overlapped exclusivity in dates not to benefit Humboldt's purse account (which pays far less in purses than the totals generated during its racing dates), or even the CARF purse account. After all, CARF/Humboldt have apparently offered to compensate Golden Gate with purse funds in order to have exclusivity. This leads us to believe CARF supports the Humboldt exclusivity in order to secure revenue for its other activities. However, in allocating dates, we repeat that the Board's racing schedule determinations should be guided by what best serves live racing and all its participants. Not local or community issues beyond racing. And that, we believe, would result in the overlapped allocation of racing weeks to both Humboldt and Golden Gate.

Fairs should support each other.

The California Authority of Racing Fairs [CARF], a joint powers authority, exists to conduct business activities relating to member Fair associations.

Recently, CARF leadership indicated to some stakeholders it would allocate \$500,000 of its funds to initiate and support a program (Calypso) to introduce a contest form of sports gaming at Fairs and/or Fair satellites. Virtually all other California industry stakeholders have indicated opposition to this initiative; furthermore, its very legality is in serious question.

So, given the financial resources required for such a commitment, there can be no doubt that CARF has the means available, and should support its member Fair, Humboldt, rather than insist on financial subsidies from Golden Gate and other California tracks, as well as owners/trainers/jockeys/breeders via purses.

If Humboldt requires a subsidy to continue its racing and/or community Fair operations (contrary to their publicly expressed confidence in its own financial stability), we believe it should come from its fellow Fairs and their governing organization, not the Thoroughbred associations and their purse accounts.

The prosperity of Golden Gate Fields is essential for the future of California breeding and racing.

The suggestion by CARF and Humboldt that the large number of racing weeks allocated to Golden Gate annually somehow justifies requiring that track to subsidize Ferndale's operations must be emphatically rebutted.

Along with most of California racing, Golden Gate is now conducting live programs only three days a week, for the most part. Located in probably the most expensive market in the state, on prime real estate, shared by two separate cities (Berkeley and Albany), its fixed costs are enormous. Those costs continue to rise, even as racing programs have contracted substantially. Most of the prime summer racing dates historically have been allocated to Fairs – for their own financing, those Fairs have relied principally on simulcasting lucrative racing from Del Mar and Saratoga, and reaping its rewards, rather than relying on their own live racing product.

In this context, it's worth noting that Ferndale's very small field size is achieved only because more than half the Thoroughbreds that start at Ferndale start twice in the two-week meet. In addition, please attend to this fact: TOTAL wagering handle on Ferndale's own Thoroughbred races, including In-State and Out-of-State, Brick/Mortar and ADW, is on the order of an exceptionally modest \$60,000 per race.

On the other hand, trainers and owners continue to press Golden Gate to invest in necessary maintenance and improvements. Beyond its already expensive world-class turf course, which due to climate must be closed to racing several months each year, CTT believes its aging main track synthetic surface must be replaced, **in the interest of safety!** To do so would require a very substantial investment, which we believe CHRB should encourage -- through maximizing Golden Gate's ability to achieve a proper return on its investments. Under the leadership of CHRB, enhancing safety has become the essential goal for all of us . . . and we believe Golden Gate is entitled to every opportunity to develop the financial resources required to meet that important challenge: SAFETY. Such resources only come from racing dates and opportunities. Each and every \$100,000 or more deprived to Golden Gate in potential income from live racing opportunities is a disincentive to its ownership for essential new investment and improvement.

Moreover, to be sustained, California breeding itself increasingly depends on a viable – even prosperous – Golden Gate Fields. While CHRB cannot guarantee prosperity, of course, we urge it not to take any actions which inhibit Golden Gate's ability, in any way, to remain viable and improve its facilities.

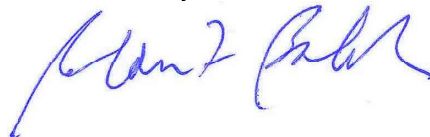
Comparing the deep importance of Golden Gate's contributions to California racing to Humboldt's is critical. Fundamentally, without Golden Gate Fields, the very existence of all Fair racing as we know it today is called into question. The remainder of California racing, including Southern California, would also be grievously harmed were Golden Gate's future imperiled.

.....

We respectfully suggest that CHRB recognize that ****any**** un-overlapped racing days for Ferndale constitute a subsidy by Golden Gate Fields of Humboldt County Fair operations.

Contrary to statute, a non-overlapped Ferndale race meet doesn't maximize racing opportunities in the public interest, but the contrary. It's not that awarding Golden Gate Fields these racing weeks takes something away from Humboldt County Fair and grants something to Golden Gate at Humboldt's expense – it's just the opposite.

Sincerely,



Alan F. Balch
CTT Executive Director

AFB:ac

Thoroughbred Owners of
California Letter Regarding
Humboldt County Fair Overlap

- At the October meeting the board had on the agenda an item to approve racing dates for HCF – six days of live racing during the period 16-29 Aug, 2023
- Agreement was not reached during meeting regarding the second week being unoverlapped
- To complete the approval process the board gave direction to CARF and TSG to reach a financial agreement in regards to the second week of unoverlap between the two parties
- The first week of racing was to continue unoverlapped as it was in 2022
- The TOC letter addresses both weeks and provides support data for running both unoverlapped – this was not the direction given by the board
- In the context of further bullets, purses and commissions will be referring to funds generated from all handle sources including ADW

- The implied tone of the letter does not support a positive approach to bettering the industry
- Phrases like “inferior racing content”, “negative impact on the industry” Half-mile dirt track designated for a lower tier of racing” create a negative atmosphere
- Commissioner Davis had mentioned in the December board meeting that the racing industry needs to work together and provide a united and positive image to the public and horseman outside California

- 39.4% of the horses came from Oregon not 50%. The implications here are that attracting out of state horse (i.e. Oregon horses is not good for California racing). CARF as well as Southern California promote soliciting horses from out of state
-
- In previous years when they ran overlapped for two weeks the purse account was always overpaid. For example, in 2016 HCF was \$114,086 overpaid and in 2017, \$94,831 overpaid
- The statement which says running unoverlapped is projected to result in a loss of 1 million dollars is taken out of context. This is directed to two weeks of unoverlapped racing.
- Addressing just the second week there is a difference in purses paid of \$269,000 and \$102,483 in commissions when comparing the week HCF runs unoverlapped and when GGF runs the third week in September also unoverlapped
- Section 19601.2 only provided \$18,100 last year

- CARF also paid out approximately \$156,000 in incentives in 2022; HCF paid an additional \$75,000 on their own for separate incentive programs
- These programs include Trainer incentives at each fair of \$500 for 5-9 starts and \$1,000 for 10+ starts; Owner incentives at each fair of \$2,000 for 5+ starts; Out-of-State runners - \$600 per horses - \$300 for the first start and \$300 for the second start
- CARF has requested approval from TOC to add an additional incentive of \$300 per start for all thoroughbreds
- 60 of those horses went on to run at Fresno
- CARF will maintain the same overnight purse structure as 2022 and is adding a \$150,000 stakes race at Pleasanton

- Last year when GGF ran overlapped they were \$87,000 overpaid in purses.
- Don't understand how running unoverlapped is decimating their purse account, they are better off not running and receiving \$100,000 from CARF for their purse fund
- The fairs including Ferndale cultivate new ownerships and expose thousands of people to live horse racing
- CARF has been proactive in negotiating a financial arrangement as directed by the board to reach an agreement on running unoverlapped the second week of HCF
- CARF's last offer was providing GGF \$100,000 in purse funds and \$100,000 in commissions
- This is basically 50% of what HCF would generate due to being unoverlapped the second week

Agenda Item 7

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST FROM THE CALIFORNIA AUTHORITY OF RACING FAIRS (CARF) TO DESIGNATE THE FOLLOWING 2023 ALLOCATED RACE DATES AS A COMBINED FAIR HORSE RACING MEETING, PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19549.1: ALAMEDA COUNTY FAIR, JUNE 14, 2023, THROUGH JULY 11, 2023; CALIFORNIA EXPOSITION AND STATE FAIR, JULY 12, 2023, THROUGH AUGUST 1, 2023; HUMBOLDT COUNTY FAIR, AUGUST 16, 2023, THROUGH AUGUST 22*, 2023; AND THE BIG FRESNO FAIR, OCTOBER 4, 2023, THROUGH OCTOBER 17, 2023.

