

CALIFORNIA HORSE RACING BOARD - RULES NOTICED TO THE PUBLIC:

NOTICE OF PROPOSAL TO REPEAL

RULE 1606. COUPLING OF HORSES

RULE 1974. WAGERING INTEREST

NOTICE OF PROPOSAL TO AMEND

RULE 1420. DEFINITIONS

RULE 1954.1. PARLAY WAGERING ON WIN, PLACE OR SHOW

RULE 1957. DAILY DOUBLE

RULE 1959. SPECIAL QUINELLA (EXACTA)

RULE 1976. UNLIMITED SWEEPSTAKES

RULE 1976.8. PLACE PICK (N)

RULE 1976.9. PICK (N) POOL

RULE 1977. PICK THREE

RULE 1978. SELECT FOUR

RULE 1979. TRIFECTA

RULE 1979.1. SUPERFECTA

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

PROPOSED REGULATORY ACTION

The Board proposes to repeal Rule 1606, Coupling of Horses. The repeal of Rule 1606 will eliminate the practice of coupling horses as a single wagering interest and as an entry when the same person or persons owns them in whole or in part. In addition the Board proposes to repeal Rule 1974, Wagering Interest and place the definition of wagering interest in an amended Rule 1420, Definitions. The Board also proposes to amend pari-mutuel wagering rules that refer to coupling of horses and Rule 1974. The pari-mutuel regulations the Board proposes to amend are: Rule 1957, Daily Double; Rule 1959, Special Quinella (Exacta); Rule 1954,1, Parlay Wagering on Win, Place or Show; Rule 1976, Unlimited Sweepstakes; Rule 1976.8, Place Pick (n); Rule 1976.9, Pick (n) Pool; Rule 1977, Pick Three; Rule 1978, Select Four; Rule 1979, Trifecta and Rule 1979.1, Superfecta.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, July 20, 2006**, or as soon after that as business before the Board will permit, at the **Del Mar Satellite Wagering Facility, 2260 Jimmy Durante Boulevard, Del Mar, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony at the hearing.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m. on July 17, 2006**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
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Fax: (916) 263-6042
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AUTHORITY AND REFERENCE

Rule 1420: Authority Cited: Sections 19440, 19562 and 19563, Business and Professions (B&P) Code. Reference: Sections 19401(e) and 19420, B&P Code.

B&P Code Sections 19440, 19562 and 19563 authorize the Board to adopt the proposed regulation, which would implement, interpret or make specific Sections 19401(e), and 19420, B&P Code.

Rule 1954.1: Authority Cited: Sections 19440 and 19590, B&P Code. Reference: Sections 19594 and 19597, B&P Code.

B& P Code Sections 19440 and 19590 authorize the Board to adopt the proposed regulation, which would implement, interpret or make specific Sections 19594 and 19597, B&P Code.

Rules 1957, 1959, 1976, 1977, 1978, 1979 & 1979.1: Authority Cited: Sections 19440 and 19590, B&P Code. Reference: Section 19594, B&P Code.

B&P Code Sections 19440 and 19590 authorize the Board to adopt the proposed regulations, which would implement, interpret or make specific Section 19594, B&P Code.

Rules 1976.8 & 1976.9: Authority Cited: Sections 19440 and 19590, B&P Code. Reference: Sections 19593 and 19594, B&P Code.

B&P Code Sections 19440 and 19590 authorize the Board to adopt the proposed regulations, which would implement, interpret or make specific Section 19593 and 19594, B&P Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions (B&P) Code Section 19401(e) states the purpose of B&P Code, Chapter 4, is to allow pari-mutuel wagering on horse races while providing uniformity of regulation for each type of horse racing. B&P Code Section 19420 provides that jurisdiction and supervision over meetings in California where horse races with wagering on their results are conducted, and over all persons or things having to do with the operation of such meetings, is vested in the Board. B&P Code Section 19440 states the Board shall have all powers necessary and proper to enable it to carry out the purposes of Chapter 4, B&P Code. Responsibilities of the Board include adopting rules and regulations for the protection of the public and the control of horse racing with pari-mutuel wagering, and administration and enforcement of all laws, rules and regulations affecting horse racing and pari-mutuel wagering. B&P Code Section 19562 states the Board may prescribe rules, regulations and conditions, consistent with the provisions of Chapter 4, B&P Code, under which all horse races with wagering on their results shall be conducted in California. B&P Code Section 19563 states the Board may adopt any rules and

regulations of the United States Trotting Association, not inconsistent with Chapter 4, B&P Code, for the regulation of harness racing. B&P Code Section 19590 provides that the Board shall adopt rules governing, permitting, and regulating pari-mutuel wagering on horse races under the system known as the pari-mutuel method of wagering. Pari-mutuel wagering shall be conducted only by a person licensed under Chapter 4 to conduct a horse racing meeting, and only within the enclosure and on the dates for which horse racing has been authorized by the Board. B&P Code Section 19593 states no method of betting, pool making, or wagering other than by the pari-mutuel method shall be permitted or used by any person licensed under this chapter to conduct a horse racing meeting. B&P Code Section 19594 states any person within the inclosure where a horse racing meeting is authorized may wager on the result of a horse race held at that meeting by contributing his money to the pari-mutuel pool operated by the licensee under Chapter 4, B&P Code. B&P Code Section 19597 provides that a person licensed under Chapter 4 to conduct a horse racing meeting shall, as to any payment made to a person who has wagered by contributing to a pari-mutuel pool operated by such licensee, also deduct the applicable breakage, as defined by Section 19405.

If the same person or persons have ownership interest in two or more horses entered in a race, the Board requires the coupling of such horses as a single wagering interest and as an entry. A wager on a coupled entry includes every horse in the wagering interest, so the wager remains valid if one horse is declared or withdrawn. The patron who has wagered on such an entry is left with a wager on the remaining horse. This practice can leave a patron who has made a multiple race wager with a wager they cannot cancel, and a horse he might not have selected if it had been a single wagering interest. A number of patrons consider this practice “unfair” and would rather see their wagers canceled. After considering alternatives, the Board proposes to repeal Rule 1606, Coupling of Horses. This would have the effect ending the practice of coupling horses. Patrons would no longer have the risk of being stuck with a wager they would not have made because the horse they were wagering on was declared or withdrawn from the entry. Instead, patrons would make wagering decisions with all available information, including the knowledge that the same person or persons own more than one horse in the field, as information regarding the ownership of a horse is printed in the official program.

The proposed repeal of Rule 1606 will affect other Board regulations. Rule 1974 provides a definition of wagering interest. If coupling were eliminated, a wagering interest would then be defined as “any one horse entered in a race.” The Board believes this makes Rule 1974 unnecessary, and the single sentence definition of wagering interest can be added to Rule 1420, Definitions; therefore, the Board proposes to amend Rule 1420 to add a new Subsection 1420(aa), which will provide a definition of wagering interest. Board rules authorizing specific types of pari-mutuel wagers have subsections that address an entry of coupled horses or horses coupled to constitute the field. In addition, many of the same rules reference Rule 1974. To accommodate the repeal of Rule 1606 and Rule 1974, the Board proposes to amend Rule 1957, Daily Double; Rule 1959, Special Quinella (Exacta); Rule 1954.1, Parlay Wagering on Win, Place or Show; Rule 1976, Unlimited Sweepstakes; Rule 1976.8, Place Pick (n); Rule 1976.9, Pick (n) Pool; Rule 1977, Pick Three; Rule 1978, Select Four; Rule 1979, Trifecta and Rule 1979.1, Superfecta. The proposed amendment to these rules will eliminate references to coupling of horses and Rule 1974. In addition, the proposed amendments will reorganize subsections, correct grammar, and make other changes for purposes of clarity.

DISCLOSURE REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

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

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

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

The Board has made an initial determination that the proposed repeal of Rule 1606 and Rule 1974, and the amendment of Rules 1402; 1957; 1959; 1954.1; 1976; 1976.8; 1976.9; 1977; 1978; 1979 and 1979.1 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

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

Significant effect on housing costs: none.

The adoption of the proposed repeal of Rule 1606 and Rule 1974, and the amendment of Rules 1402; 1957; 1959; 1954.1; 1976; 1976.8; 1976.9; 1977; 1978; 1979 and 1979.1 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California.

Effect on small businesses: none. The proposed repeal of Rule 1606 and Rule 1974, and the amendment of Rules 1402; 1957; 1959; 1954.1; 1976; 1976.8; 1976.9; 1977; 1978; 1979 and 1979.1 does not affect small businesses because horse racing associations in California are not classified as small businesses under Government Code Section 11342.610. Rule 1606 and Rule 1974 address coupling of horses and the definition of wagering interest. Rules 1402; 1957; 1959; 1954.1; 1976; 1976.8; 1976.9; 1977; 1978; 1979 and 1979.1 authorize specific types of pari-mutuel wagering in California.

CONSIDERATION OF ALTERNATIVES

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

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

CONTACT PERSONS

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

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 263-6397
E-Mail: HaroldA@chr.ca.gov

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

Jacqueline Wagner, Manager
Policy and Regulation Unit
Telephone: (916) 263-6041

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

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

AVAILABILITY OF MODIFIED TEXT

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

AVAILABILITY OF FINAL STATEMENT OF REASONS

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

BOARD WEB ACCESS

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

INITIAL STATEMENT OF REASONS
RULE 1606. COUPLING OF HORSES
RULE 1974. WAGERING INTEREST

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RULE 1977. PICK THREE

RULE 1978. SELECT FOUR

RULE 1979. TRIFECTA

RULE 1979.1. SUPERFECTA

SPECIFIC PURPOSE OF THE REGULATIONS

The Board proposes to repeal Rule 1606, Coupling of Horses. The repeal of Rule 1606 will eliminate the practice of coupling horses as a single wagering interest and as an entry when the same person or persons owns them in whole or in part. In addition the Board proposes to repeal Rule 1974, Wagering Interest and place the definition of wagering interest in an amended Rule 1420, Definitions. The Board also proposes to amend pari-mutuel wagering rules that refer to coupling of horses and Rule 1974. The pari-mutuel regulations the Board proposes to amend are: Rule 1957, Daily Double; Rule 1959, Special Quinella (Exacta); Rule 1954,1, Parlay Wagering on Win, Place or Show; Rule 1976, Unlimited Sweepstakes; Rule 1976.8, Place Pick (n); Rule 1976.9, Pick (n) Pool; Rule 1977, Pick Three; Rule 1978, Select Four; Rule 1979, Trifecta and Rule 1979.1, Superfecta.

NECESSITY

If the same person or persons have ownership interest in two or more horses entered in a race, the Board requires the coupling of such horses as a single wagering interest and as an entry. A wager on a coupled entry includes every horse in the wagering interest, so the wager remains valid if one horse is declared or withdrawn. The patron who has wagered on such an entry is left with a wager on the remaining horse. This practice can leave a patron who has made a multiple race wager with a wager they cannot cancel, and a horse he might not have selected if it had been a single wagering interest. A number of patrons consider this practice “unfair” and would rather see their wagers canceled. After considering alternatives, the Board proposes to repeal Rule 1606, Coupling of Horses. This would have the effect ending the practice of coupling horses. Patrons would no longer have the risk of being stuck with a wager they would not have made because the horse in the entry they were wagering on was declared or withdrawn. Instead, patrons would make wagering decisions with all available information, including the knowledge that the same person or persons owns more than one horse in the field, as information regarding the ownership of a horse is printed in the official program.

