

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

CALIFORNIA HORSE RACING BOARD  
NOTIFICATION OF MODIFICATION OF TEXT OF  
THE PROPOSED AMENDMENT OF  
RULE 1433. APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING  
AND  
RULE 1845. AUTHORIZED BLEEDER MEDICATION  
AND REVISION OF THE  
NOTICE OF PROPOSAL TO AMEND AND  
INITIAL STATEMENT OF REASONS

Pursuant to the requirements of Government Code Sections 11346.8(c), 11346.8(d), and 11347.1, and section 44 of Title 1 of the California Code of Regulations, the California Horse Racing Board (Board) is providing notice of changes made to the text of the proposed amendment of Rule 1845, Authorized Bleeder Medication, and the revision of the Notice of Proposal to Amend and Initial Statement of Reasons.

The proposal to amend Rule 1433, Application for License to Conduct a Horse Racing Meeting and Rule 1845, Authorized Bleeder Medication, was originally noticed to the public as one rulemaking file on March 25, 2016. The proposal to amend Rule 1433 and Rule 1845 was originally noticed to the public on March 25, 2016. The proposed amendment was to be heard on Thursday, May 19, 2016. The hearing was postponed until May 26, 2016, at the Santa Anita Park Race Track; however, the May 26, 2016 hearing has been postponed until **June 16, 2016, at the Santa Anita Park Race Track, Arcadia, California**, or as soon thereafter as business before the Board will permit.

The text of the proposed amendment to Rule 1845 has been modified to correct subsection 1845(d), which states that the person who administers furosemide pursuant to *subsection (d)(1)* of this regulation shall notify the official veterinarian of the treatment of the horse. The reference to subsection (d)(1) is incorrect, and the text has been modified to identify the correct subsection; subsection 1845(e)(1). Deletions to the Rule 1845 text appear as ~~Double Strikethrough~~ and new revised text appears as *Italicized Double Underlined*.

No modifications were made to the forms Bleeder Treatment Report CHRB-36 (New 08/04), Authorized Bleeder Medication and Medical History Request CHRB-194 (Rev. 01/16), and Detention Stall sign CHRB-234 (New 01/16), which are incorporated by reference into Rule 1845.

No modifications were made to the text of the proposed amendment of Rule 1433, or to the forms Application for License to Conduct a Horse Racing Meeting, CHRB-17 (Rev. 01/16), and Application for License to Conduct a Horse Racing Meeting of a California Fair, CHRB-18 (Rev. 01/16).

During the 45 day public comment period it was noted that the text of the proposed amendment to Rule 1845 provided that the furosemide veterinarian and the registered veterinary technician hired by the racing administration to administer furosemide to horses entered to race shall not have a current business relationship, or a prior veterinarian-client-patient relationship, with

participating licensees within 30 days of the date he or she is employed to administer furosemide. However, the Notice of Proposal to Amend and the Initial Statement of Reasons provided the period of time between employment by the racing association and such relationships shall be 180 days. The discrepancy has been corrected to reflect the 30-day period as stated in the text of the proposed amendment of Rule 1845. The Board is providing notice of a 15-day public availability and comment period for a revised Notice of Proposal to Amend and Initial Statement of Reasons (ISR). The revised documents are posted on the Board's website and are accessible for public inspection during the 15-day availability period from **May 31, 2016** through **June 15, 2016**, at the Board's headquarters office, 1010 Hurley Way, Suite 300, Sacramento, California 95825. Any interested person may submit a written statement relating to the revised documents during the public comment period from **May 31, 2016** through **June 15, 2016**. The written comment period will close at 5:00 p.m. on June 15, 2016. Submit written comments to Harold Coburn, Policy and Regulations Unit, California Horse Racing board, 1010 Hurley, Suite 300, Sacramento, California 95825. Email: [HaroldC@chr.ca.gov](mailto:HaroldC@chr.ca.gov).

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 15. VETERINARY PRACTICES  
RULE 1845. AUTHORIZED BLEEDER MEDICATION

1845. Authorized Bleeder Medication.

The only A authorized bleeder medication for the control of exercised exercise-induced pulmonary hemorrhage (EIPH) may shall be furosemide, and it shall only be administered to by a horse single intravenous injection, in a dosage of not less than 150 mg and not more than 500 mg, on the grounds of the racetrack where the horse will race, and no later than four hours prior to the post time of the race for which the horse is entered. It shall only be administered to a horse that is registered on the authorized bleeder medication list.