Board Meeting
March 16, 2023

The California Authority of Racing Fairs (CARF) has submitted a letter (attached) to the California Horse Racing Board (Board) requesting approval to designate the 2023 allocated race dates of Alameda County Fair, California Exposition and State Fair, Humboldt County Fair, and The Big Fresno Fair as a combined fair horse racing meeting.

CARF also requests that the license application for each segment of the combined fair horse racing meeting be filed in the usual manner (i.e., each fair files its race meet license application individually).

BACKGROUND

[Business and Professions Code \(BPC\) section 19549.1](#) states that the Board may allocate horse racing days for mixed breed and combined fair horse racing meetings pursuant to [Food and Agricultural Code section 4058](#). Subsection (a) of section 4058 stipulates that county fairs in the northern zone may form an entity for conducting combined fair horse racing meetings on days other than the days on which general fair activities are conducted.

In 2022, CARF requested that the Board designate the 2022 racing dates allocated to its member fairs as a combined fair horse racing meeting. CARF also requested that the license applications for each segment of the combined fair horse racing meeting be filed individually, as normally done for racing meetings. At its March 2022 meeting, the Board approved these requests.

ANALYSIS

The Board approved the 2023 race dates calendar for northern California, with the exception of the week of August 23 through August 29, at its October 20, 2022 Board meeting. The CARF member fairs were approved to conduct mixed breed horse racing meetings as follows:

- Alameda County Fair at Pleasanton—6/14/23–7/11/23
- California Exposition and State Fair—7/12/23–8/1/23

- Humboldt County Fair at Ferndale—8/16/23–8/22/23*
- The Big Fresno Fair—10/4/23–10/17/23

CARF requests that the Board designate these dates as a combined fair horse racing meeting in 2023. CARF states that the recognition of these dates as a combined fair horse racing meeting will provide the mechanism needed to carry over wagering pools from one fair to the next. In support of its request, CARF has submitted an agreement (attached) signed by all of the above-mentioned fairs to participate in a combined fair horse racing meeting. Additionally, CARF requests that the license applications for each segment of the combined fair horse racing meeting be filed in the usual manner, with each fair submitting an individual application for its own portion of the race meeting.

***If the Board allocates the week of August 23, 2023, through August 29, 2023, to the Humboldt County Fair, this combined fair race meet request shall include those dates.**

RECOMMENDATION:

This item is presented for Board discussion and action.



a California joint powers agency

1776 Tribute Road, Suite 150
Sacramento, CA 95815
Office: 916.263-3346
Fax: 916.263.3341
www.calfairs.com

February 16, 2023

Scott Chaney, Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Scott,

Pursuant to Ag Code Section 4058 and Business Professions Code Section 19549.1, the California Authority of Racing Fairs (CARF) requests that the Board designate the following 2023 racing dates as a combined Fair horse racing meeting. Request this be on the March CHRB agenda for approval.

- **Alameda County Fair – June 14 – July 11, 2023**
- **California State Fair – July 12 – August 1, 2023**
- **Humboldt County Fair – August 16 – August 27, 2023**
- **The Big Fresno Fair – October 4 – October 17, 2023**

We are requesting that the license applications for each segment of the combined Fair horse racing meeting be filed in the usual manner.


A combined Fair horse racing meeting will allow Northern California racing Fairs the mechanism needed to carryover wagering pools from one fair to the next.

Respectfully submitted,


Larry Swartzlander
Executive Director

-AGREEMENT-
COMBINED FAIR HORSE RACING MEETING

The undersigned Fairs agree to and confirm their participation in a combined Fair horse racing meeting pursuant to the California Food and Agricultural Code Section 4058 and Business and Professions Code Section 19549.1 ff. This agreement is effective April 4, 2017 and will remain in effect until a participating Fair gives notice in writing to the California Authority of Racing Fairs (CARF) that withdraws from them participation. These Fairs designate CARF to act on their behalf to conduct the combined Fair horse racing meeting.



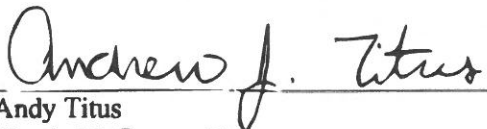
Jerome Hoban
Alameda County Fair



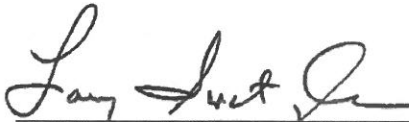
Lauri King
The Big Fresno Fair



Tom Martinez
California State Fair



Andy Titus
Humboldt County Fair



Larry Swartzlander
California Authority of Racing Fairs

Agenda Item 8

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST TO
MODIFY THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCED
DEPOSIT WAGERING TO COVER THE HORSERACING INTEGRITY AND SAFETY
AUTHORITY'S 2023 ASSESSMENT ON CALIFORNIA'S RACING ASSOCIATIONS.

Regular Board Meeting
March 16, 2023

ISSUE:

The Thoroughbred Owners of California (TOC) and the signatory racing associations are seeking approval of an agreement under Business and Professions Code (BPC) section 19604 (f)(5)(E) for the period of March 27, 2023 through December 31, 2023, for a distribution that would otherwise be payable as purses and commissions to cover the 2023 calendar year assessment for California's proportionate share of the Horseracing Integrity and Safety Authority operating budget.

ANALYSIS:

The Horseracing Integrity and Safety Act created the "Authority," a private entity under the Federal Trade Commission (FTC) to oversee horse racing activities nationwide through two regulatory programs, the Anti-Doping Medication Control Program and the Racetrack Safety Program. The Authority is funded per methodology assessment regulations that determine each state's proportionate share of the Authority's operating budget based on the number of projected starts and projected purse starts. This year's assessment includes the operating expenses for the new Horseracing Integrity & Welfare Unit, which will be tasked with implementing the Anti-Doping and Medication Control Program that is expected to go into effect on March 27, 2023.

California's proportionate share of the total 2023 Authority budget amount is \$6,729,297.00. However, the CHRB and the Authority agreed to state testing credits of \$4.7 million, bringing California's immediate share down to **\$1,579,297.00**. California's credits consist of \$1.2 million for sample collection; \$3.5 million for laboratory testing, research, and analysis; and \$450,000 for out-of-competition testing.

Each signatory racing association share was further calculated as follows:

Alameda County Fair	\$25,989.10
California State Fair	\$16,870.46
Del Mar Thoroughbred Club	\$390,641.37
The Big Fresno Fair	\$11,100.89
Humboldt County Fair	\$4,340.40
Los Alamitos Quarter Horse Racing Association	\$16,995.83

Los Alamitos Thoroughbred Racing Association (Including Los Angeles County Fair)	\$96,692.49
Los Angeles Turf Club, Santa Anita	\$697,660.27
Pacific Racing Association, Golden Gate Fields	\$304,954.50
Sonoma County Fair	\$14,051.69

BACKGROUND:

BPC section 19440.1 (b)(1) provides that the Board may allocate, assess, and collect fees assessed by the Authority from associations and fairs from the remaining market access fees addressed by BPC 19604 (f)(5)(E).

BPC section 19604 (f)(5)(E) provides that the distribution of market access fees may be altered upon the approval of the Board, in accordance with an agreement signed by all parties whose distributions would be affected.

At its June 16, 2022 Regular Board Meeting, the Board approved a similar request to utilize market access fees to cover HISA assessments for the period of June 17, 2022 through December 31, 2022.

RECOMMENDATION:

This item is presented for Board discussion and action. The Board should consider a condition that the agreement is only valid if the Anti-Doping and Medication and Control Program becomes effective on March 27, 2023.

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD TO CEASE PURSUIT OF A 2023
LEGISLATIVE PROPOSAL TO AMEND HEALTH AND WELFARE FUNDING
MECHANISMS FOR JOCKEYS AND BACKSTRETCH WORKERS TO PROVIDE
FINANCIAL STABILITY TO THOSE PROGRAMS.

Regular Board Meeting
March 16, 2023

ISSUE:

Whether the California Horse Racing Board (“Board”) should continue pursuing a 2023 legislative proposal to stabilize and increase funding for health and welfare programs that serve California jockeys and backstretch workers.

ANALYSIS:

This CHRB legislative proposal was approved by the Governor’s Office in early February 2023 (see attached proposed language). Given the desire of stakeholders to find an alternative solution to this statutory fix, the Board needs to decide whether CHRB staff should pursue finding a legislative vehicle during the current session or whether the CHRB should abandon the proposal for 2023.