The proposed repeal of Rule 1606 will affect other Board regulations. Rule 1974 provides a definition of wagering interest. If coupling were eliminated, a wagering interest would then be defined as “any one horse entered in a race.” The Board believes this makes Rule 1974 unnecessary, and the single sentence definition of wagering interest can be added to Rule 1420, Definitions; therefore, the Board proposes to amend Rule 1420 to add a new Subsection 1420(aa), which will provide a definition of wagering interest. Board rules authorizing specific types of pari-mutuel wagers have subsections that address an entry of coupled horses or horses coupled to constitute the field. In addition, many of the same rules reference Rule 1974. To accommodate the repeal of Rule 1606 and Rule 1974, the Board proposes to amend such rules to

remove the references. The Board proposes to amend Rule 1957, Daily Double, to delete references to coupling and Rule 1974 under Subsection 1957(j). In addition, the proposed amendment will reorganize subsections, correct grammar, and make other changes for purposes of clarity. The Board proposes to amend Rule 1959, Special Quinella (Exacta), to delete references to coupling under Subsection 1959(d). In addition, the proposed amendment will reorganize subsections, correct grammar, and make other changes for purposes of clarity. The Board proposes to amend Rule 1954.1, Parlay Wagering on Win, Place or Show, to remove references to coupling and Rule 1974 under Subsection 1954.1(h). In addition, the proposed amendment will correct grammar, and make other changes for purposes of clarity. The Board proposes to amend Rule 1976, Unlimited Sweepstakes, to remove references to coupling under Subsection 1976(e). In addition, the proposed amendment will reorganize subsections, correct grammar, and make other changes for purposes of clarity. The Board proposes to amend Rule 1976.8, Place Pick (n), to remove references to coupling and Rule 1974 under subsection 1976.8(d). In addition, the proposed amendment will reorganize subsections, correct grammar, and make other changes for purposes of clarity. The Board proposes to amend Rule 1976.9, Pick (n) Pool, to remove references to coupling under Subsection 1976.9(c)(1). In addition, the proposed amendment will reorganize subsections, correct grammar, and make other changes for purposes of clarity. The Board proposes to amend Rule 1977, Pick Three, to remove references to coupling and Rule 1974 under Subsection 1977(c). In addition, the proposed amendment will reorganize subsections, correct grammar, and make other changes for purposes of clarity. The Board proposes to amend Rule 1978, Select Four, to remove references to coupling under Subsection 1978(e). In addition, the proposed amendment will reorganize subsections, correct grammar, and make other changes for purposes of clarity. The Board proposes to amend Rule 1979, Trifecta, to remove references to coupling under Subsection 1979(c). The Board proposes to amend Rule 1979.1, Superfecta, to remove references to coupling and Rule 1974 under Subsection 1979.1(c).

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

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

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

The Board has determined that there were no alternatives considered which would be more effective in carrying out the purposes of the proposed regulations or would be more effective and less burdensome to affected private persons or businesses than the proposed regulations.

PROPOSED TEXT REPEALS

~~1974. Wagering Interest.~~

~~A wagering interest may be any one horse in a race, or may be two or more horses coupled as a single wagering interest as an "Entry" or the "Field." A declaration or withdrawal of one horse from a wagering interest which consists of more than one horse shall have no effect on any wagers made on such wagering interest.~~

~~1606. Coupling of Horses.~~

~~Two or more horses shall be coupled as a single wagering interest and as an entry when such horses are owned in whole or in part by the same person or persons.~~

~~Authority: Sections 19420, 19440 and 19590, Business and Professions Code.~~
~~Reference: Section 19401, Business and Professions Code.~~

PROPOSED TEXT AMENDMENTS

1420. Definitions.

As used in these rules:

(a) "Chairman" means the member elected by the Board to be Chairman of the Board and its presiding member.

(b) "Commissioner" means a member of the Board.

(c) "Age of Horse" means the age as reckoned beginning on the first day of January of the year in which the horse was foaled.

(d) "Authorized Agent" means an agent appointed by a written document, which is signed by the owner and filed with the Board.

(e) "Breeder" means the owner of the dam at the time of foaling.

(f) "Conviction" includes a plea of guilty, forfeiture of bail, a judgment or verdict of guilty, or a conviction following a plea of nolo contendere, whether or not the conviction is later set aside pursuant to the provisions of Section 1203.4 of the Penal Code.

(g) "Driver" means one who drives and controls the horse from a seated position on a two-wheel vehicle.

(h) "Horse" means an equine and includes a stallion, gelding, mare, colt, filly or ridgling and includes mule, jack, jenny, ginnet, and hinney.

(i) "Jockey" means a race rider.

(j) "Licensee" means a licensee of the California Horse Racing Board.

(k) "Maiden" means a horse ~~which~~ that has never won a race on the flat in a state or country where the races are covered by the Daily Racing Form or other similar authorized publication. A maiden ~~which~~ that has been disqualified after finishing first is still a maiden. Conditions referring to maidens apply to the status at the time of starting.

(l) "Nominator" means a person in whose name a horse is entered to race.

(m) "Objection" means a formal complaint filed before a race with the stewards or the Board objecting to the eligibility of any horse to compete in the race or the right of any person to participate in the race.

(n) "Owner" includes the owner, part owner and lessee of any horse. An interest only in the earnings of a horse does not constitute ownership. If husband and wife, it is presumed that joint ownership exists.

(o) "Post" means the place on the race course from which a start is made.

(p) "Post Time" means the definite time for the start of a race, and is indicated by a clock device set up as directed by the Board.

(q) "Premises" means the inclosure and all other areas collectively utilized by an association in connection with its conduct of a licensed race meeting, including parking lots, auxiliary stabling areas, public inclosure and restricted areas, whether or not the areas are adjacent to the inclosure.

(r) "Protest" means a formal complaint filed after a race with the stewards or the Board protesting the right of any horse to a place, purse or award in the race, or protesting any decision of the stewards relating to the eligibility, participation or placing of any horse in a race.

(s) "Race" means a contest among horses for a purse, stake or reward, contested at an authorized race meeting. "Race" includes but is not limited to:

(1) Purse Race. A race for money or any other prize to which the owners of the horses engaged do not contribute.

(2) Stake Race. A race for which owners of horses entered or engaged for the race contribute to a purse for which money or any other prize may be added, nominations to which close 72 hours or more before starting.

(3) Claiming Race. A race in which any horse entered therein may be claimed in conformity with the rules established by the Board.

(4) Handicap Race. A race in which the weights to be carried by the entered horses are adjusted by a handicapper, board of handicappers or the racing secretary, to equalize their respective chances of winning.

(5) Overnight Race. A race in which entries close 72 hours or less, excluding Sundays, in advance of the first race of the day on which the race is to be run.

(6) Walkover. A stake race in which only one horse starts or in which all the starters are owned by the same interest.

(7) Invitational Stake Race. An invitational stake race or an invitational handicap race for which owners do not contribute to the purse, but which is advertised in the regular stakes program, shall also be considered a stake race.

(8) Non-wagering Race. A race contested without pari-mutuel wagering on its results including a race upon which pari-mutuel wagering is canceled.

(9) Match Race. A race contested between two horses under conditions of the contest agreed to by their owners.

(10) "Special Racing Event". A race of unique interest, magnitude or fame. "Special racing event" shall also mean an exhibition race when approved by the Board.

(11) "Exhibition Race". A race contested under conditions established by the association as a promotional event or to provide a special racing opportunity to a particular horse or class of horse or class of participants and to which the association contributes the purse or awards for the contest. No pari-mutuel wagering may be conducted on the results of an exhibition race.

(t) "Race on the Flat" means a race run over a course on which no jumps or other obstacles are placed.

(u) "Recognized Meeting," "Race Meeting," or "Authorized Meeting" means the entire period under the conduct of an association within the inclosure of the designated grounds, and for which ~~a license has been granted by the Board~~ has granted a license. When the context in the rules applies, it may include a meeting conducted by an association in some other jurisdiction recognized by the Board.

(v) "Restricted Area" means those areas within the inclosure where admission can be obtained only upon presentation of authorized credentials, proper license or visitor's pass, including those areas designated as the stable area, receiving or detention barn, jockey room, saddling paddock, race course and pari-mutuel department.

(w) "Rules" means the Rules and Regulations of the California Horse Racing Board and the orders of the Board.

(x) "Starter" means a horse when it is in the starting gate stall, and, when ~~the field is dispatched by the starter~~ dispatches the field, the stall gate in front of the horse is opened.

(y) "Sulky" means a dual wheel-racing vehicle with dual shafts not exceeding the height of the horse's withers. Shafts must be hooked separately on each side.

(z) "Time of Race Meeting" means that period of time commencing at 12:01 A.M. on the first day of racing at a recognized meeting and concluding at 12:00 midnight after the final race of the last day of racing as allocated and licensed by the Board.

(aa) "Wagering Interest" is any one horse in a race.

~~(aa)~~ bb "Weight for Age" means the standard weight to be carried by a horse according to the scale established by the rules, and remains such though there be penalties or allowances.

Authority: Sections 19440, 19562 and 19563, Business and Professions Code.

Reference: Sections 19401(e) and 19420, Business and Professions Code.

1954.1. Parlay Wagering on Win, Place or Show.

(a) The parlay is not a separate pari-mutuel pool, it is a series of wagers (consisting of legs) combining wagering entries in Win, Place or Show pools. The initial amount wagered constitutes the wager on the first leg, and if successful, the payout from the first leg constitutes the wager on the second leg, etc.

(b) A parlay wager is limited to Win, Place or Show which have a corresponding pool conducted on the race selected. The wager must combine at least two races but not more than six races. The races in a parlay must be in chronological order but do not need to be consecutive races or combine the same type pool.

(c) A parlay wager may only be on one pool and one wagering interest per leg and cannot combine wagers on races on other days.

(d) Payouts included as wagers in subsequent races and the final payout ~~to the parlay wagers~~ shall be broken to the nearest dime. Parlay breakage shall be reported separately and added to regular breakage at the end of the day for the purpose of taxation and distribution.

(e) Parlay payouts will be included as wagers in subsequent pools by the track operator so the amount of such wagers, including their impact on the wagering odds, will be displayed. Wager totals in such pools shall be displayed in truncated fashion, to the lowest dollar.

(f) Parlay wagers may be cancelled by the ticket holder, in accordance with track policy, only before the start of the first parlay leg in which a parlay selection starts. Parlay wagers not cancelled must be completed or terminated by operation of these rules in order to be entitled to a payout.

(g) If a race, pool or wagering entry in a parlay is scratched, which includes an entry being declared a non-starter for wagering purposes, or a race or pool is cancelled, the parlay shall consist of the remaining legs. The parlay terminates if there are no remaining legs.

~~(h) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of the coupled entry or field starts for parimutuel purposes in accordance with Rule 1974 of this Article.~~

Authority: Sections 19440 and 19590, Business and Professions Code.

Reference: Sections 19594, and 19597 ~~and~~ 19598, Business and Professions Code.

1957. Daily Double.

(a) The Daily Double is a separate ~~parimutuel~~ pari-mutuel pool established on two ~~(2)~~ races. The pool consists of amounts wagered on the selection of the winning horse of both races. It is not a parlay and has no connection with or relation to other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Daily Double ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Daily Double provisions and rules contained in this ~~Article~~ article.

(c) The association shall distribute the net pool to holders of valid tickets that correctly selected the winner of both races. If no ticket selected the winner of both races, the net pool shall be distributed as a place pool among tickets that included the winner of the first race and tickets that included the winner of the second race.

(d) If no ticket included the winner of the first race the net pool shall be distributed equally among tickets that included the winner of the second race; and, if no ticket included the winner of the second race the net pool shall be distributed equally among tickets that included the winner of the first race.

(e) If no ticket included the winner of either race the net pool shall be distributed equally among tickets selecting the second place finishers of both races.

(f) The association shall refund the entire pool if no ticket requires a payout or if the first race is cancelled.

(g) If the second race is cancelled after the first race has been completed, the net pool shall be distributed as a single price pool among tickets selecting the winner of the first race.

(h) Before the first race is run, any money wagered on a horse in either race that is scratched, excused by the ~~Stewards~~ stewards or prevented from racing shall be deducted from the pool and refunded.