(a) A horse is ~~eligible to race with~~ registered on the authorized bleeder medication if the licensed list as follows:

(1) The trainer and/or the owner's veterinarian determines it is in the horse's best interest. If a horse will race with authorized bleeder medication, form shall determine whether furosemide is medically necessary to control EIPH and is not otherwise contraindicated for that horse; and

(2) Prior to entry for race, the official veterinarian approves form CHRB-194 (New Rev. 09/1508/04), Authorized Bleeder Medication and Medical Records Request, which is hereby incorporated by reference, shall be used submitted to notify the official veterinarian prior to entry by the trainer and owner's veterinarian.

(b) ~~The official laboratory shall measure the specific gravity of post-race urine samples to ensure samples are sufficiently concentrated for proper chemical analysis. The specific gravity of such samples shall not be below 1.010.~~

~~(e) If the specific gravity of the post-race urine sample is determined to be below 1.010, or if a urine sample is not available for testing, quantitation of furosemide in serum or plasma shall then be performed. Concentrations may not exceed 100 nanograms of furosemide per milliliter of serum or plasma.~~

(b) Once registered, any horse that will be administered furosemide shall:

(1) Arrive on the grounds of the racetrack where the horse will race no later than five hours prior to the post time of the race for which the horse is entered; and

~~(d)(2) A horse qualified to race with authorized bleeder medication shall be~~ Be assigned to a pre-race security stall prior to the scheduled post time for the race in which it is entered, and shall remain there until it is taken to the receiving barn or the paddock to be saddled or harnessed for the race.

(A) The pre-race security stall shall be identified by the posting of a form CHRB-234 (New 09/15), Detention Stall sign, which is hereby incorporated by reference. The trainer shall post the Detention Stall sign no later than eight hours prior to the post time of the race for which the horse is entered or, for a horse arriving from off the grounds of the racetrack, when the horse is placed in the pre-race security stall.

(B) While in the pre-race security stall, the horse shall be in the care, custody, control and constant view of the trainer, or a licensed person assigned by the trainer. The trainer shall be responsible for the condition, care and handling of the horse while it remains in the pre-race security stall.

(C) The official veterinarian may permit a horse to leave the pre-race security stall to engage in track warm-up heats prior to a race.

~~(e) A horse qualified for administration of authorized bleeder medication must be treated on the grounds of the racetrack where the horse will race no later than four hours prior to post time of the race for which the horse is entered. The authorized bleeder medication, furosemide, by a single intravenous injection only, in a dosage of not less than 150 mg.~~

(c) Furosemide shall be administered only after:

(1) The trainer, owner, or not more than 500 mg. A horse racing with furosemide must show a detectable concentration of the drug in the post-race serum, plasma or urine sample. The owner's veterinarian administering has consulted with the furosemide veterinarian regarding the condition of the horse and the furosemide veterinarian has examined the horse sufficient to establish a veterinary-client-patient relationship within the meaning of California Code of Regulations, Title 16, section 2032.1; or

(2) The trainer, owner, or owner's veterinarian has consulted with the bleeder medication shall the official veterinarian or racing veterinarian and the furosemide veterinarian has examined the horse sufficient to establish a veterinary-client-patient relationship within the meaning of California Code of Regulations, Title 16, section 2032.1, and that consulting official veterinarian or racing veterinarian directly supervises the furosemide veterinarian, or California registered veterinary technician, who administers furosemide.

(d) The person who administers furosemide pursuant to subsection ~~(e)~~(1) of this regulation shall notify the official veterinarian of the treatment of the horse. Such Notification shall be made using on form CHRB-form-36 (New 08/04), Bleeder Treatment Report, which is hereby incorporated by reference, not later than two hours prior to post time of the race for which the horse is entered. Upon the request of a Board representative, the veterinarian administering

~~the authorized bleeder medication shall surrender the syringe used to administer such medication, which may then be submitted for testing.~~

(1) The owner, trainer or a licensed employee of the trainer shall be present and observe the furosemide administration.

(e) The horsemen's organization, trainers' organization and racing association shall enter into an agreement to provide for race-day furosemide administration. The agreement to provide for race-day furosemide administration procedures shall be submitted to the Board for approval in accordance with Rule 1433 of this Division.