The CHRB’s proposed amendments to the California Business and Professions Code are intended to create stability and certainty to statutory health and welfare funding mechanisms by modifying existing distributions. Existing law designates a percentage of handle from advance deposit wagers originating in California to different funds. This amount is capped at \$2 million per race meet. The CHRB proposes raising that cap by \$800,000 and creating a new distribution to an existing welfare fund that benefits California-licensed jockeys. Distribution amounts for jockey retirement plans, pension plans for backstretch workers, and welfare funding for backstretch personnel would also be adjusted. The result would be an additional \$400,000 in health and welfare funding for backstretch workers and an additional \$400,000 in health and welfare funding for jockeys.

BACKGROUND:

CHRB staff initially brought this proposal concept before the Board on October 20, 2022, at which time the Board voted to approve it for further development and submission to the Governor’s Office for consideration. The topic was also agendaized and discussed at the Board’s December 14, 2022, Jockey and Driver Welfare Committee Meeting.

RECOMMENDATION:

This item presents the opportunity for industry stakeholders to recommend to the

Board an alternative method that would be effective in shoring up health and welfare funding pools for jockeys and backstretch workers.

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UNBACKED

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RN 23 09990 PAGE 1

An act to amend Section 19604 of the Business and Professions Code,
relating to horse racing.



230999072049B111

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 19604 of the Business and Professions Code is amended to read:

19604. The board may authorize a racing association, racing fair, betting system, or multijurisdictional wagering hub to conduct advance deposit wagering in accordance with this section. Racing associations, racing fairs, and their respective horsemen's organizations may form a partnership, joint venture, or any other affiliation in order to further the purposes of this section.

(a) As used in this section, the following definitions apply:

(1) "Advance deposit wagering" (ADW) means a form of parimutuel wagering in which a person residing within California or outside of this state establishes an account with an ADW provider, and subsequently issues wagering instructions concerning the funds in this account, thereby authorizing the ADW provider holding the account to place wagers on the account owner's behalf.

(2) "ADW provider" means a licensee, betting system, or multijurisdictional wagering hub, located within California or outside this state, that is authorized to conduct advance deposit wagering pursuant to this section.

(3) "Betting system" means a business conducted exclusively in this state that facilitates parimutuel wagering on races it simulcasts and other races it offers in its wagering menu.

(4) "Breed of racing" means as follows:

(A) With respect to associations and fairs licensed by the board to conduct thoroughbred, fair, or mixed breed race meetings, "breed of racing" shall mean thoroughbred.

(B) With respect to associations licensed by the board to conduct quarter horse race meetings, "breed of racing" shall mean quarter horse.

(C) With respect to associations and fairs licensed by the board to conduct standardbred race meetings, "breed of racing" shall mean standardbred.

(5) "Contractual compensation" means the amount paid to an ADW provider from advance deposit wagers originating in this state. Contractual compensation includes, but is not limited to, hub fee payments, and may include host fee payments, if any, for out-of-state and out-of-country races. Contractual compensation is subject to the following requirements:

(A) Excluding contractual compensation for host fee payments, contractual compensation shall not exceed 6.5 percent of the amount wagered.

(B) The host fee payments included within contractual compensation shall not exceed 3.5 percent of the amount wagered. Notwithstanding this provision, the host fee payment with respect to wagers on the Kentucky Derby, Preakness Stakes, Belmont Stakes, and selected Breeders' Cup Championship races may be negotiated by the ADW provider, the racing associations accepting wagers on those races pursuant to Section 19596.2, and the horsemen's organization.

(C) In order to ensure fair and consistent market access fee distributions to associations, fairs, horsemen, and breeders, for each breed of racing, the percentage of wagers paid as contractual compensation to an ADW provider pursuant to the terms of a hub agreement with a racing association or fair when that racing association or fair is conducting live racing shall be the same as the percentage of wagers paid as



contractual compensation to that ADW provider when that racing association or fair is not conducting live racing.

(6) "Horsemen's organization" means, with respect to a particular racing meeting, the organization recognized by the board as responsible for negotiating purse agreements on behalf of horsemen participating in that racing meeting.

(7) "Hub agreement" means a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.

(8) "Hub agreement arbitration" means an arbitration proceeding pursuant to which the disputed provisions of the hub agreement pertaining to the hub or host fees from wagers on races conducted outside of California provided pursuant to paragraph (2) of subdivision (b) are determined in accordance with the provisions of this paragraph. If a hub agreement arbitration is requested, all of the following shall apply:

(A) The ADW provider shall be permitted to accept advance deposit wagers from California residents.

(B) The contractual compensation received by the ADW provider shall be the average of the contractual compensation specified in the hub agreement that is the subject of the hub agreement arbitration and the contractual compensation set forth in the hub agreement arbitration notice.

(C) The difference between the contractual compensation specified in subparagraph (B) and the contractual compensation determined to be payable at the conclusion of the hub agreement arbitration shall be calculated and paid within 15 days following the arbitrator's decision and order. The hub agreement arbitration shall be held as promptly as possible, but in no event more than 60 days following the demand for that arbitration. The arbitrator shall issue a decision no later than 15 days following the conclusion of the arbitration. A single arbitrator jointly selected by the ADW provider and the party requesting a hub agreement arbitration shall conduct the hub agreement arbitration. However, if the parties cannot agree on the arbitrator within seven days of issuance of the written demand for arbitration, then the arbitrator shall be selected pursuant to the Streamlined Arbitration Rules and Procedures of the Judicial Arbitration and Mediation Services, or pursuant to the applicable rules of its successor organization. In making the hub agreement arbitration determination, the arbitrator shall be required to choose between the contractual compensation of the hub agreement agreed to by the ADW provider or whatever different terms for the hub agreement were proposed by the party requesting the hub agreement arbitration. The arbitrator shall select the set of terms that most accurately reflects the then-existing market rate of compensation for the services provided by the ADW provider based on all relevant facts and circumstances relating to California resident ADW wagering. The arbitrator shall not be permitted to impose new, different, or compromised terms to the hub agreement. If an arbitration is requested, either party may bring an action in state court to compel a party to go into arbitration, to review the arbitrator's decision, or to enforce



the decision of the arbitrator. The cost of the hub agreement arbitration, including the cost of the arbitrator, shall be borne in equal shares by the parties to the hub agreement and the party or parties requesting a hub agreement arbitration. The hub agreement arbitration shall be administered by the Judicial Arbitration and Mediation Services pursuant to its Streamlined Arbitration Rules and Procedures or its successor organization.

(9) "Incentive awards" means those payments provided for in Sections 19617.2, 19617.7, 19617.8, 19617.9, and 19619. The amount determined to be payable for incentive awards under this section shall be payable to the applicable official registering agency and thereafter distributed as provided in this chapter.

(10) "Licensee" means a racing association or fair licensed to conduct a live racing meet in this state, or affiliation thereof, authorized under this section.

(11) "Market access fee" means the amount of advance deposit wagering handle remaining after the payment of winning wagers, and after the payment of contractual compensation, if any, to an ADW provider. Market access fees shall be distributed in accordance with subdivision (f).

(12) "Multijurisdictional wagering hub" means a business conducted in more than one jurisdiction that facilitates parimutuel wagering on races it simulcasts and other races it offers in its wagering menu.

(13) "Racing fair" means a fair authorized by the board to conduct live racing.

(14) "Zone" means the zone of the state, as defined in Section 19530.5, except as modified by subdivision (f) of Section 19601. For these purposes, the central and southern zones shall together be considered one zone.

(b) Wagers shall be accepted according to the procedures set forth in this subdivision.

(1) An ADW provider shall not accept wagers or wagering instructions on races conducted in California from a resident of California unless all of the following conditions are met:

(A) The ADW provider is licensed by the board.

(B) A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.

(C) The agreement referenced in subparagraph (B) 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 in accordance with the federal Interstate Horseracing Act of 1978 (15 U.S.C. Sec. 3001 et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the federal Interstate Horseracing Act of 1978 shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

(2) An ADW provider shall not accept wagers or wagering instructions on races conducted outside of California from a resident of California unless all of the following conditions are met:



(A) The ADW provider is licensed by the board.