(i) If any horse is scratched, excused by the ~~Stewards~~ stewards or prevented from racing because of the failure of the stall doors or starting gate to open in the second race, after the first race has been completed, all tickets including such horse(s) shall be deducted from the pool, and the pool(s), thus formed shall be distributed as a straight pool(s) among tickets combining the winner of the first race with such horse(s).

~~(j) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.~~

(kj) If a dead heat occurs in either race the net pool is figured as a place pool. Example: Number eight (~~8~~) and five (~~5~~) dead heat in the first race, and number three (~~3~~) wins the second race, the pool would be divided and apportioned to tickets bearing eight (~~8~~) and three (~~3~~), and five (~~5~~) and three (~~3~~).

Authority: Sections 19440 and 19590, Business and Professions Code.

Reference: Section ~~19594~~ 19590, Business and Professions Code.

1959. Special Quinella (Exacta).

(a) The Special Quinella is not a parlay and has no connection with or relation to the win, place and show pools shown on the totalizator board. All tickets on the Special Quinella will be calculated in a separate pool.

(b) A Special Quinella race shall be given a distinctive name to be selected by the association ~~conducting such race~~, such as "Perfecta" or "Exacta," subject to the approval of the Board.

(c) All Special Quinella tickets will be for the win and place combination only. Each person purchasing a Special Quinella ticket shall designate the exact order in which the first two horses will finish in a Special Quinella race. For example, if number 3 three is selected to finish first and number 6 six is selected to finish second, they must come in number 3 three, first and number 6 six second in order to win.

~~(d) Entries or field horses in a race comprising the Special Quinella shall race as single wagering interests for the purposes of mutuel pool calculations and payouts to the public. If, in the event that any part of the entry or the field is a starter, there shall be no refund to persons wagering on such entry or field. In the event any part of an entry or the field finishes first, the order of finish of all other horses making up such entry or field will be disregarded in determining which horse finished second for the purpose of this rule.~~

(ed) Should any horse or horses entered in a Special Quinella race be scratched or excused by the ~~Stewards~~ stewards after wagering has commenced or should any horse or horses be prevented from racing because of the failure of the stall doors of the starting gate to open, all tickets including such horse or horses shall be deducted from the Special Quinella ~~Pool~~ pool and money refunded to the purchasers of tickets on the horse or horses so excused or prevented from racing.

(fe) In the event that no ticket is sold on the winning combination of a Special Quinella ~~Pool~~ pool, the net pool shall be distributed equally among holders of tickets selecting the winning horse to finish first and holders of tickets selecting the second place horse to finish second.

(gf) In the event of a dead-heat between two horses for first place, the net pool shall be calculated and distributed as a place pool to holders of the winning combinations.

(hg) In the event of a dead-heat between two or more horses for place, all tickets designating the proper first horse to win which are coupled with any of the place horses involved in a dead-heat shall be the winners of the Special Quinella race and payouts calculated according to their respective interest in the net pool.

(ih) In the event of a dead-heat for second place, if no ticket is sold on one of the two winning combinations, the entire net pool shall be calculated as a win pool and distributed to those holding tickets on the other winning combinations. If no tickets combine the winning horse with either of the place horses in the dead-heat the Special Quinella ~~Pool~~ pool shall be calculated and distributed to holders of tickets designating the winning horse or either of the place horses according to their respective interest in the net pool.

(ji) In the event of a dead-heat among three or more horses for first place, the net pool shall be calculated and distributed to holders of tickets designating any two of the horses participating in the dead-heat according to their respective interest in the net pool.

(kj) In the event that no ticket is sold that would require distribution to any winner as above defined the Special Quinella shall be deemed "No Contest" and all money in the Special Quinella shall be promptly refunded.

Authority: Sections 19440 and 19590, Business and Professions Code.

Reference: Section 19594 ~~19590~~, Business and Professions Code.

1976. Unlimited Sweepstakes.

(a) The Unlimited Sweepstakes ~~parimutuel~~ pari-mutuel pool is not a parlay and has no connection with or relation to any other ~~parimutuel~~ pool conducted by the association, nor to any win, place and show pool shown on the totalizator, nor to the rules governing the distribution of such other pools.

(b) An Unlimited Sweepstakes ~~parimutuel~~ ticket shall be evidence of a binding contract between the holder of the ticket and the association and the said ticket shall constitute an acceptance of the Unlimited Sweepstakes provisions and rules contained in this article ~~Article~~ 18.

(c) An Unlimited Sweepstakes may be given a distinctive name by the association conducting the meeting, subject to approval of the Board.

(d) The Unlimited Sweepstakes ~~parimutuel~~ pool consists of amounts contributed for a selection for win only in each of nine races designated by the association with the approval of the Board. Each person purchasing an Unlimited Sweepstakes ticket shall designate the winning horse in each of the nine races comprising the Unlimited Sweepstakes.

~~(e) Those horses constituting an entry of coupled horses or those horses coupled to constitute the field in a race comprising the Unlimited Sweepstakes shall race as a single wagering interest for the purpose of the Unlimited Sweepstakes parimutuel pool calculations and payouts to the public. However if any part of either an entry or the field racing as a single wagering interest is a starter in a race the entry or the field selection shall remain as the designated selection to win in that race for the Unlimited Sweepstakes calculation and the selection shall not be deemed a scratch.~~

(fe) The Unlimited Sweepstakes ~~parimutuel~~ pool shall be calculated as follows:

(1) One hundred percent (~~100%~~) of the net amount in the ~~parimutuel~~ pool subject to distribution among winning ticket holders shall be distributed among the holders of ~~parimutuel~~ tickets ~~which~~ that correctly designate the official winner in each of the nine races comprising the Unlimited Sweepstakes.

(2) In the event there is no ~~parimutuel~~ ticket properly issued ~~which~~ that correctly designates the official winner in each of the nine races comprising the Unlimited Sweepstakes,

~~twenty-five~~ 25 percent (~~25%~~) of the net amount in the ~~parimutuel~~ pool shall be distributed among the holders of ~~parimutuel~~ tickets ~~which that~~ correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes, and the remaining ~~seventy-five~~ 75 percent (~~75%~~) of the net amount in the ~~parimutuel~~ pool shall not be distributed as provided above but shall be retained by the association as distributable amounts and shall be carried over and included in the Unlimited Sweepstakes ~~parimutuel~~ pool for the next succeeding racing date as an additional net amount to be distributed as provided in subsection (~~fe~~)(1).

(~~gf~~)(1) Except as provided in subsection (~~kj~~) and subsection (~~ml~~), should no distribution be made pursuant to subsections (~~fe~~)(1), then the distributable pool and all monies accumulated therein shall be carried over until that amount equals or exceeds five million dollars (~~\$5,000,000~~) or such lesser amount as the racing association designates to the Board at the time it files its license application with the Board.

(2) Once the pool and all monies accumulated therein equals or exceeds five million dollars, or such lesser amount designated by the racing association pursuant to subsection (~~gf~~)(1), that amount shall be distributed on the next racing day as provided in subsection (~~fe~~)(1); but if no holder of ~~parimutuel~~ tickets correctly designates the official winner in each of the nine races comprising the Unlimited Sweepstakes, then ~~seventy-five~~ 75 percent (~~75%~~) of the pool shall be distributed among the holders of ~~parimutuel~~ tickets ~~which that~~ correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes. The remaining ~~twenty-five~~ 25 percent (~~25%~~) of the pool shall be distributed to those holders of ~~parimutuel~~ tickets ~~which that~~ correctly designate the next greatest number of official winners.

(~~hg~~) In the event an Unlimited Sweepstakes ticket designates a selection in any one or more of the races comprising the Unlimited Sweepstakes and that selection is scratched, excused or determined by the ~~Stewards~~ stewards to be a nonstarter in the race, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start of the race, will be substituted for the non-starting selection for all purposes, including pool calculations and payouts.

(~~ih~~) In the event of a dead heat for win between two or more horses in any Unlimited Sweepstakes race, all such horses in the dead heat for win shall be considered as winning horses in the race for the purpose of calculating the pool.

(~~ji~~)(1) In the event that all nine races comprising the Unlimited Sweepstakes are cancelled or declared as no contest, all ~~parimutuel~~ tickets held on the Unlimited Sweepstakes for that day or night shall be refunded and the Unlimited Sweepstakes shall be cancelled in its entirety for that day or night and any retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (~~fe~~)(2) shall be carried over to the next succeeding racing date of that meeting.

(2) In the event that fewer than nine, but no more than three, races comprising the Unlimited Sweepstakes are completed due to the cancellation of one or more races or the ~~Stewards~~ stewards declaring one or more races as no contest, the pool for that racing day shall be refunded and the Unlimited Sweepstakes shall be cancelled in its entirety as provided in subsection (~~ji~~)(1).

(3) In the event that fewer than nine, but no fewer than four, races comprising the Unlimited Sweepstakes are completed due to the cancellation of one or more races or the ~~Stewards~~ stewards declaring one or more races as no contest, ~~one-hundred~~ 100 percent (~~100%~~) of the net amount in the ~~parimutuel~~ pool for that day or night, exclusive of any retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (~~fe~~)(2), shall be subject to distribution among holders of ~~parimutuel~~ tickets ~~which that~~ correctly designate the most winners in the completed races of the Unlimited Sweepstakes. The

retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (~~fe~~)(2) shall be carried over to the next succeeding racing date of that meeting.

(~~kj~~) (1) Should no distribution be made pursuant to subsection (~~fe~~)(1) on the last day of the association's race meeting, then the distributable pool and all monies accumulated therein shall be distributed on that day. Seventy-five percent (~~75%~~) of the pool shall be distributed among holders of ~~parimutuel~~ tickets ~~which that~~ correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes. The remaining ~~twenty-five~~ 25 percent (~~25%~~) of the pool shall be distributed to those holders of ~~parimutuel~~ tickets ~~which that~~ correctly designate the next greatest number of official winners.

(2) In the event that an association is unable to distribute the retained distributable amount carried over from any prior Unlimited Sweepstakes pool established pursuant to subsection (~~fe~~)(2) by the end of its race meeting due to cancellation of the final day(s) or night(s) of racing or any other reason, the retained distributable amount shall be carried forward to the next race meeting having an Unlimited Sweepstakes at the same location and of the same breed of horse as the racing association that generated the retained distributable amount. The retained distributable amount shall be included in the Unlimited Sweepstakes pool for the first day or night of racing at the subsequent race meeting.

(1) No ~~parimutuel~~ ticket for the Unlimited Sweepstakes pool shall be sold, exchanged or cancelled after the time of the closing of wagering in the first of the nine races comprising the Unlimited Sweepstakes, except for such refunds on Unlimited Sweepstakes tickets as required by this regulation, and no person shall disclose the number of tickets sold in the Unlimited Sweepstakes pool or the number or amount of tickets selecting winners of Unlimited Sweepstakes races until such time as the ~~Stewards~~ stewards have determined the last race comprising the Unlimited Sweepstakes each day to be official.

(~~ml~~) The racing association may, at its election, designate to the Board, at the time it files its license application with the Board, one or more racing days (nights) during its racing meeting on which the retained distributable amount carried over from any prior Unlimited Sweepstakes pool established pursuant to subsection (~~fe~~)(2), shall be distributed as provided in subsection (~~gf~~)(2), even though the retained amount is less than the amount specified in or designated by the racing association pursuant to subsection (~~gf~~)(1).

Authority: Sections ~~19420~~, 19440 and 19590, Business and Professions Code.

Reference: Section 19594 ~~19590~~, Business and Professions Code.

1976.8. Place Pick (n).

(a) The Place Pick (n) is a separate ~~parimutuel~~ pari-mutuel pool established by the association on a designated number of races. The pool consists of amounts wagered on the horse to finish first or second in each of the races. It is not a parlay and has no connection with or relation to other pools conducted by the association, except for the provisions in subsection (~~ed~~), or to rules governing the distribution of other pools.

(b) A valid Place Pick (n) ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Place Pick (n) provisions and rules contained in this ~~Article~~ article.

(c) A Place Pick (n) may be given a distinctive name by the association conducting the meeting, subject to Board approval.

(~~d~~) ~~A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.~~

(~~ed~~) If a ticket in any race designates a selection that was scratched, excused or determined by the ~~Stewards~~ stewards to be a nonstarter in the race, the association may designate the actual favorite, which is determined by the amounts wagered in the win pool at the time of

the start of the race, or may allow patrons the option of selecting an alternate betting interest. The actual favorite or the alternate betting interest will be substituted for the non-starting selection for all purposes.

~~(fe) Except as provided in subsection (f)(1), in~~ In a dead heat for win between two ~~(2)~~ or more horses, only the horses in such dead heat shall be considered winning horses.

~~(1) In a dead heat for win between two (2) or more coupled horses, all such horses together with the horse(s) which finishes next in order shall be considered winning horses.~~

~~(21) Except as provided in subsection (f),~~ In a dead heat for second between two ~~(2)~~ or more horses, all such horses together with the horse which finished first shall be considered winning horses.

~~(gf)~~ The association shall distribute the net pool to holders of valid tickets that correctly selected the most first or second place finishers.

~~(hg)~~ All tickets shall be refunded if all races comprising the Place Pick (n) are cancelled or declared as no contest. The entire pool shall be refunded if less than four ~~(4)~~ races are completed and if four ~~(4)~~ or more races are completed the net pool shall be distributed pursuant to subsection ~~(gf)~~.

~~(ih)~~ After wagering closes on the first race comprising the Place Pick (n) no ticket shall be sold, exchanged or cancelled. No person shall disclose the number of tickets sold in the Place Pick (n) or the number or amount of tickets that selected winners of Place Pick (n) races until the ~~Stewards~~ stewards declare the last race official.

Authority: Sections 19440; and 19590 ~~and 19593~~, Business and Professions Code.

Reference: Sections 19440, 19590, ~~and 19593~~ and 19594, Business and Professions Code.

1976.9. Pick (n) Pool.

(a) The Pick (n) requires selection of the first-place finisher in each of a number of races designated by the association. The association shall designate the percentage of the net pool considered the major share, and the percentage of the net pool considered the minor share, if any. The number of races comprising a Pick (n) must be at least four but no more than ten. Subsequent changes to the Pick (n) shall be requested in writing by the association. The Board or its designated representative shall respond in writing to requests within five working days of their receipt at Board headquarters.

(b) The major share of the net Pick (n) pool, along with the Pick (n) carryover, shall be distributed to ticket holders that selected the first-place finisher in each of the Pick (n) races, based upon the official order of finish, and the minor share of the net Pick (n) pool shall be distributed as a win pool to ticket holders whose selection finished first in the second greatest number of Pick (n) races; if there are no wagers selecting the first place finisher in each of the Pick (n) races, then:

(1) The minor share of the net pool shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races, and

(2) The major share of the net Pick (n) pool shall be retained by the association and added to the corresponding Pick (n) pool of the next performance. The additional Pick (n) pool resulting from such a carryover shall be termed the "Pick (n) carryover."

(c) In a dead heat for first in any of the Pick (n) races involving:

~~(1) Coupled horses or horses coupled to constitute the field, the Pick (n) pool shall be distributed as if a dead heat had not occurred, or~~

~~(21)~~ Horses representing two or more wagering interests, all horses in the dead heat for win shall be considered winning horses to calculate the pool.

(d) If a wagering interest in any of the Pick (n) races is scratched, the association may designate the favorite, determined by total amounts wagered in the win pool at the close of wagering on that race, or allow patrons the option of selecting an alternate wagering interest.

The favorite or alternate wagering interest shall be substituted for the scratched wagering interest for all purposes. If the association elects to designate the favorite and the win pool total is identical for two or more horses, the horse with the lowest program number is used. The totalizator shall produce written reports showing each of the wagering combinations with substituted wagering interests that became winners as a result of the substitution, in addition to the normal winning combination, at the end of each race where substitutions occur.

(e) The Pick (n) pool shall be canceled and all Pick (n) wagers for the individual performance shall be refunded if:

(1) Three or more races included as part of a Pick 4, Pick 5 or Pick 6 are canceled or declared no contest; or

(2) Four or more races included as part of a Pick 7, Pick 8 or Pick 9 are canceled or declared no contest; or

(3) Five or more races included as part of a Pick 10 are canceled or declared no contest.

(f) If at least one race included as part of a Pick (n) is canceled or declared no contest, but fewer than the number specified in subsection (e), the net pool shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races for that performance. Such distribution shall include the portion ordinarily retained for the Pick (n) carryover but not the carryover from previous performances.

(g) The Pick (n) carryover may be capped at an amount designated by the association, with Board approval. If, at the close of any performance, the carryover equals or exceeds the designated cap, it will be frozen until it is won or distributed under other provisions of this rule. After the carryover is frozen, 100% percent of the net pool shall be distributed to ticket holders whose selection finished first in the greatest number of Pick (n) races for that performance.

(h) Permission to distribute the Pick (n) carryover on a specific date and performance shall be obtained from the Board. The mandatory payout request must contain the intended date and performance for the distribution.

(i) If the Pick (n) carryover is designated for distribution on a specified date and performance in which no wagers selects the first-place finisher in each of the Pick (n) races, the entire pool including the carryover shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races. The Pick (n) carryover shall be designated for distribution on a specified date and performance only under the following circumstances:

(1) With written approval from the Board as provided in subsection (h); or

(2) With written approval from the Board when there is a change in the carryover cap, a change from one type of Pick (n) wagering to another, or when the Pick (n) is discontinued; or

(3) On the closing performance of the meet or split meet.

(j) If the Pick (n) carryover must be carried over to the corresponding Pick (n) pool of a subsequent meet, it shall be deposited in an interest-bearing account approved by the Board. The Pick (n) carryover plus accrued interest shall then be added to the net Pick (n) pool of the following meet on a date and performance designated by the association, with Board approval.

(k) With Board approval, the association may contribute to the Pick (n) carryover a sum of money up to the amount of any designated cap.

(l) No ticket for the Pick (n) pool shall be sold, exchanged or canceled after the close of wagering in the first race comprising the Pick (n), except for refunds required by this rule.

(m) Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of live tickets remaining is prohibited. The totalizator will be programmed to suppress all information related to Pick (n) wagering activity until the conclusion of the final race except for the following:

(1) Total amount of the net pool at the close of Pick (n) wagering.

(2) Information regarding possible Pick (n) payouts for each of the runners when the last race of the Pick (n) pool is the only race remaining to be run.

(n) If the racing surface changes from turf to dirt or dirt to turf in any race of a Pick (n) pool, and such change was not announced to the public before the close of wagering on the Pick (n) pool, all wagers on such race shall be considered winning wagers for the purposes of the Pick (n) pool.

Authority: Sections 19440 and 19590, Business and Professions Code.

Reference: Sections ~~19440, 19590 and~~ 19593 and 19594, Business and Professions Code.

1977. Pick Three.

(a) The Pick Three is a separate ~~parimutuel~~ pari-mutuel pool established on three (~~3~~) consecutive races. The pool consists of amounts wagered on the winning horse in each of the races. It is not a parlay and has no connection with or relation to other pools conducted by the association, except for the provisions in subsection (~~hg~~), or to rules governing the distribution of other pools.

(b) A valid Pick Three ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Pick Three provisions and rules contained in this ~~Article~~ article.

~~(c) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.~~

~~(dc)~~ The association shall distribute the net pool to holders of valid tickets that correctly selected the winners in all three (~~3~~) races.

~~(ed)~~ In a dead heat for win between two (~~2~~) or more horses in any of the Pick Three races, all such horses shall be considered winning horses in that race for calculating the pool. The payout shall reflect the proportionate amount of money wagered on each winning combination.

~~(fe)~~ If no ticket selected the winner in all three (~~3~~) races, the net pool shall be paid for tickets that selected the winner in any two (~~2~~) races; and if no ticket selected two (~~2~~) winners the net pool shall be paid for tickets that selected the winner of any one (~~1~~) race. The association shall refund the entire pool if no ticket selected the winner of any one (~~1~~) race.

~~(gf)~~ If one (~~1~~) of the races is cancelled, the net pool shall be distributed as provided in subsection (~~fe~~). If more than one (~~1~~) race is cancelled the association shall refund the entire pool.

~~(hg)~~ A ticket designating a selection that was scratched, excused or determined by the ~~Stewards~~ stewards to be a nonstarter in the race, shall have the favorite, which is determined by the amounts wagered in the win pool at the time of the start of the race, substituted for the non-starting selection for all purposes.

~~(ih)~~ After wagering closes on the first race of the Pick Three no ticket shall be sold, exchanged or cancelled. No person shall disclose the number of tickets sold in the Pick Three races or the number or amount of tickets that selected winners of Pick Three races until the ~~Stewards~~ stewards declare the last race official. After the second of the three (~~3~~) races, the association may display potential distributions dependent upon the outcome of the third race.

Authority: Sections 19440 and 19590, Business and Professions Code.

Reference: Section 19594 ~~19590~~, Business and Professions Code.

1978. Select Four.

(a) The Select Four ~~parimutuel~~ pari-mutuel pool is not a parlay and has no connection with or relation to any other ~~parimutuel~~ pool conducted by the association, nor to any win, place and show pool shown on the totalizator board, nor to the rules governing the distribution of such other pools.

(b) A valid Select Four ticket shall be evidence of a binding contract between the holder of the ticket and the racing association, and the said ticket shall constitute an acceptance of

Select Four provisions and rules contained in ~~Article 18~~ this article.

(c) A Select Four may be given a distinctive name to be selected by the association conducting such races, such as "PICK 4", subject to the approval of the Board.

(d) The Select Four ~~parimutuel~~ pool consists of amounts contributed for a selection for win only in each of four races designated by the association with the approval of the Board. Each person purchasing a Select Four ticket shall designate the winning horse in each of the four races comprising the Select Four.

~~(e) Those horses constituting an entry of coupled horses or those horses coupled to constitute the field in a race comprising the Select Four shall race as a single wagering interest for the purpose of the Select Four parimutuel pool calculations and payouts to the public. However, if any part of either an entry or the field racing as a single interest is a starter in a race, the entry or the field selection shall remain as the designated selection to win in that race for the Select Four calculation, and the selection shall not be deemed a scratch.~~

~~(f)~~ (e) The net amount in the ~~parimutuel~~ pool subject to distribution among winning ticket holders shall be distributed among the holders of tickets ~~which~~ that correctly designate the winners in all four races comprising the Select Four.

~~(g)~~ (f) If no ticket is sold combining the four winners of the Select Four, the net amount in the ~~parimutuel~~ pool shall be distributed among the holders of tickets ~~which~~ that include the winners of any three of the four races comprising the Select Four.

~~(h)~~ (g) If no ticket is sold combining at least three winners of the Select Four, the net amount in the ~~parimutuel~~ pool shall be distributed among holders of tickets ~~which~~ that include the winner of any two races comprising the Select Four.

~~(i)~~ (h) If no ticket is sold combining at least two winners of the Select Four, the net amount in the ~~parimutuel~~ pool shall be distributed among holders of tickets ~~which~~ that include the winner of any one race comprising the Select Four.

~~(j)~~ (i) If no ticket is sold that would require distribution of the Select Four pool to a winner under this rule, the association shall make a complete and full refund of the Select Four pool.

~~(k)~~ (j) If for any reason one of the races comprising the Select Four is cancelled, the net amount of the ~~parimutuel~~ pool shall be distributed as provided above in subsections (f), (g), (h); and (i) ~~and~~ ~~(j)~~.