(B) 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 wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

(C) If the parties referenced in clauses (i) and (ii) of subparagraph (B) are both signatories to the hub agreement, then no party shall have the right to request a hub agreement arbitration.

(D) If only the party or parties referenced in clause (i) of subparagraph (B) is a signatory to the hub agreement, then the signatories to the hub agreement shall, within five days of execution of the hub agreement, provide a copy of the hub agreement to the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted for each race conducted outside of California on which California residents may place advance deposit wagers. Before receipt of the hub agreement, the horsemen's organization shall sign a nondisclosure agreement with the ADW provider agreeing to hold confidential all terms of the hub agreement. If the horsemen's organization wants to request a hub agreement arbitration, it shall send written notice of its election to the signatories to the hub agreement within 10 days after receipt of the copy of the hub agreement, and shall provide its alternate proposal to the hub and host fees specified in the hub agreement with that written notice. If the horsemen's organization does not provide that written notice within the 10-day period, then no party shall have the right to request a hub agreement arbitration. If the horsemen's organization does provide that written notice within the 10-day period, then the ADW provider shall have 10 days to elect in writing to do one of the following:

(i) Abandon the hub agreement.

(ii) Accept the alternate proposal submitted by the horsemen's organization.

(iii) Proceed with a hub agreement arbitration.

(E) If only the party referenced in clause (ii) of subparagraph (B) is a signatory to the hub agreement, then the signatories to the hub agreement shall, within five days of execution of the hub agreement, provide written notice of the host and hub fees applicable pursuant to the hub agreement for each race conducted outside of California on which California residents may place advance deposit wagers, which notice shall be provided to all racing associations and fairs conducting live racing of the same breed covered by the hub agreement. If any racing association or fair wants to request a hub agreement arbitration, it shall send written notice of its election to the signatories to the hub agreement within 10 days after receipt of the notice of host and hub fees. It shall also provide its alternate proposal to the hub and host fees specified in the hub agreement with the notice of its election. If more than one racing association or fair provides notice of their request for hub agreement arbitration, those racing associations or fairs, or both, shall have a period of five days to jointly agree upon which of their alternate proposals shall be the official proposal for purposes of the hub agreement arbitration. If 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 wager is placed does not provide written notice of their election to arbitrate within the 10-day period, then no party shall have the right to request a hub agreement arbitration. If a valid hub agreement arbitration request is



made, then the ADW provider shall have 10 days to elect in writing to do one of the following:

- (i) Abandon the hub agreement.
- (ii) Accept the alternate proposal submitted by the racing associations or fairs.
- (iii) Proceed with a hub agreement arbitration.

The results of a hub agreement arbitration elected pursuant to this subdivision shall be binding on all other associations and fairs conducting live racing of that breed.

(F) The acceptance thereof is in compliance with the provisions of the federal Interstate Horseracing Act of 1978 (15 U.S.C. Sec. 3001 et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of the wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider.

(c) An advance deposit wager may be made only by the ADW provider holding the account pursuant to wagering instructions issued by the owner of the funds communicated by telephone call or through other electronic media. The ADW provider shall ensure the identification of the account's owner by using methods and technologies approved by the board. An ADW provider that accepts wagering instructions concerning races conducted in California, or accepts wagering instructions originating in California, shall provide a full accounting and verification of the source of the wagers thereby made, including the postal ZIP Code and breed of the source of the wagers, in the form of a daily download of parimutuel data to a database designated by the board. The daily download shall be delivered in a timely basis using file formats specified by the database designated by the board, and shall include any and all data necessary to calculate and distribute moneys according to the rules and regulations governing California parimutuel wagering. All reasonable costs associated with the creation, provision, and transfer of this data shall be borne by the ADW provider.

(d) (1) (A) The board shall develop and adopt rules to license and regulate all phases of operation of advance deposit wagering for ADW providers operating in California, including advance deposit wagering activity that takes place within a minisatellite wagering facility. The board may recover costs associated with the licensing or regulation of advance deposit wagering activities in a minisatellite wagering facility either directly from the ADW provider or through an appropriate increase in the funding formula devised by the board pursuant to paragraph (1) of subdivision (a) of Section 19616.51.

(B) The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than 90 days before licensing, has entered into a contractual agreement with that labor organization that provides all of the following:

(i) The labor organization has historically represented employees who accept or process any form of wagering at the nearest horse racing meeting located in California.

(ii) The agreement establishes the method by which the ADW provider will agree to recognize and bargain in good faith with a labor organization that has demonstrated majority status by submitting authorization cards signed by those employees who accept or process any form of wagering for which a California ADW license is required.



(iii) The agreement requires the ADW provider to maintain its neutrality concerning the choice of those employees who accept or process any form of wagering for which a California ADW license is required whether or not to authorize the labor organization to represent them with regard to wages, hours, and other terms and conditions of employment.

(iv) The agreement applies to those classifications of employees who accept or process wagers for which a California ADW license is required whether the facility is located within or outside of California.

(C) (i) The agreement required by subparagraph (B) shall not be conditioned by either party upon the other party agreeing to matters outside the requirements of subparagraph (B).

(ii) The requirement in subparagraph (B) shall not apply to an ADW provider that has entered into a collective bargaining agreement with a bona fide labor organization that is the exclusive bargaining representative of employees who accept or process parimutuel wagers on races for which an ADW license is required whether the facility is located within or outside of California.

(D) Permanent state or county employees and nonprofit organizations that have historically performed certain services at county, state, or district fairs may continue to provide those services.

(E) Parimutuel clerks employed by racing associations or fairs or employees of ADW providers who accept or process any form of wagers who are laid off due to lack of work shall have preferential hiring rights for new positions with their employer in occupations whose duties include accepting or processing any form of wagers, or the operation, repair, service, or maintenance of equipment that accepts or processes any form of wagering at a racetrack, satellite wagering facility, or ADW provider licensed by the board. The preferential hiring rights established by this subdivision shall be conditioned upon the employee meeting the minimum qualification requirements of the new job.

(2) The board shall develop and adopt rules and regulations requiring ADW providers to establish security access policies and safeguards, including, but not limited to, the following:

(A) The ADW provider shall use board-approved methods to perform location and age verification confirmation with respect to persons establishing an advance deposit wagering account.

(B) The ADW provider shall use personal identification numbers (PINs) or other technologies to ensure that only the accountholder has access to the advance deposit wagering account.

(C) The ADW provider shall provide for withdrawals from the wagering account only by means of a check made payable to the accountholder and sent to the address of the accountholder or by means of an electronic transfer to an account held by the verified accountholder or the accountholder may withdraw funds from the wagering account at a facility approved by the board by presenting verifiable account identification information.

(D) The ADW provider shall allow the board access to its premises to visit, investigate, audit, and place expert accountants and other persons it deems necessary for the purpose of ensuring that its rules and regulations concerning credit authorization, account access, and other security provisions are strictly complied with. To ensure that



the amounts retained from the parimutuel handle are distributed under law, rules, or agreements, any ADW provider that accepts wagering instructions concerning races conducted in California or accepts wagering instructions originating in California shall provide an independent "agreed-upon procedures" audit for each California racing meeting, within 60 days of the conclusion of the race meeting. The auditing firm to be used and the content and scope of the audit, including host fee obligations, shall be set forth in the applicable agreement. The ADW provider shall provide the board, horsemen's organizations, and the host racing association with an annual parimutuel audit of the financial transactions of the ADW provider with respect to wagers authorized pursuant to this section, prepared in accordance with generally accepted auditing standards and the requirements of the board. Any and all reasonable costs associated with those audits shall be borne by the ADW provider.

(3) The board shall prohibit advance deposit wagering advertising that it determines to be deceptive to the public. The board shall also require, by regulation, that every form of advertising contain a statement that minors are not allowed to open or have access to advance deposit wagering accounts.

(e) In order for a licensee, betting system, or multijurisdictional wagering hub to be approved by the board as an ADW provider, it shall meet both of the following requirements:

(1) All wagers thereby made shall be included in the appropriate parimutuel pool under a contractual agreement with the applicable host track.

(2) The amounts deducted from advance deposit wagers shall be in accordance with the provisions of this chapter.

(f) After the payment of contractual compensation, the amounts received as market access fees from advance deposit wagers, which shall not be considered for purposes of Section 19616.51, shall be distributed as follows:

(1) An amount equal to 0.0011 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting shall be distributed to the Center for Equine Health to establish the Kenneth L. Maddy Fund for the benefit of the School of Veterinary Medicine at the University of California at Davis.