~~(l)~~ (k) If for any reason two or more of the races comprising the Select Four is cancelled, a full and complete refund will be made of the Select Four pool.

~~(m)~~ (l) In the event a Select Four ticket designates a selection in any one or more of the races comprising the Select Four and that selection is scratched, excused or determined by the ~~Stewards~~ stewards to be a non-starter in the race, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start of the race, will be substituted for the non-starting selection for all purposes, including pool calculations and payouts.

~~(n)~~ (m) In the event of a dead heat for win between two or more horses in any Select Four race, all such horses in the dead heat for win shall be considered as winning horses in the race for the purpose of calculating the pool.

~~(o)~~ (n) No ~~parimutuel~~ ticket for the Select Four pool shall be sold, exchanged or cancelled after the time of the closing of wagering in the first of the four races comprising the Select Four, except for such refunds on Select Four tickets as required by this regulation, and no person shall disclose the number of tickets sold in the Select Four pool or the number or amount of tickets selecting winners of Select Four races until such time as the ~~Stewards~~ stewards have determined the last race comprising the Select Four to be official. Notwithstanding the above, at the conclusion of the third of the four races comprising the Select Four, an association may with the approval of the Board display potential distribution to ticket holders depending upon the outcome of the fourth race of the Select Four.

Reference: Section 19594 ~~19590~~, Business and Professions Code.

1979. Trifecta.

(a) The Trifecta is a separate pari-mutuel pool established on a single race. The pool consists of amounts wagered on horses to finish first, second and third in that exact order. It is not a parlay and has no connection with or relation to other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Trifecta ticket is evidence of a binding contract between the holder of the ticket and the association and constitutes acceptance of Trifecta provisions and rules contained in this article.

(c) No Trifecta pool shall be established for a race with less than six wagering interests scheduled to start when the Trifecta pool opens for wagering in California. ~~A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for pari-mutuel purposes in accordance with Rule 1974.~~

(d) After the stewards' official order of finish is posted, the association shall distribute the net pool to holders of valid tickets that correctly selected the first, second and third finishers.

(e) In a dead heat for first or second position, only tickets selecting the correct order of finish for the first three finishers shall be winning tickets; that is, two horses in a dead heat for first shall be first and second, in either position; and two horses in a dead heat for second shall be second and third, in either position. In a triple dead heat for first, the three horses shall be the winning combination regardless of the order of selection. In a triple dead heat for second, tickets with the correct first selection and two of the three horses shall be winning tickets. In a triple dead heat for third, tickets with the correct first and second selection and one of the three horses shall be winning tickets.

(f) If no ticket correctly selected the first, second and third position, the net pool shall be paid for tickets that selected first and second. If no ticket selected first and second the net pool shall be paid for tickets that selected first. The association shall refund the entire pool if no ticket selected first.

(g) If the stewards scratch a horse before wagering is closed, the association may exchange any ticket that includes the scratched horse. After wagering is closed, tickets selecting a scratched horse or a horse the stewards declared a nonstarter shall be eliminated from the pool and the purchase price refunded.

Authority: Sections 19440, and 19590, Business and Professions Code.

Reference: Section 19594 ~~19590~~, Business and Professions Code.

1979.1. Superfecta.

(a) The Superfecta is a separate pari-mutuel pool established on a single race. The pool consists of amounts wagered on horses to finish first, second, third, and fourth in that exact order. It is not a parlay and has no connection with other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Superfecta ticket is evidence of a binding contract between the holder of the ticket and the association and constitutes acceptance of Superfecta provisions and rules contained in this article.

(c) No Superfecta pool shall be established for a race with less than eight wagering interests scheduled to start when the Superfecta pool opens for wagering in California. ~~A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of the entry starts for pari-mutuel purposes under Rule 1974 of this division.~~

(d) After the stewards' official order of finish is posted, the association shall distribute the net pool to holders of valid tickets that select the first, second, third, and fourth finishers.

(e) In a dead heat for first, second, or third position, only tickets selecting the correct

order of finish for the first four finishers shall be winning tickets; that is, two horses in a dead heat for first shall be first and second, in either position; two horses in a dead heat for second shall be second and third, in either position; and two horses in a dead heat for third shall be third and fourth, in either position. In a dead heat for fourth, tickets with the correct first, second, and third selection and one of the two horses in the dead heat for fourth shall be winning tickets. In a triple dead heat for first, tickets selecting the three horses in the dead heat, regardless of the order of selection, and the horse finishing fourth shall be winning tickets. In a triple dead heat for second, tickets with the correct first selection and all three horses in the dead heat shall be winning tickets. In a triple dead heat for third, tickets with the correct first and second selection and two of the three horses in the dead heat shall be winning tickets. In a triple dead heat for fourth, tickets with the correct first, second, and third selection and one of the horses in the dead heat shall be winning tickets.

(f) If no ticket selects the first, second, third, and fourth position, the net pool shall be paid for tickets that select first, second, and third. If no ticket selects first, second, and third position, the net pool shall be paid for tickets that select first and second. If no ticket selects first and second, the net pool shall be paid for tickets that select first. The association shall refund the entire pool if no ticket selects first.

(g) If the stewards scratch a horse before wagering is closed, the association may exchange any ticket that includes the scratched horse. After wagering is closed, tickets selecting a scratched horse or a horse the stewards declared a nonstarter shall be eliminated from the pool and the purchase price refunded.

Authority: Sections 19440 and 19590, Business and Professions Code.

Reference: Section 19594 ~~19590~~, Business and Professions Code.

NOTICE OF PROPOSAL TO AMEND

RULE 1472. RAIL CONSTRUCTION AND TRACK SPECIFICATIONS

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

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1472. Rail Construction and Track Specifications. The proposed amendment would exempt synthetic and polymer or wax-coated sand track surfaces from the cross-slope requirements for straight-aways and turns as provided in Subsection (1)(1)(2) of Rule 1472.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, April 27, 2006**, or as soon after that as business before the Board will permit, at the **Hollywood Park Racetrack, 1050 South Prairie Avenue, Inglewood, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m., on April 10, 2006**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone (916) 263-6397
Fax: (916) 263-6042
E-Mail: harolda@chrb.ca.gov

AUTHORITY AND REFERENCE

Authority cited: Sections 19420 and 19440, Business and Professions (B&P) Code. Reference: Section 19481, B&P Code.

B&P Code Sections 19420 and 19440 authorize the Board to adopt the proposed regulation, which would implement, interpret or make specific Section 19481, B&P Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

B&P Code Section 19420 states jurisdiction and supervision over meetings in California where horse races with wagering on their results are held, and over all persons or things having to do with the operation of such meetings, is vested in the Board. B&P Section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include, but not be limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19481 provides that in performing its responsibilities, the Board shall establish safety standards governing the uniformity and content of the track base and racing surface, and other track facilities to improve the safety of horses, riders, and workers at the racetrack.

Safety at racetrack facilities is an ongoing concern of the Board. An important component of the Board's safety program is the condition of the racetrack. In California, every racetrack has a dirt track, and a number of racetracks also have a turf course. Such tracks require constant maintenance to maintain consistency in the surface from day to day. In addition, organic tracks are affected by weather, which can cause track conditions to change from morning to afternoon. The inconsistency in organic racetracks is seen as a major reason for injuries and breakdowns in racehorses. This is also a concern for jockeys and other racing participants, who face the possibility of serious injury when a horse goes wrong or breaks down when training or during a race. California trainers recently raised concerns about the quality of this state's organic racetracks. The track safety committee of California Thoroughbred Trainers reported that injuries to racehorses are seriously depleting the racing population in California, which is reflected in increasingly smaller fields. California has become a less desirable place to race because racing surfaces contribute to injuries and breakdowns. While the Board and the industry have an ongoing commitment to work towards making the state's organic racetracks safer in the short term, a long-term solution is seen in synthetic racetrack surfaces. Several of California's racing associations have initiated plans to replace their dirt tracks with synthetic surfaces. These synthetic surfaces are currently in use in Europe and in some parts of the United States and have demonstrated a safety record that is believed by many to be superior to traditional dirt tracks. The Board has encouraged California racing associations to explore alternatives to organic dirt racetracks; however, Rule 1472 currently provides requirements for the cross slope of the straight-aways and curves of dirt racetracks to provide for drainage. The synthetic track surfaces racing associations propose to install have sophisticated drainage systems and do not require any slope. To accommodate the installation of synthetic racetrack surfaces, the Board proposes to amend Rule 1472 to provide an exemption for synthetic and polymer or wax-coated sand track

surfaces from the cross slope requirements for straight-aways and turns provided in Subsection (1)(1)(2) of Rule 1472. No specifications regarding slope and drainage for synthetic track surfaces have been proposed as the installation of a synthetic surface tends to be tailored to the environmental requirements of each track. In addition, there are multiple types of synthetic racetrack surfaces, and the Board anticipates additional products will be introduced in the future.

The Board also proposes to modify Subsection 1472(1) to remove the requirement that a written certification regarding certain racetrack conditions be provided by racing associations. The subsection requires the certifications be made by a Land Surveyor or Registered Civil Engineer licensed by the State of California, Board of Registration for Professional Engineers and Land Surveyors; however, it has been determined that after the installation of grade marks and receipt of the initial certifications, continuing the requirement was burdensome and unnecessary. The nature of organic track surfaces are such that maintenance is an ongoing concern, and is closely monitored by the associations and the horsemen's organizations.

DISCLOSURE REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

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

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

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

The Board has made an initial determination that the proposed amendment of Rule 1472 will not have a significant, statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

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

Significant effect on housing costs: none.

The adoption of the proposed amendment of Rule 1472 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California.

Effect on small businesses: none. The proposal to amend Rule 1472 does not affect small businesses because horse racing is not a small business under Government Code Section 11342.610.

CONSIDERATION OF ALTERNATIVES

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

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

CONTACT PERSON

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

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 263-6397
E-mail: harolda@chrb.ca.gov

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

Pat Noble, Regulation Analyst
Telephone: (916) 263-6033

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

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

AVAILABILITY OF MODIFIED TEXT

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

AVAILABILITY OF STATEMENT OF REASONS:

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

BOARD WEB ACCESS

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

INITIAL STATEMENT OF REASONS

RULE 1472. RAIL CONSTRUCTION AND TRACK SPECIFICATIONS.

SPECIFIC PURPOSE OF THE REGULATION

The proposed amendment to Rule 1472, Rail Construction and Track Specifications, would exempt synthetic and polymer or wax-coated sand track surfaces from the cross-slope requirements for straight-aways and turns on dirt tracks as provided in Subsection (1)(1)(2) of Rule 1472.

NECESSITY

Safety at racetrack facilities is an ongoing concern of the Board. An important component of the Board's safety program is the condition of the racetrack. In California, every racetrack has a dirt track. Such tracks require constant maintenance to maintain consistency in the surface from day to day. In addition, organic tracks are affected by weather, which can cause track conditions to change from morning to afternoon. The inconsistency in organic racetracks is seen as a major reason for injuries and breakdowns in racehorses. This is also a concern for jockeys and other racing participants, who face the possibility of serious injury when a horse goes wrong or breaks down when training or during a race. California trainers recently raised concerns about the quality of this state's organic racetracks. The track safety committee of California Thoroughbred Trainers reported that injuries to racehorses are seriously depleting the racing population in California, which is reflected in increasingly smaller fields. California has become a less desirable place to race because racing surfaces contribute to injuries and breakdowns. While the Board and the industry have an ongoing commitment to work towards making the state's organic racetracks safer in the short term, a long-term solution is seen in synthetic racetrack surfaces. Several of California's racing associations have initiated plans to replace their dirt tracks with synthetic surfaces. These synthetic surfaces are currently in use in Europe and in some parts of the United States and have demonstrated a safety record that is believed by many to be superior to traditional dirt tracks. The Board has encouraged California racing associations to explore alternatives to organic dirt racetracks; however, Rule 1472 currently provides requirements for the cross slope of the straight-aways and curves of dirt racetracks to provide for drainage. The synthetic track surfaces racing associations propose to install have sophisticated drainage systems and do not require any slope. To accommodate the installation of synthetic racetrack surfaces, the Board proposes to amend Rule 1472 to provide an exemption for synthetic and polymer or wax-coated sand track surfaces from the cross slope requirements for straight-aways and turns provided in Subsection (1)(1)(2) of Rule 1472. No specifications regarding slope and drainage for synthetic track surfaces have been proposed as the installation of a synthetic surface tends to be tailored to the environmental requirements of each track. In addition, there are multiple types of synthetic racetrack surfaces, and the Board anticipates additional products will be introduced in the future.

The Board also proposes to modify Subsection 1472(1) to remove the requirement that racing associations provide a written certification regarding certain racetrack conditions. The subsection requires the certifications be made by a Land Surveyor or Registered Civil Engineer licensed by the State of California, Board of Registration for Professional Engineers and Land Surveyors; however, it has been determined that after the installation of grade marks and receipt of the initial certifications, continuing the requirement was burdensome and unnecessary. The nature of organic track surfaces are such that maintenance is an ongoing concern, and is closely monitored by the associations and the horsemen's organizations.

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

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

The adoption of Section 1472 has no significant adverse economic impact on small business.

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

The Board has determined that there were no alternatives considered which would be more effective in carrying out the purposes of the proposed regulation or would be more effective and less burdensome to affected private persons or businesses than the proposed regulation.

PROPOSED TEXT AMENDMENT

1472. Rail Construction and Track Specifications.

(a) All racing surfaces, including turf courses, shall have an inner rail, and ~~shall have~~ an outer rail or shadow fence designed to meet the same impact standards as a permanent rail.

(1) Racing surfaces used for standardbred racing shall have an inner rail or pylons, and ~~shall have~~ an outer rail or shadow fence designed to meet the same impact standards as a permanent rail.

(2) If pylons are used, no obstacle shall be placed within an area extending 25 feet from the inner boundary of the racing surface.

(b) All rail posts, except portable, auxiliary, or chute rail posts, must be set in concrete at least 6 inches below the racetrack surface and shall be at least 24 inches deep. Permanent rails shall be designed not to collapse or break away when a horse ~~which that~~ is running parallel to the rail ~~either~~ bumps, lugs or falls into the rail or posts during normal training or racing. Notwithstanding the above, no permanent or portable turf post or rail shall be constructed of fiberglass, poly vinyl chloride (P.V.C.), or wood, ~~nor and hedges shall not hedges~~ be used as a post or rail. ~~All existing wood rails will be required to be replaced by the 1996 race meetings.~~

(c) The height of all outside and inside rails shall be between 38 and 42 inches from the top of the racing surface to the top of the rail.

(d) All rails, and rail post covers shall be maintained ~~so as to ensure~~ with a smooth surface, and without jagged, sharp or irregular edges. All permanent rails and rail post covers shall be firmly secured by means of bolting, welding or other equivalent method.

(e) All permanent inside rail posts shall be of a gooseneck-type design utilizing at least a 24-inch overhang with a continuous smooth elevated cover extending over the posts. Portable rails and posts shall be designed not to collapse or break away when a horse ~~which that~~ is running parallel to the rail ~~either~~ bumps, lugs or falls into the rail or posts during normal training or racing conditions. This subsection shall not apply to chute extension rails.

(f) All turf course paths, leading from the inside rail of the main course to the turf course, shall be consistent in appearance with surrounding area. No rails shall be installed on turf course paths ~~which that~~ lead from the main course to the turf course.

(g) No objects shall be placed within 10 feet from the face of the inside rail. Marker poles ~~which that~~ are placed within 10 feet from the face of the inner rail shall be flexible enough to collapse upon impact of a horse and/or rider or driver.

(h) Any concrete drainage ditch within 10 feet of the face of the inside rail must be covered with a material that will support the weight of the horse and rider or driver and at the same time (if needed), and have padding to cushion the impact of the horse and rider or driver.

(i) All rail gate openings shall be designed not to collapse or break away when a horse ~~which that~~ is running parallel to the rail ~~either~~ bumps, lugs or falls into the rail or post during

normal training or racing. Gates shall have a uniform appearance with the contiguous rail, and all gates on inner rails shall be closed and secured during racing and training.

(j) Separate ingress and egress gates or gaps shall be provided for horses to enter and leave the main racetrack. Each ingress and egress gate or gap shall be a minimum of ~~twenty~~ (20) feet wide. Ingress and egress gates and gaps shall be separated by at least ~~twenty~~ (20) feet. All gaps may be available for ingress for two (~~2~~) minutes immediately following renovation breaks. The starting gates used for breaking horses during morning training hours shall be placed in a location ~~which~~ that will not result in interference or distraction of gate horses from other horses entering or leaving the track during training hours.

(k) All racetrack lighting systems utilized for night racing shall have ~~either~~ an emergency back-up system or a preferred electrical current provided by a public utility and incandescent lighting. Any such lighting systems must provide horses, riders, and drivers sufficient lighting to safely leave the track in case of a main power failure.

(l) All licensed racing associations or racing fairs conducting live racing and/or training and other training facilities used for timed and reported workouts shall have: ~~provide the Board with written certification by a Land Surveyor or Registered Civil Engineer licensed by the State of California, Board of Registration For Professional Engineers and Land Surveyor certifying:~~

(1) Permanent track surface elevation grade marks ~~have been~~ installed at least at every 1/32 mile intervals to provide for a means of maintaining a continuous uniform grade of the track cushion and base (if granite). If the track is designed with the front stretch or ~~back stretch~~ backstretch at a different elevation than the other, a continuous grade from one elevation to the other shall be maintained.

(2) ~~The percent of cross slope in both the straightaways and turns. There shall be a~~ A minimum of ~~two~~ 2 percent (~~2%~~) cross slope in the ~~straightaways~~ straight-aways and a minimum of ~~four~~ 4 percent (~~4%~~) cross slope in the center of the turns.

(3) Synthetic and polymer or wax-coated sand track surfaces shall be exempt from the requirements of Subparagraph (1)(1)(2) of this rule.

Authority: Sections 19420, and 19440 ~~and~~ 19481, Business and Professions Code.

Reference: Sections ~~19420, 19440 and~~ 19481, Business and Professions Code.

NOTICE OF PROPOSAL TO AMEND

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

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

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1433, Application for License to Conduct a Horse Racing Meeting. The proposed amendment states that effective January 1, 2008, no racing association that operates four or more continuous weeks of thoroughbred racing in a calendar year may be licensed to conduct a horse racing meeting at a facility that has not installed a polymer synthetic type racing surface.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, May 25, 2006**, or as soon after that as business before the Board will permit, at the **Los Alamitos Race Course, 4906 Katella Avenue, Los Alamitos, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m., on May 22, 2006**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone (916) 263-6397
Fax: (916) 263-6042
E-Mail: harolda@chr.ca.gov

AUTHORITY AND REFERENCE

Authority cited: Sections 19420 and 19440, Business and Professions (B&P) Code. Reference: Sections 19480 and 19562, B&P Code.

B&P Code Sections 19420 and 19440 authorize the Board to adopt the proposed regulation, which would implement, interpret or make specific Sections 19481 and 19562, B&P Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

B&P Code Section 19420 states jurisdiction and supervision over meetings in California where horse races with wagering on their results are held, and over all persons or things having to do with the operation of such meetings, is vested in the Board. B&P Section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include, but not be limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19481 provides that in performing its responsibilities, the Board shall establish safety standards governing the uniformity and content of the track base and racing surface, and other track facilities to improve the safety of horses, riders, and workers at the racetrack. B&P Code Section 19562 states the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in this State.

Safety at racetrack facilities is an ongoing concern of the Board. An important component of the Board's safety program is the condition of the racetrack. In California, every racetrack has an organic dirt track. Such tracks require constant maintenance to maintain consistency in the surface from day to day. In addition, organic tracks are affected by weather, which can cause track conditions to change from morning to afternoon. The inconsistency in organic dirt racetracks is seen as a major reason for injuries and breakdowns in racehorses. This is also a concern for jockeys and other racing participants, who face the possibility of serious injury when a horse goes wrong or breaks down when training or during a race. California trainers recently raised concerns about the quality of organic racetracks. The track safety committee of California Thoroughbred Trainers (CTT) reported that injuries to racehorses are seriously depleting the racing population in California, which is reflected in increasingly smaller fields. The CTT committee stated California has become a less desirable racing venue – in part - because dirt racing surfaces contribute to injuries and breakdowns. While the Board and the industry have an ongoing commitment to work towards making the state's organic racetracks safer in the short term, a long-term solution is seen in synthetic racetrack surfaces. These synthetic surfaces are

currently in use in Europe and in some parts of the United States and have demonstrated a safety record that is believed by many to be superior to traditional dirt tracks. Several of California's thoroughbred racing associations have initiated plans to replace their dirt tracks with synthetic surfaces. While the industry has taken steps toward implementing synthetic racetrack surfaces, the Board wishes to reinforce its commitment to this change by establishing a point in time when the goal of installing synthetic racing surfaces should be completed. The proposed amendment to Board Rule 1433 provides that as of January 1, 2008, a racing association operating four weeks or more of continuous thoroughbred racing in a calendar year shall not be licensed to conduct a horse racing meeting at a facility that has not installed a polymer synthetic type racing surface. In California there are five "major" thoroughbred racetracks that run meetings of four or more continuous weeks. The racetracks are: Del Mar Race Track; Santa Anita Park Race Track; Hollywood Park Race Track; Bay Meadows Race Track; and Golden Gate Fields Race Track. The Board realizes that not all racetracks that run thoroughbred meetings could meet the target date, or could afford to install a synthetic surface, so the California Fair Circuit, with meetings of fewer than four weeks, is exempt. In addition, harness and quarter horse racing venues are not affected by the proposed amendment, as the suitability of synthetic racing surfaces for these breeds has not been determined.

DISCLOSURE REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: There is an undetermined cost to the 22nd District Agricultural Association in compliance with the proposed action.

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

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

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

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

Cost impact on representative private persons or businesses: The Board is not aware of any cost impacts that a representative private person would necessarily incur in reasonable compliance with the proposed action. A representative business (one of the five affected race tracks) would incur costs of up to eight million dollars in reasonable compliance with the proposed action.

Significant effect on housing costs: none.

The adoption of the proposed amendment of Rule 1433 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California.

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

CONSIDERATION OF ALTERNATIVES

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

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

CONTACT PERSON

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

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 263-6397
E-mail: harolda@chr.ca.gov

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

Jacqueline Wagner, Manager, Policy and Regulation Unit
Telephone: (916) 263-6041

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

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

AVAILABILITY OF MODIFIED TEXT

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

AVAILABILITY OF STATEMENT OF REASONS:

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

BOARD WEB ACCESS

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

INITIAL STATEMENT OF REASONS

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

SPECIFIC PURPOSE OF THE REGULATION

The proposed amendment to Rule 1433, Application for License to Conduct a Horse Racing Meeting, would provide that after January 1, 2008, no racing association that conducts four or more continuous weeks of thoroughbred horse racing in a calendar year may be licensed to conduct a horse racing meeting at a facility that has not installed a polymer synthetic type racing surface.