(2) An amount equal to 0.0003 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting shall be distributed to the Public Employment Relations Board to cover costs associated with audits conducted pursuant to Section 19526 and for purposes of reimbursing the State Mediation and Conciliation Service for costs incurred pursuant to this section. However, if that amount would exceed the costs of the Public Employment Relations Board, the amount distributed to that board shall be reduced, and that reduction shall be forwarded to an organization designated by the racing association or fair described in subdivision (a) for the purpose of augmenting a compulsive gambling prevention program specifically addressing that problem.

(3) An amount equal to 0.00165 multiplied by the amount handled on advance deposit wagers that originate in California for each racing meeting shall be distributed as follows:

(A) One-half of the amount shall be distributed to supplement the trainer-administered pension plans for backstretch personnel established pursuant to Section 19613. Moneys distributed pursuant to this subparagraph shall supplement,



and not supplant, moneys distributed to that fund pursuant to Section 19613 or any other provision of law.

(B) One-half of the amount shall be distributed to the welfare fund established for the benefit of horsemen and backstretch personnel pursuant to subdivision (b) of Section 19641. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19641 or any other provision of law.

(4) With respect to wagers on each breed of racing that originate in California, an amount equal to 2 percent of the first two hundred fifty million dollars (\$250,000,000) of handle from all advance deposit wagers originating from within California annually, an amount equal to 1.5 percent of the next two hundred fifty million dollars (\$250,000,000) of handle from all advance deposit wagers originating from within California annually, an amount equal to 1 percent of the next two hundred fifty million dollars (\$250,000,000) of handle from all advance deposit wagers originating from within California annually, and an amount equal to 0.50 percent of handle from all advance deposit wagers originating from within California in excess of seven hundred fifty million dollars (\$750,000,000) annually, shall be distributed as satellite wagering commissions. Satellite wagering facilities that were not operational in 2001, other than one each in the Cities of Inglewood and San Mateo, and two additional facilities each operated by the Alameda County Fair and the Los Angeles County Fair and their partners and other than existing facilities that are relocated, are not eligible for satellite wagering commission distributions under this section. The satellite wagering facility commissions calculated in accordance with this subdivision shall be distributed to each satellite wagering facility and racing association or fair in the zone in which the wager originated in the same relative proportions that the satellite wagering facility or the racing association or fair generated satellite commissions during the previous calendar year. If there is a reduction in the satellite wagering commissions pursuant to this section, the benefits therefrom shall be distributed equitably as purses and commissions to all associations and racing fairs generating advance deposit wagers in proportion to the handle generated by those associations and racing fairs. If a satellite wagering facility is permanently closed other than for renovation or remodeling, or if a satellite wagering facility is unwilling or unable to accept all of the signals that are available to that facility, the commissions otherwise provided for in this subdivision that would be payable to that facility shall be proportionately reduced to take into account the time that satellite wagering is no longer conducted by that facility, or the payment of those commissions shall be eliminated entirely if the facility is permanently closed, and, in either case, the satellite wagering commissions not paid shall be proportionately redistributed to the other eligible satellite wagering facilities. For purposes of this section, the purse funds distributed pursuant to Section 19605.72 shall be considered to be satellite wagering facility commissions attributable to thoroughbred races at the locations described in that section.

(5) After the distribution of the amounts set forth in paragraphs (1) to (4), inclusive, the remaining market access fees from advance deposit wagers originating in California shall be as follows:

(A) With respect to wagers on each breed of racing, the amount remaining shall be distributed to the racing association or fair that is conducting live racing of that breed during the calendar period in the zone in which the wager originated. That amount



shall be allocated to that racing association or fair as commissions, to horsemen participating in that racing meeting in the form of purses, and as incentive awards, in the same relative proportion as they were generated or earned during the prior calendar year at that racing association or fair on races conducted or imported by that racing association or fair after making all deductions required by applicable law.

Notwithstanding any other law, the distributions with respect to each breed of racing set forth in this subparagraph may be altered upon the approval of the board, in accordance with an agreement signed by the respective associations, fairs, horsemen's organizations, and breeders organizations receiving those distributions.

(B) If the provisions of Section 19601.2 apply, then the amount distributed to the applicable racing associations or fairs shall first be divided between those racing associations or fairs in direct proportion to the total amount wagered in the applicable zone on the live races conducted by the respective association or fair. Notwithstanding this requirement, when the provisions of subdivision (b) of Section 19607.5 apply to the 2nd District Agricultural Association in Stockton or the California Exposition and State Fair in Sacramento, then the total amount distributed to the applicable racing associations or fairs shall first be divided equally, with 50 percent distributed to applicable fairs and 50 percent distributed to applicable associations.

(C) Notwithstanding any provisions of this section to the contrary, with respect to wagers on out-of-state and out-of-country thoroughbred races conducted after 6 p.m., Pacific standard time, 50 percent of the amount remaining shall be distributed as commissions to thoroughbred associations and racing fairs, as thoroughbred and fair purses, and as incentive awards in accordance with subparagraph (A), and the remaining 50 percent, together with the total amount remaining from advance deposit wagering originating from California out-of-state and out-of-country harness and quarter horse races conducted after 6 p.m., Pacific standard time, shall be distributed as commissions on a pro rata basis to the applicable licensed quarter horse association and the applicable licensed harness association, based upon the amount handled in state, both on- and off-track, on each breed's own live races in the previous year by that association, or its predecessor association. One-half of the amount thereby received by each association shall be retained by that association as a commission, and the other one-half of the money received shall be distributed as purses to the horsemen participating in its current or next scheduled licensed racing meeting.

(D) Notwithstanding any provisions of this section to the contrary, with respect to wagers on out-of-state and out-of-country nonthoroughbred races conducted before 6 p.m., Pacific standard time, 50 percent of the amount remaining shall be distributed as commissions as provided in subparagraph (C) for licensed quarter horse and harness associations, and the remaining 50 percent shall be distributed as commissions to the applicable thoroughbred associations or fairs, as thoroughbred and fair purses, and as incentive awards in accordance with subparagraph (A).

(E) Notwithstanding any provision of this section to the contrary, the distribution of market access fees pursuant to this subparagraph may be altered upon the approval of the board, in accordance with an agreement signed by all parties whose distributions would be affected.

(g) A racing association, a fair, a satellite wagering facility, or a minisatellite wagering facility may enter into an agreement with an ADW provider to accept and facilitate the placement of any wager from a patron at its facility that a California



resident could make through that ADW provider. Deductions from wagers made pursuant to this agreement shall be distributed in accordance with the provisions of this chapter governing wagers placed at that facility, except that the board may authorize alternative distributions as agreed to by the ADW provider, the operator of the facility accepting the wager, the association or fair conducting that breed of racing in the zone where the wager is placed, and the respective horsemen's organization.

(h) Any issue concerning the interpretation or application of this section shall be resolved by the board.

(i) Amounts distributed under this section shall be proportionally reduced by an amount equal to 0.00295 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting, except for harness racing meetings, provided that the amount of this reduction shall not exceed two million eight hundred thousand dollars ~~(\$2,000,000)~~. (\$2,800,000). The method used to calculate the reduction in proportionate share shall be approved by the board. The amount deducted shall be distributed as follows:

(1) (A) ~~Fifty~~ Thirty-six percent of the money to the board to establish, and to administer jointly with the organization certified as the majority representative of California-licensed jockeys pursuant to Section 19612.9, a defined contribution retirement plan for California-licensed jockeys who retired from racing on or after January 1, 2009.

(B) A person becomes a participant in the retirement plan when the person is licensed as a jockey in California.

~~(2) The remaining 50 percent of the money shall be distributed as follows:~~

~~(A) Seventy~~

~~(2) Twenty-five~~ percent shall be distributed to supplement the trainer-administered pension plans for backstretch personnel established pursuant to Section 19613. Moneys distributed pursuant to this ~~subparagraph~~ paragraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19613 or any other provision of law.

~~(B) Thirty~~

~~(3) Twenty-five~~ percent shall be distributed to the welfare fund established for the benefit of horsemen and backstretch personnel pursuant to subdivision (b) of Section 19641. Moneys distributed pursuant to this ~~subparagraph~~ paragraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19641 or any other provision of law.