NECESSITY

Safety at racetrack facilities is an ongoing concern of the Board. An important component of the Board's safety program is the condition of the racetrack. In California, every racetrack has an organic dirt track. While other athletic surfaces, such as football and baseball fields, have evolved with the advance of technology, the basic design of organic dirt tracks has not changed since they were first installed in the 1930s and 1940s. Such tracks require daily maintenance to maintain consistency in the surface, and they are affected by weather, which can cause track conditions to change from morning to afternoon. The inconsistency in organic dirt racetracks is seen as a major reason for injuries and breakdowns in racehorses. This is also a concern for jockeys and other racing participants who face the possibility of serious injury when a horse goes wrong or breaks down when training or during a race. California trainers recently addressed the safety of this state's organic dirt racetracks when the track safety committee of California Thoroughbred Trainers (CTT) reported that injuries to racehorses are seriously depleting the racing population in California. The CTT committee contends California has become a less desirable racing venue because of increasing numbers of injuries and breakdowns, which is reflected in increasingly smaller fields. While the Board and the industry are committed to making California's organic dirt racetracks safer in the short term, a long-term solution is seen in synthetic racetrack surfaces. These synthetic surfaces are currently in use in Europe and in some parts of the United States and have a demonstrated safety record that is believed by many to be superior to traditional dirt tracks. At a recent ad hoc meeting of thoroughbred trainers at Santa Anita Race Track a representative of Turfway Park reported that from August 3, 2005, to date, there were three catastrophic injuries to horses compared to 20 such injuries for the same period in 2004 - before a synthetic surface replaced Turfway's traditional dirt track. The Board has encouraged California racing associations to explore alternatives to organic dirt racetracks, and several racing associations have initiated plans to install a synthetic racing surface. To express its strong commitment to racetrack safety, and to provide a time frame within which racetracks can work to fulfill the industry's track safety goals, the Board proposes to amend Rule 1433. The proposed amendment would provide that after January 1, 2008, no racing association that operates four continuous weeks of thoroughbred racing in a calendar year shall be licensed to conduct a horse racing meeting at a facility that has not installed a polymer synthetic type racing surface. The proposed amendment would affect only five of California's thirteen racetracks. The affected tracks are: Santa Anita Park Race Track; Hollywood Park Race Track; Del Mar Race Track; Bay Meadows Race Track; and Golden Gate Fields Race Track. The California racing fair circuit is not affected by the proposed amendment because racing fairs run an average of one to two weeks. In addition, harness and quarter horse racetracks are not affected, as the suitability of synthetic racing surfaces for these breeds has not been determined.

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

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

The adoption of Section 1433 has no significant adverse economic impact on small business.

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

The Board has determined that there were no alternatives considered which would be more effective in carrying out the purposes of the proposed regulation or would be more effective and less burdensome to affected private persons or businesses than the proposed regulation.

PROPOSED TEXT AMENDMENT

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

(a) Unless the Board requires an earlier filing, at least 90 days before the time allocated by the Board for a race meeting to start, the association shall file with the Board an Application for License to Conduct a Horse Racing Meeting, CHRB-17 (Rev. 07/05), which is hereby incorporated by reference. Note: CHRB-17 incorporates by reference, the Personal History Record, CHRB-25A (Rev. 7/93). A California fair shall file with the Board an Application for License to Conduct a Horse Racing Meeting of a California Fair, CHRB-18 (Rev. 07/05), which is hereby incorporated by reference. Copies of the CHRB-17 and CHRB-18 may be obtained at the California Horse Racing Board headquarters office.

(b) No racing association that operates four weeks or more of continuous Thoroughbred racing in a calendar year shall be licensed to conduct a horse racing meeting at a facility that has not installed a polymer synthetic type racing surface. This Subsection shall become operative on January 1, 2008.

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

Reference: Sections 19480 and 19562, Business and Professions Code.

NOTICE OF PROPOSAL TO AMEND

RULE 1486. TERM OF LICENSE

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

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1486, Term of License. The proposed amendment would provide that every original license as groom, stable employee, stable assistant and mule racing participant shall expire on the last day of the calendar year in which it is issued; shall automatically be extended to expire on the last day of the birth month of the licensee; and thereafter shall expire on the last day of the birth month of the licensee on an annual basis.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, August 17, 2006**, or as soon after that as business before the Board will permit, at the **Surfside Race Place at Del Mar, 2260 Jimmy Durante Boulevard, Del Mar, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m., on August 14, 2006**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone (916) 263-6397
Fax: (916) 263-6042
E-Mail: harolda@chrb.ca.gov

AUTHORITY AND REFERENCE

Authority cited: Section 19440, Business and Professions (B&P) Code. Reference: Sections 19510, 19520, 19521 and 19704, B&P Code.

B&P Code Section 19440 authorizes the Board to adopt the proposed regulation, which would implement, interpret or make specific Sections 19510, 19520, 19521 and 19704, B&P Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

B&P Code Section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include, but not be limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19510 provides that no person required to be licensed pursuant to Article 5 may participate in any capacity in any horse race meeting without a valid and unrevoked license. B&P Code Section 19520 states every person not required to be licensed Under Article 4 (commencing with Section 19480) who participates in, or has anything to do with the racing of horses, shall be licensed by the Board pursuant to rules and regulations that the Board may adopt. B&P Code Section 19521 provides that an original license issued pursuant to Article 5.5 shall be issued for a period of the calendar year in which it is issued, and shall be renewable for a period, which the Board may, by regulation, establish. B&P Code Section 19704 states the Board shall issue a license for participants in mule racing. The license shall be limited to mule races only.

The Board currently issues one-year occupational licenses to grooms, stable employees, stable assistants and mule racing participants. These licenses expire on December 31 in the year in which they are issued. The Board believes a one-year occupational license is appropriate for such license classes, as there can be a high turnover rate among stable employees, and mule racing occurs only during the summer fair racing circuit, or as special event match races. In

2005, 699 original groom and stable employee occupational licenses were issued and 2,123 were renewed for a total of 2,822 licenses. In addition 16 mule-racing licenses were issued. The Board has found, however, that on or about December 31 of each year its licensing staff, with an average of two licensing technicians per office, is overwhelmed by persons attempting to renew their license. Because many grooms, stable employees and stable assistants are not citizens, the licensing process can be lengthy – due to verification of residency and work permits. In addition, a number of such persons are not able to read and write English, or are illiterate and need help to fill out the license application. The large numbers of persons attempting to renew their license, and the need to provide additional attention causes delays in service. This affects anyone who enters a Board licensing office in December or early January to conduct business, and has been the source of many complaints. To alleviate the end-of-the-year backlog the Board has determined that occupational licenses for grooms, stable employees, stable assistants and mule racing participants should follow the scheme of other classes of license and expire on the last day of the birth month of the licensee. This will have the effect of distributing a workload that is currently concentrated in one month over a twelve-month period; thus, eliminating the annual year-end rush. The proposed amendment to Rule 1486, Term of License provides that every original occupational license as groom, stable employee, stable assistant and mule racing participant shall expire on the last day of the calendar year in which it is issued. This is in keeping with the provisions of B&P Code Section 19521, which states that an original license shall be issued for a period of the calendar year in which it is issued. The proposed amendment states that such original license shall automatically be extended to expire on the last day of the birth month of the licensee. This administrative extension, which will be applied at the time of licensing, will allow for an expiration date of the last day of the birth month of the licensee. Thereafter, as provided by the proposed amendment, the license shall expire on the last day of the birth month of the licensee. Existing licenses will be grandfathered into this scheme by extending renewal dates beyond December 31 to the last day of the birth month of the licensee. When a groom, stable employee, stable assistant or mule racing participant renews a license that expires on December 31, 2006, the license will be renewed to December 31, 2007, and automatically extended to the last day of the birth month of the licensee. The change in expiration dates will not affect the cost of the license, as all such licenses will retain a one-year term upon renewal and the Board believes grooms, stable assistants and stable employees can least afford an increase in the cost of a license.

DISCLOSURE REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

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

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

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

The Board has made an initial determination that the proposed amendment of Rule 1486 will not have a significant, statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

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

Significant effect on housing costs: none.

The adoption of the proposed amendment of Rule 1486 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California.

Effect on small businesses: none. The proposal to amend Rule 1486 does not affect small businesses because horse racing is not a small business under Government Code Section 11342.610.

CONSIDERATION OF ALTERNATIVES

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

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

CONTACT PERSON

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

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 263-6397
E-mail: harolda@chr.ca.gov

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

Jacqueline Wagner, Manager
Policy and Regulation Unit
Telephone: (916) 263-6041

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its offices at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the

regulation, and the initial statement of reasons. Copies may be obtained by contacting Harold Coburn, or the alternative contact person at the address, phone number or e-mail address listed above.

AVAILABILITY OF MODIFIED TEXT

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

AVAILABILITY OF STATEMENT OF REASONS:

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

BOARD WEB ACCESS

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

INITIAL STATEMENT OF REASONS

RULE 1486. TERM OF LICENSE.

SPECIFIC PURPOSE OF THE REGULATION

The proposed amendment to Rule 1486, Term of License, provides that every original license as groom, stable employee, stable assistant and mule racing participant shall expire on the last day of the calendar year in which it is issued; shall automatically be extended to expire on the last day of the birth month of the licensee; and thereafter shall expire on the last day of the birth month of the licensee on an annual basis.

NECESSITY

The Board currently issues one-year occupational licenses to grooms, stable employees, stable assistants and mule racing participants. These licenses expire on December 31 in the year in which they are issued. The Board believes a one-year occupational license is appropriate for such license classes, as there can be a high turnover rate among stable employees, and mule racing occurs only during the summer fair racing circuit, or as special event match races. In 2005, 699 original groom and stable employee occupational licenses were issued and 2,123 were renewed for a total of 2,822 licenses. In addition, 16 mule-racing licenses were issued. The Board has found, however, that on or about December 31 of each year its licensing staff, with an average of two licensing technicians per office, is overwhelmed by persons attempting to renew their one-year license. Because many grooms, stable employees and stable assistants are not

citizens, the licensing process can be lengthy – due to verification of work permits. In addition, a number of such persons are not able to read and write English, or are illiterate and need help to complete the license application. The large numbers of persons attempting to renew their license, and the need to provide additional attention causes delays in service. This affects anyone who enters a Board licensing office in December or early January to conduct business, and has been the source of many complaints. To alleviate the end-of-the-year backlog, the Board has determined that occupational licenses for grooms, stable employees, stable assistants and mule racing participants should follow the scheme of other classes of license and expire on the last day of the birth month of the licensee. This will have the effect of distributing the year-end workload over a twelve-month period, and eliminating the annual rush. The proposed amendment to Rule 1486, Term of License, provides that every original occupational license as groom, stable employee, stable assistant and mule racing participant shall expire on the last day of the calendar year in which it is issued. This is in keeping with the provisions of B&P Code Section 19521, which states that an original license shall be issued for a period of the calendar year in which it is issued. The proposed amendment states that such original license shall automatically be extended to expire on the last day of the birth month of the licensee. This administrative extension, which will be applied at the time of licensing, will allow for an expiration date of the last day of the birth month of the licensee. Thereafter, as provided by the proposed amendment, the license shall expire on the last day of the birth month of the licensee. Existing licenses will be grandfathered into this scheme by extending renewal dates beyond December 31 to the last day of the birth month of the licensee. When a groom, stable employee, stable assistant or mule racing participant renews a license that expires on December 31, 2006, the license will be renewed to December 31, 2007, and automatically extended to the last day of the birth month of the licensee. The change in expiration dates will not cause a change in the cost of the license, as all such licenses will retain a one-year term and the Board believes grooms, stable assistants and stable employees can least afford an increase in the cost of a license.

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

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

The adoption of Section 1486 has no significant adverse economic impact on small business.

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

The Board has determined that there were no alternatives considered which would be more effective in carrying out the purposes of the proposed regulation or would be more effective and less burdensome to affected private persons or businesses than the proposed regulation.

PROPOSED TEXT

1486. Term of License.

(a) Every occupational original license, original or renewal, and renewal of a license granted by the Board under this Article, other than a license as a ~~Groom~~ groom, ~~Stable Employee~~ stable employee, ~~Stable Assistant~~ stable assistant and ~~Mule Racing Participant~~ mule racing participant shall expire in ~~the~~ its third year on the last day of the birth month of the licensee.