~~(4) Fourteen~~ percent shall be distributed to the welfare fund established for the benefit of California licensed jockeys established pursuant to Section 19612.9. Moneys distributed pursuant to this paragraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19612.9 or any other provision of law.

(j) Amounts distributed under this section shall be proportionally reduced by an amount equal to 0.00295 multiplied by the amount handled on advance deposit wagers originating in California for each harness racing meeting, provided that the amount of this reduction shall not exceed five hundred thousand dollars (\$500,000). The method used to calculate the reduction in proportionate share shall be approved by the board. The amount deducted shall be distributed as follows:

(1) First to the welfare fund established for the benefit of horsemen and backstretch personnel, pursuant to subdivision (b) of Section 19641, and administered



by the organization representing the horsemen participating in the race meeting, in the amount requested by the welfare fund. Moneys distributed pursuant to this paragraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19641 or any other provision of law.

(2) The amount remaining, if any, shall be utilized for the benefit of the horsemen as specified in a written agreement between the racing association that conducts the live harness race meeting and the organization representing the horsemen participating in the race meeting.

(k) Notwithstanding subdivision (j), amounts generated that were deducted from amounts handled on advance deposit wagering for harness racing meetings pursuant to subdivision (i), as that section read before the enactment of subdivision (j), that have been held in trust by the California Exposition and State Fair shall be distributed as follows:

(1) Fifty percent to the harness racing horsemen who participated in the racing meeting that concluded June 16, 2012, in the form of purses.

(2) Fifty percent to the California Exposition and State Fair in the form of commissions.



230999072049BILL

LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, _____.
General Subject: Horse racing: advance deposit wagering.

The Horse Racing Law authorizes advance deposit wagering to be conducted, with the approval of the California Horse Racing Board. That law requires the board to develop and adopt rules to license and regulate all phases of operation of advance deposit wagering for advance deposit wagering providers operating in California and authorizes a racing association, a fair, a satellite wagering facility, or a minisatellite wagering facility to enter into an agreement with an advance deposit wagering provider to accept and facilitate the placement of any wager at its facility that a California resident could make through that advance deposit wagering provider.

The Horse Racing Law also requires that amounts distributed under these advance deposit wagering provisions be proportionally reduced by an amount equal to 0.00295 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting, except for harness racing meetings, provided that the amount of this reduction not exceed \$2,000,000. That law requires that 50% of the amount of this reduction be distributed to the board to establish and to administer a defined contribution retirement plan for California-licensed jockeys who retired from racing on or after January 1, 2009. Existing law requires 70% of the remaining money to be distributed to supplement certain trainer-administered pension plans for backstretch personnel and 30% of the remaining money to be distributed to a certain welfare fund established for the benefit of horsemen and backstretch personnel.

This bill would increase the maximum amount of this reduction to \$2,800,000. The bill would revise the distribution of this amount so that (1) 36% is distributed to the board to establish and administer the above-described defined contribution retirement plan, (2) 25% is distributed to supplement the trainer administered pension plans for backstretch personnel, (3) 25% is distributed to the welfare fund established for the benefit of horsemen and backstretch personnel, and (4) 14% is distributed to a certain welfare fund established for the benefit of California licensed jockeys.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



Agenda Item 10

STAFF ANALYSIS DISCUSSION REGARDING THE INCLEMENT WEATHER POLICY AS IT RELATES TO SURFACES AND RETURNING TO RACING AND TRAINING

Regular Board Meeting
March 16, 2023

ISSUE:

Discussion regarding the California Horse Racing Board (Board) Inclement Weather Policy in light of the inordinate amount of rain that California has experienced this winter.

BACKGROUND AND ANALYSIS:

The Board created the Inclement Weather Policy two years ago in an effort to standardize weather related decisions throughout the state (see attached). Since its creation, tracks have agreed to abide by it as a condition of licensure for their race meets. Since that time, the federal Horseracing Integrity and Safety Authority (“HISA” or “Authority”) has required that an Inclement Weather Policy be in place as it relates to thoroughbred racing. Recent inordinate amounts of rain in California have tested the policy which has worked well and led several tracks to cancel racing due to less-than-ideal racing surfaces. Given the experience this year, it is necessary to re-examine the policy and discuss modification based on current needs. One issue that requires discussion is how quickly horses should be permitted to return to working and racing after a track is unsealed. Anecdotally, it appears that horses that work or race immediately after a track is unsealed are at a higher risk for future injury. Equine Medical Director (EMD) Jeff Blea has engaged UC Davis to study this matter.

Related to this, the CHRB safety steward at each track and training facility have, for at least two years, regularly monitored compaction (through clegg hammer readings), moisture content, and composition, at each of the regulated racetracks including training-only facilities. How this data is utilized and whether it can be instructive in maintaining safer race surfaces is yet to be determined. The CHRB and EMD have also provided this data to UC Davis. The Authority does have a regulation with respect to surface monitoring (see attached) but has yet to fully implement the requirements or provide guidance with respect to what devices are acceptable for monitoring, how often readings should be taken and how such information should be reported. The reality is that little is known regarding what constitutes a “safe” racetrack. Research seems to indicate that consistency is important but not much beyond that. Most of the work in this area has been surface testing after a spike in injuries or fatalities and does little more than determine whether the surface is consistent after a catastrophic event or events have occurred. Hopefully, the Authority will be useful in collecting national surface data in real time as well as injury data enabling the Authority to promulgate safe ranges and

standards. To that end, HISA should be specific about what kind of data and how such data is required.

RECOMMENDATION:

This item is presented for discussion by the Board with possible recommendations to staff with respect to how to proceed regarding amending the current Inclement Weather Policy.

Inclement Weather Policy

Policy Statement:

The California Horseracing industry recognizes that inclement weather may temporarily prevent the normal operations of the racetrack and that coordinated decision making promotes the health and safety of all participants, including the equine athletes and riders.

In anticipation of inclement weather events, the following policy and protocols will drive the decision-making process to either delay or cancel racing and training. The concern for the equine athletes, riders and all other participants' safety serves as the main driver when these decisions are made, and decisions should always strive to err on the side of caution. Each weather incident is unique, and each will demand individual attention and analysis.

Purpose:

The Purpose of this policy is to:

- Assign responsibility in evaluating inclement weather events;
- Assign responsibility in determining postponement and cancellations of racing and training;
- Clarify the responsibilities and expectations of the stakeholders in an inclement weather event;
- Clearly outline communication protocol around decisions of postponement and/or cancellations resulting from inclement weather;
- Outline protocols to be followed after an inclement weather event;
- Help define what constitutes an "unsafe" track for training or racing;
- Be consistent with the Association of Racing Commissioners International – Model Rules: **ARCI-007-025 (G)** and **ARCI-007-020(M)**.

Scope:

This policy applies to all racetracks and approved auxiliary training centers which are operating under CHRB rules and regulations. Note: Portions of this policy relating to sealed, floated, or other similar practices will not be applicable to any synthetic racing surface, or surfaces used for Standardbred racing.

Date of Effect:

This policy shall take effect starting December 26th, 2020 and may be repealed or amended from time to time with the approval of the CHRB.

Track Superintendent:

The Racing Association must notify the CHRB of any change to the Track Superintendent position prior to making the change.

Racing Surface Maintenance Data Collection:

The Racing association shall collect data and maintain electronic records to assist in the consistent maintenance of all racing surfaces. This data shall be available for review and inspection by the Board of Stewards, Equine Medical Director, TOC, CTT, and the CHRB when requested.

These data collection protocols shall include:

- **Watering and Moisture Content control:** Electronically document all watering and irrigation on main and turf tracks. Include details on the time of application, method of application, amount of water added (gallons) and area of the racing surface to which the water was applied. For water trucks, also direction of equipment. Quality control measurements of the moisture content should be checked daily to ensure consistency in the moisture content around a dirt or turf track. This should be measured, typically at least weekly, using a device such as the time domain reflectometry or other similar measurement methods.
- **Harrowing:** document the number of rounds and direction with the motor grader, cutting harrows, and conditioning harrows. Record the depth of the cutting harrows and conditioning harrows.
- **Material additions:** Document the source, timing, quantity and method of all additions to the surfaces including sand, silt, clay, organic material, or chemicals (e.g. acids) for dirt tracks; and top dressing, fertilizer, pesticides, fungicides, seeding and sod replacement for turf tracks.
- **Turf Track:** Electronically document the turf grass species, areas of re-sodding, and cut lengths.
- **Cushion depth:** Perform periodic, typically at least once per day during racing, cushion depth measurements by using a hand probe over the surface of the track. Depth of cushion should also be verified before and after any large movement of material from either grading or washouts. Data should be stored electronically to allow tracking of results over time to ensure that track grades do not get out of tolerance ranges prior to grading.
- **Material composition:** Perform testing of track material composition at least monthly per race meet. Each sample should be analyzed separately and not mixed with other samples. Composition should include at least the following tests:
 - **Turf Track:** Soil chemistry panel including soil pH, organic carbon, major nutrients (e.g. phosphorus, potassium, calcium, magnesium, and sulfur) and soluble salts to ensure that reviews of maintenance processes can be performed, all protocols for surface preparation, maintenance and quality control measures will be documented electronically outlining procedures and schedules for all of the items above. These electronic records shall be made available for review.
 - **Dirt tracks:** sieve and hydrometer data for all samples; and organic, soil chemistry, X-ray diffraction, bulk density, and salinity measurements for a single representative sample.
- **Surveying:** For dirt and synthetic tracks the method used, and measurements obtained should be documented to ensure that the cross-fall in the straights and transitions from the straights to the turns are consistent and within specification. A track survey should be performed at least once per year with the track referenced to survey markers, laser checks or GPS mapping. Grades should be documented for internal reference.

Incident Weather Events:

Severe or harsh weather environmental conditions that may include, without limitation:

1. Extreme Temperatures;
2. High Winds;
3. Lightning;
4. Precipitation;
5. Air quality;
6. Fog/Visibility.

1. EXTREME TEMPERATURES

Symptoms of heat stress in Thoroughbreds:

- Rapid shallow breathing (i.e. panting);
- Very high body temperature;
- Flared nostrils;
- A congestion appearance of the gums;
- Staggering or weakened gait;
- Abnormal, irrational behavior;
- In extreme circumstances – collapse.

Circumstances contributing to Heat Stress:

The susceptibility of a horse to heat stress may not solely be influenced by temperature or the prevailing conditions. Certain other factors may adversely affect an individual horse's ability to withstand racing in hot conditions.

These include:

- A horse traveling long distances prior to or on the same day as the race;
- The temperament of the horse;
- Younger horses less acclimatized to heat;
- Heavy sweating;
- Withholding drinking water on the day of race.

Requirements of Racetrack/Safety Steward:

It shall be the responsibility of the Track Superintendent/Safety Steward on any race day to;

- Obtain and monitor the forecast conditions for the race day;
- Initiate the Extreme Temperature Weather Policy when necessary, and ensure the provisions are appropriately observed, where applicable;
- Communicate with racetrack personnel regarding requirements;
- During the race day monitor the air temperature provided by commercial weather service (e.g. Universal Weather Service);
- Throughout the race day communicate and take advice from the Official Veterinarian regarding current conditions and the condition of any horse;
- Consider whether modifying the racing program may provide improved conditions; and
- Minimize the time horses are required to be in post parade.

Modification to the race day program may include advancement or delay in the races if it appears possible the extreme conditions might ease or can be avoided.

In the event a trainer is concerned with their horse coping with the current conditions and requests to be withdrawn from the race, the stewards shall consider all requests on merit and the stewards may seek the opinion of the Official Veterinarian before adjudicating any request.

Postponement and Cancellation:

In the event of a forecasted extreme temperature as defined below the decision to cancel racing shall be made by General Manager of the Association and confirmed by the Board of Stewards by applying the Extreme Temperature Standard and Policy.

Notification of cancelation shall be communicated to the following:

- Jockey's Guild Representative;
- Board of Stewards;
- TOC and CTT

Heat Stress Index:

Horses generate heat during relatively short episodes of intense exercise, such as racing. Heat and humidity can affect horses more than humans. An important calculation when determining the risk to a horse during hot and humid conditions is the Heat Stress Index (HSI), which is a simple way to estimate the ability of a horse to dissipate heat naturally. Horses' ability to dissipate heat begins to decrease at HSI 130; horses cannot dissipate heat at or above HSI 180. HSI is calculated by adding the current temperature (in Fahrenheit) and the relative humidity (in % RH). The total determines the conditions. For example, if it is 77 degrees out and the relative humidity is 65%, added together the heat index is 142.

Heat mitigation precautions should be in place whenever HSI is expected to exceed 130. These precautions should include the following:

1. strategically placed hoses for both before and after the race;
2. ice buckets with sponges in the unsaddling area;
3. ice blankets in coolers in ambulances/ track veterinarian vehicles; and
4. additional monitoring of horses post-race for heat-related problems.

<p>180 or more: The horse has no natural means to cool off, and the rider/handler must provide aggressive cooling.</p>
<p>150 or more: The horses cooling mechanisms are reduced and supplemental cooling must be provided.</p>
<p>130 or more: The horse's cooling is mildly diminished and some horses may need assistance.</p>
<p>Less than 130: The horse can cool itself.</p>

In the event HSI exceeds 160, any determination to proceed with racing or training requires the approval of the stewards based upon a recommendation from the Official or Association Veterinarian.

No training or racing shall be permitted when HSI exceeds 175.

Post-Race Attention:

All Trainers shall ensure that post-race, horses are cooled down promptly and adequately. Trainers should be alerted that unless appropriate care is provided, a horse's core temperature may continue to RISE for up to 20 minutes post-race.

2. HIGH WINDS

This procedure outlines the various steps that will be taken to safeguard riders and equine athletes and

minimize risk in the event of high winds across the racetrack. Training and Racing restrictions may be implemented during high winds to protect the riders and equine athletes' safety.

Wind speed and direction will be regularly monitored by the Track Superintendent or his staff and recorded on a daily basis.

Equipment:

The racetrack shall install an **anemometer** near the racing surface at the approximate height of the rider.

Wind speed threshold:

- **Sustained 38 mile per hour and/or gusts over 50 miles per hour** – Racetrack management will temporarily suspend Racing and Training.
- A warning about the potential need to cancel will be communicated by the racetrack management to the following:
 - Jockey's Guild representative;
 - Board of Stewards;
 - TOC and CTT.
- The final decision to cancel will be made by the General Manger of the Association and confirmed by the Board of Stewards and communicated to same parties above.

3. LIGHTNING

The following protocols for lightning are consistent with the Association of Racing Commissioners International model rule **ARCI-007-020**. The racing association shall install a real-time lightning detector and warning system that has been independently and objectively verified and subscribe to a commercial weather service (e.g. Universal Weather Service) that provide lightning detection services.

The detection service must include strike distance and radius notifications in order to provide lightning delay decision-making.

The lightning detection information shall be monitored by the Track Superintendent, or his staff during training and racing hours. This information will also be available to racetrack management and stewards at all times.

Suspension of Racing and Training:

When lightning is detected within an **8-mile radius of the racetrack** the following actions will take place:

- Track Superintendent shall notify racetrack management immediately;
- Racetrack management will suspend racing and training;
- Racetrack Management will notify the Board of Stewards and Jockey's Guild representative;
- Alert all participants to seek shelter;
- Track Superintendent will be responsible for enforcing training delay.

Resume Activity:

Racing and training activates may resume 30 minutes after the last lightning strike within an 8-mile radius of the racetrack as indicated by the lightning detection service.

4. PRECIPITATION

The following protocols will assist with the decision-making process to either suspend or cancel racing until the track is deemed safe after an extreme precipitation event. The first priority of all decisions

made shall be the well-being and safety of the equine athletes and riders.

These protocols are consistent with Association of Racing Commissioners International model rule **ARCI-007-025(G)**.

Weather Monitoring:

The Racing association shall subscribe to a commercial weather service (e.g. Universal Weather Service) and install a professional weather station that will provide the following information:

- Temperature;
- Relative Humidity;
- Rainfall amount;
- Wind Speed;
- Wind Direction;
- Barometric Pressure;
- Solar Radiation.

Weather Data Collection:

All weather data shall be maintained on a daily basis by the Track Superintendent and recorded in electronic format that shall be made available to racetrack management and Board of Stewards. Any precipitation event during racing and training will require the rainfall data to be logged in 15-minute increments.