(b) Notwithstanding subparagraph (a) of this rule, every original occupational license as groom, stable employee, stable assistant and mule racing participant shall expire on the last day of the calendar year in which it is issued. Such original license shall be automatically extended to expire on the last day of the birth month of the licensee, and shall thereafter expire on the last day of the birth month of the licensee on an annual basis.

Authority: Sections 19440 ~~and 19703~~, Business and Professions Code.

Reference: Sections 19510, 19520, 19521 ~~19512~~, and 19704, Business and Professions Code.

NOTICE OF PROPOSAL TO AMEND

RULE 1544. CALLING OFF RACE

RULE 1658. VESTING OF TITLE TO CLAIMED HORSE

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

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1544, Calling off Race, and Rule 1658, Vesting of Title to Claimed Horse. The proposed amendment to Rule 1544 provides that any claims submitted in a race that is called off, canceled, or declared no contest shall be void. The proposed amendment to Rule 1658 provides that a claim is void if a race is called off in accordance with Rule 1544.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, August 17, 2006**, or as soon after that as business before the Board will permit, at the **Surfside Race Place at Del Mar, 2260 Jimmy Durante Boulevard, Del Mar, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m., on August 14, 2006**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone (916) 263-6397
Fax: (916) 263-6042
E-Mail: harolda@chrb.ca.gov

AUTHORITY AND REFERENCE

Rule 1544 & 1658 Authority cited: Sections 19420 and 19440, Business and Professions (B&P) Code. Reference: Section 19562, B&P Code.

B&P Code Sections 19420 and 19440 authorize the Board to adopt the proposed regulation, which would implement, interpret or make specific Section 19562, B&P Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

B&P Code Section 19420 states jurisdiction and supervision over meetings in California where horse races with wagering on their results are held, and over all persons or things having to do with the operation of such meetings, is vested in the Board. B&P Section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include, but not be limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19562 states the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in California.

During the running of a claiming race at the 2005 Del Mar race meeting, a horse went down and caused three other horses to not finish the race. The stewards called off the race and declared it no contest under Board Rule 1544, Calling off Race. Citing Rule 1658, Vesting Title to Claimed Horse, the stewards ordered all claims in the race void. The owner of a horse that was claimed in the race appealed the stewards' decision to void the claim. An Administrative Law Judge ruled in favor of the owner, and stated nothing in Rule 1544 suggested that calling off a race invalidates claims. Board Rule 1544 currently provides that if the stewards believe a race cannot be run before midnight, or cannot be conducted in accordance with the Board's rules and regulations, they shall cancel and call off the race. If mechanical failure, or interference during the running of the race affects the majority of horses, the stewards may declare the race no contest. If a race is called off, canceled or declared no contest, any wagers made on the race shall be refunded and no purse is awarded – as if the race never occurred. However, Rule 1544 does not address claims. This provided the loophole that allowed a successful appeal of the stewards' decision. The proposed amendment to Rule 1544 addresses the issue by providing that any claims submitted in a race that is called off, canceled, or declared no contest shall be void. In addition, the proposal to amend Rule 1658 states a claim is void if a race is called off, canceled, or declared no contest in accordance with Rule 1544. Together, the proposed amendments leave no doubt regarding the status of a claim when a race is called off, canceled or declared no contest.

DISCLOSURE REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

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

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

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

The Board has made an initial determination that the proposed amendment of Rules 1544 and 1658 will not have a significant, statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

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

Significant effect on housing costs: none.

The adoption of the proposed amendment of Rules 1544 and 1658 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California.

Effect on small businesses: none. The proposal to amend Rules 1544 and 1658 does not affect small businesses because horse racing is not a small business under Government Code Section 11342.610.

CONSIDERATION OF ALTERNATIVES

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

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

CONTACT PERSON

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

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 263-6397
E-mail: harolda@chrb.ca.gov

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

Jacqueline Wagner, Manager
Telephone: (916) 263-6033

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

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

AVAILABILITY OF MODIFIED TEXT

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

AVAILABILITY OF STATEMENT OF REASONS:

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

BOARD WEB ACCESS

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

INITIAL STATEMENT OF REASONS

RULE 1544. CALLING OFF RACE AND RULE 1658. VESTING OF TITLE TO CLAIMED HORSE.

SPECIFIC PURPOSE OF THE REGULATION

The proposed amendment to Rule 1544 provides that any claims submitted in a race the stewards call off, cancel, or declare no contest shall be void. The proposed amendment to Rule 1658 provides that a claim is void if a race is called off, canceled or declared no contest in accordance with Rule 1544.

NECESSITY

During the running of a claiming race at the 2005 Del Mar meeting, a horse went down and caused three other horses to not finish the race. The stewards called off the race and declared it no contest under Board Rule 1544, Calling off Race. Citing Rule 1658, Vesting Title to Claimed Horse, the stewards ordered all claims in the race void. Most horse races occur without incident,

and the situation at the 2005 Del Mar meeting was rare. However, when a claiming race is called off and declared no contest, the stewards may or may not void any claims. This has resulted in inconsistency in the stewards' rulings. The owner of a horse that was claimed in the 2005 Del Mar race appealed the stewards' decision to void the claim. An Administrative Law Judge ruled in favor of the owner, and stated nothing in Rule 1544 suggested that calling off a race invalidates claims. Board Rule 1544 currently provides that if the stewards believe a race cannot be run before midnight, or cannot be conducted in accordance with the Board's rules and regulations, they shall cancel and call off the race. If mechanical failure, or interference during the running of the race affects the majority of horses, the stewards may declare the race no contest. If a race is called off, canceled or declared no contest, any wagers made on the race shall be refunded and no purse is awarded – as if the race never occurred. However, Rule 1544 does not address claims. This provided the loophole that allowed a successful appeal of the stewards' decision. The proposed amendment to Rule 1544 addresses the issue by providing that any claims submitted in a race that is called off, canceled, or declared no contest shall be void. In addition, the proposal to amend Rule 1658 states a claim is void if a race is called off, canceled, or declared no contest in accordance with Rule 1544. Together, the proposed amendments leave no doubt regarding the status of a claim when a race is called off, canceled or declared no contest.

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

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

The adoption of Section 1472 has no significant adverse economic impact on small business.
ALTERNATIVE TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON AFFECTED PRIVATE PERSONS OR BUSINESSES.

The Board has determined that there were no alternatives considered which would be more effective in carrying out the purposes of the proposed regulation or would be more effective and less burdensome to affected private persons or businesses than the proposed regulation.

PROPOSED TEXT

1544. Calling off Race.

(a) If the stewards determine ~~When in the opinion of the stewards~~ a race cannot be ~~commenced~~ start before midnight or cannot be conducted in accordance with the Board's rules and regulations ~~of the Board~~, they shall cancel and call off such race.

(b) The stewards may declare a race no contest if ~~In the event of~~ mechanical failure or interference during the running of the ~~a~~ race ~~which~~ affects the majority of horses in such race; ~~the stewards may declare the race as no contest.~~

(c) Any wagers on ~~such~~ races called off, canceled, or declared ~~as~~ no contest shall be refunded, and no purse, prize or stakes shall be awarded.

(d) If a race is called off, canceled, or declared no contest, any submitted claims shall be void.

(e) A race shall be canceled if no horse covers the course.

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

Reference: Section 19562, Business and Professions Code.

1658. Vesting of Title to Claimed Horse.

(a) Title to a horse which is claimed shall be vested in the successful claimant from the time the field has been dispatched from the starting gate and the horse becomes a starter; and said successful claimant becomes the owner of the horse whether it be alive or dead, sound or unsound, or injured during the race or after it. Only a horse which is officially a starter in the race may be claimed. A subsequent disqualification of the horse by order of the stewards or the Board shall have no effect upon the claim.

(b) The claim shall be void if the race is called off, canceled, or declared no contest in accordance with Rule 1544 of this division.

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

Reference: Section 19562, Business and Professions Code.

PROPOSAL TO AMEND

RULE 1733. WHIPS

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

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1733. Whips. The proposed amendment would increase the length of harness drivers' allowed whip from three feet nine inches to four feet.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, August 17, 2006**, or as soon after that as business before the Board will permit, at the **Surfside Race Place at Del Mar, 2260 Jimmy Durante Boulevard, Del Mar, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m., on August 14, 2006**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone (916) 263-6397
Fax: (916) 263-6042
E-Mail: harolda@chr.ca.gov

AUTHORITY AND REFERENCE

Authority cited: Sections 19420 and 19440, Business and Professions (B&P) Code. Reference: Section 19563, B&P Code.

B&P Code Sections 19420 and 19440 authorize the Board to adopt the proposed regulation, which would implement, interpret or make specific Section 19563, B&P Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

B&P Code Section 19420 states jurisdiction and supervision over meetings in California where horse races with wagering on their results are held, and over all persons or things having to do with the operation of such meetings, is vested in the Board. B&P Section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include, but not be limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19563 states the Board may adopt any rules and regulations of the United States Trotting Association, not inconsistent with this chapter, for the regulation of harness racing.

A number of the Board's rules regarding harness racing are aligned with the rules of the United States Trotting Association's (USTA). Among such rules is Board Rule 1733, which provides the maximum length of the whip and snapper harness drivers may use in a race. The USTA has amended its rule regarding the allowable length of a whip. Under the new USTA rule, which was effective May 1, 2006, a whip may not exceed more than four feet. The California harness industry has requested that the Board amend Rule 1733 to be consistent with the USTA's rule. Therefore, the Board proposes to amend Rule 1733. Whips. The proposed amendment would increase the length of harness drivers' allowed whip from three feet nine inches to four feet.

DISCLOSURE REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

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

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

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

The Board has made an initial determination that the proposed amendment of Rule 1733 will not have a significant, statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

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

Significant effect on housing costs: none.

The adoption of the proposed amendment of Rule 1733 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California.

Effect on small businesses: none. The proposal to amend Rule 1733 does not affect small businesses because horse racing is not a small business under Government Code Section 11342.610.

CONSIDERATION OF ALTERNATIVES

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

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

CONTACT PERSON

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

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 263-6397
E-mail: harolda@chrb.ca.gov

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

Jacqueline Wagner, Manager
Policy and Regulation Unit
Telephone: (916) 263-6041

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

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

AVAILABILITY OF MODIFIED TEXT

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

AVAILABILITY OF STATEMENT OF REASONS:

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

BOARD WEB ACCESS

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

INITIAL STATEMENT OF REASONS

RULE 1733. WHIPS.

SPECIFIC PURPOSE OF THE REGULATION

The proposed amendment to Rule 1733, would increase the length of harness drivers' allowed whip from three feet nine inches to four feet.

NECESSITY

A number of the Board's rules regarding harness racing are aligned with the rules of the United States Trotting Association's (USTA). Among such rules is Board Rule 1733, which provides the maximum length of the whip and snapper harness drivers may use in a race. The USTA has amended its rule regarding the allowable length of a whip. Under the new USTA rule, which was effective May 1, 2006, a whip may not exceed more than four feet. The California harness industry has requested that the Board amend Rule 1733 to be consistent with the USTA's rule. Therefore, the Board proposes to amend Rule 1733. Whips. The proposed amendment would increase the length of harness drivers' allowed whip from three feet nine inches to four feet.

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

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

The adoption of Section 1733 has no significant adverse economic impact on small business.

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

The Board has determined that there were no alternatives considered which would be more effective in carrying out the purposes of the proposed regulation or would be more effective and less burdensome to affected private persons or businesses than the proposed regulation.

PROPOSED TEXT

1733. Whips.

Whips shall not exceed ~~3~~ four feet ~~9 inches~~ plus a snapper not longer than ~~6~~ six inches. Whips shall be in good condition and are subject to inspection by the officials at any time.

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

Reference: Section 19563, Business and Professions Code.