Dirt Track:

Sealed or Floated Track: is a track surface that has been smoothed and compacted utilizing specialized equipment. A sealed dry track allows water to run off the track, reducing the amount of precipitation absorbed. Wet tracks are sealed to provide a safe and even racing surface. Periodically, a “float”, which is a lighter slab of metal, will be pulled over the track to squeeze off surface water.

When precipitation is forecasted the Track Superintendent will analyze the following:

- Total amount of rainfall;
- Duration of rainfall;
- Predicted timing relative to training or racing.

Based on data received, the Track Superintendent will make a determination if the track needs to be sealed and or floated. When the track is sealed, horses will **NOT** be permitted to train on the surface.

Any decision to race on a sealed or floated track will be made based upon a decision by the Track Superintendent that in his or her professional opinion the resulting track surface is safe for the conduct of races. That decision shall also provide that the conduct of racing will not jeopardize the safe conduct of racing or training on days subsequent to the inclement weather event. That decision will require the unanimous consent of a committee consisting of the Track Superintendent, Association General Manager, Jockeys Guild Representative, and Safety Steward subject to confirmation by the Board of Stewards. Notice of that decision will be provided to the following:

- Board of Stewards;
- Jockeys Guild;
- TOC;
- CTT.

When the rain event has ended the Track Superintendent will determine the optimal time to harrow the track using the float rake or conditioning harrows. Once the track is harrowed after being sealed, no horses will be permitted to engage in high speed workouts over the harrowed track for at least 24 hours. High speed workouts may resume only when approved by the Track Superintendent.

No Racing or Training shall be permitted on any surface deemed unsafe by the Track Superintendent or Board of Stewards.

Turf Track:

When deciding to take racing off the turf the safety of the equine athletes and rider must be the driving factor.

During a rain event the Turf Track Supervisor will continually monitor turf course to determine the amount of moisture in the track by using the following methods:

- Visual inspections;
- Walking the course;
- Using a GoingStick or probe.

If the Turf Track Supervisor determines there is too much moisture in the track and could be unsafe, he will notify the General Manger immediately. The decision to take races off or leave races on the turf shall be made by the General Manager of the association subject to confirmation by the Board of Stewards. Notification shall be made to the following:

- Jockey’s Guild;
- TOC;
- CTT.

5. Air Quality

The U.S. Air Quality Index (AQI) is an index developed by the Environmental Protection Agency to measure air quality. The higher the number (1-500), the higher the level of concern.

The projected AQI for a given location can be found at <https://www.airnow.gov/>.

Tracks may also utilize on-site AQI monitors.

Daily AQI Color	Levels of Concern	Values of Index	Description of Air Quality
Green	Good	0 to 50	Air quality is satisfactory, and air pollution poses little or no risk.
Yellow	Moderate	51 to 100	Air quality is acceptable. However, there may be a risk for some people, particularly those who are unusually sensitive to air pollution.
Orange	Unhealthy for Sensitive Groups	101 to 150	Members of sensitive groups may experience health effects. The general public is less likely to be affected.
Red	Unhealthy	151 to 200	Some members of the general public may experience health effects; members of sensitive groups may experience more serious health effects.
Purple	Very Unhealthy	201 to 300	Health alert: The risk of health effects is increased for everyone.
Maroon	Hazardous	301 and higher	Health warning of emergency conditions: everyone is more likely to be affected.

Responsible Parties

During an extreme air pollutant event, including when smoke from wildfires is forecasted or detected, the General Manager of the track shall be responsible for monitoring air quality daily during extreme air

pollutant events and communicating with the association and regulatory veterinarians. The General Manager (GM) of the track, representing the racing association, and the Equine Medical Director (EMD), representing the state racing regulatory body, will assess the situation and determine the safest course of action for the equine population. The GM and EMD reserve the right to recommend cancelation of racing, training, or otherwise restrict activity at any time if conditions are deemed unfavorable.

AQI Ratings and Recommendations

The GM and EMD may use the Air Quality Index (AQI) for guidance. Because the AQI is not measured directly at the track the AQI will be considered in conjunction with conditions observed at the racetrack. Generally, however, the following recommendations will be used:

AQI=100-150

If the forecasted AQI is projected to reach 100, this could be considered unhealthy for some members of the human population. The GM, and EMD may begin to monitor the facility daily if the AQI consistently reaches 100 and there is cause for concern in the local environment, including the presence of a wildfire in the area.

AQI= 150-174

If the forecasted AQI is projected to reach 150, the CVO, GM, and EMD will closely monitor the facility and may limit training to jogging and/or jogging and gallops only and be prepared to take further action if conditions worsen.

AQI = 175+

If the forecasted AQI is 175 or higher, the CVO, GM, and EMD will restrict activity at the track, including but not limited to:

- Canceling live racing (if applicable);
- Canceling official workouts; and
- Prohibiting galloping, breezing or anything more strenuous than a jog.

The GM and EMD may elect to allow horses to access the track for necessary daily exercise (walk or trot only) for their safety and welfare.

Cancellation of Track Activities

If recommended by the GM, and EMD, live racing and/or training will be canceled due to unsafe air conditions. The GM, and EMD will recommend to the Stewards that racing be canceled.

The racing office will notify horsemen if access to any of the tracks is restricted.

6. Fog/Visibility

In the event of impaired visibility, the Board of Stewards, the GM of the association and the Jockeys' Guild representative shall meet to determine if the races should be cancelled or delayed. If any entity in the aforementioned group believes that the visibility is compromised such that racing would be unsafe, then the races shall be cancelled or postponed. If the evidence indicates that visibility will improve, the races may be delayed for a period not to exceed one hour, at which time the group will meet again to decide if the races can safely continue.

HISA Regulations Related to Track Surface and Inclement Weather

2152. Testing Methods

Surface test methods and surface material test methods must be documented and consistent with testing standards from internationally recognized standards organizations including ASTM International, American Society of Agricultural and Biological Engineers, or other relevant international standards, and when possible for unpublished standards, methods consistent with those documented by the Racing Surfaces Testing Laboratory.

2153. Racetrack Facilities

The Racetrack facilities must be designed, constructed, and maintained as provided in Rule 2153 to provide for the safety of Covered Persons and Covered Horses.

(a) Rails.

- (1) Racetracks shall have inside, outside, and gap rails designed, constructed, and maintained to provide for the safety of Jockeys and Horses.
- (2) Objects within 10 feet of the inside rail shall be flexible enough to collapse upon impact of a Horse or rider, or sufficiently padded as to prevent injury.
- (3) Rails shall be inspected prior to each Race Meet and daily during training and racing events.

(b) Gaps.

- (1) All gaps must be clearly marked, must have protective padding covering any sharp edges or unique angles, and have proper mechanisms to allow for secure closure when needed.
- (2) Main gaps and on-gaps should include signage with safety rules, Racetrack hours, and other applicable rules.
- (3) For Races breaking from a chute there should be sufficient temporary rail extension to prevent Horses from ducking in or out.

(c) Starting gate.

- (1) All gates, and the vehicle that moves the gates, must be inspected pre- Race Meet and documented to be in proper working condition.
- (2) All gates must have protective padding to ensure the safety of the Horse, Jockey, and gate personnel. Protective padding shall protect the riders and gate personnel from contact with sharp edges and help to distribute impact loads. All padding shall be designed to ensure durability for outdoor use and shall be capable of maintaining safety and physical integrity during all weather conditions.
- (3) Gates and the vehicle that moves the gates shall be inspected and tested each race day before the Races and each morning before schooling to ensure proper functioning.
- (4) No personnel, other than those required for steering the gate, shall ride on the gate while the gate is in motion or being transported.
- (5) Racetracks shall have in place annually reviewed and documented standard operating procedures for the removal of the starting gate after the start of each Race as needed in a safe and timely manner. This plan shall also include procedures for gate removal if the primary removal mechanism fails.
- (6) Every Starting Gate Person shall wear protective gear when working on or around the starting gate, including approved helmets and safety vests.

CALIFORNIA HORSE RACING BOARD

March 16, 2023 REGULAR

BOARD MEETING

There is no board package material for Item 11

CALIFORNIA HORSE RACING BOARD

March 16, 2023 REGULAR

BOARD MEETING

There is no board package material for Item 12

CALIFORNIA HORSE RACING BOARD

March 16, 2023 REGULAR

BOARD MEETING

There is no board package material for Item 13