(1) Furosemide shall be administered by a furosemide veterinarian or California registered veterinary technician under the direct supervision of the furosemide veterinarian. The furosemide veterinarian or California registered veterinary technician who provides race-day furosemide administration shall be employed by the racing association and shall not have a current business relationship, or prior veterinarian-client-patient relationship, with participating licensees within 30 days of the date he or she is employed to administer furosemide.

(2) "Furosemide veterinarian" is defined as the veterinarian, licensed by the Board, and hired by the racing association to administer race-day furosemide to horses registered on the authorized bleeder medication list.

(3) "Owner's veterinarian" is defined as the veterinarian, licensed by the Board, and hired by the owner to provide veterinary care to horses.

(f) A horse registered to be administered furosemide shall receive 250 mg of furosemide intravenously unless an alternative dose of not less than 150 mg and not more than 500 mg has been determined after consultation between the trainer, owner, or owner's veterinarian, and the furosemide veterinarian pursuant to subsection (c).

(g) In the event of an adverse reaction or other emergency related to the administration of furosemide, the furosemide veterinarian, or California registered veterinary technician, who administered furosemide shall attend the horse until the arrival of the owner's veterinarian.

(h) The syringe used to administer furosemide shall be provided to and retained by the Board until all testing of the horse is completed. In the event of a positive test finding as defined in this article, the Board may order, or the owner or trainer may request, the retained syringe be tested for prohibited substances. The results of the test may be used in any action before the Board.

(i) A horse that has been administered furosemide must show a detectable concentration of the drug in the post-race serum, plasma or urine sample.

(1) The official laboratory shall measure the specific gravity of post-race urine samples to ensure samples are sufficiently concentrated for proper chemical analysis. The specific gravity of such samples shall not be below 1.010.

(2) If the specific gravity of the post-race urine sample is determined to be below 1.010, or if the urine sample is not available for testing, quantitation of furosemide in serum or plasma shall then be performed. Concentrations may not exceed 100 nanograms of furosemide per milliliter of serum or plasma.

~~(f)(j)~~ A horse placed registered on the official authorized bleeder medication list must remain on the list unless the licensed trainer and/or owner's veterinarian requests that the horse be removed. The request must be made using form CHRB-form-194 (NewRev. 09/1508/04), and must be submitted to the official veterinarian prior to the time of entry. A horse removed from the authorized bleeder medication list may not be placed back on the list for a period of 60 calendar days unless the official veterinarian determines it is detrimental to the welfare of

medically necessary for the horse. If a horse is removed from the authorized bleeder medication list a second time in a 365-day period, the horse may not be placed back on the list for a period of 90 calendar days.

~~(g)~~(k) If the official veterinarian observes a horse bleeding externally from one or both nostrils during or after a race or workout, and determines such bleeding is a direct result of EIPH, the horse shall be ineligible to race for the following periods:

- First incident -14 days;
- Second incident within 365-day period -30 days;
- Third incident within 365-day period -180 days;
- Fourth incident within 365-day period -barred ~~for~~ from racing lifetime.

For the purposes of counting the number of days a horse is ineligible to run, the day after the horse bled externally is the first day of such period. ~~The voluntary administration of authorized bleeder medication without an external bleeding incident shall not subject a horse to the initial period of ineligibility as defined under this subsection.~~

(1) The owner(s) of a registered horse shall:

(1) Pay all costs associated with the materials used in the administration of furosemide, to include the syringe and medication, and:

(2) Reasonable administrative costs as set under the race-day furosemide agreement entered into by the horsemen's organization, trainers' organization and the racing association.

(3) Consent to the procedures in this section and agree that the pre-race examination conducted under the direction of the official veterinarian or racing veterinarian shall constitute a veterinary-client-patient relationship within the meaning of California Code of Regulations, Title 16, section 2032.1.

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

Reference: Sections 19580, ~~and 19581~~ and 19582,  
Business and Professions Code



CALIFORNIA HORSE RACING BOARD  
**BLEEDER TREATMENT REPORT**

HORSE: \_\_\_\_\_

Date: \_\_\_\_\_ Race: \_\_\_\_\_

Time Administered: \_\_\_\_\_

Lasix ( ) or Other Medication ( )

Veterinarian: \_\_\_\_\_

Trainer: \_\_\_\_\_

Attendant Present: \_\_\_\_\_

CHRB-38 (New 08/04)



OSP 15 136561

**SECURE AREA**

**DEFENTION  
STALL**

**DO NOT APPROACH!  
!NO SE ACERQUE USTEDI!**

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

REVISED NOTICE OF PROPOSAL TO AMEND  
RULE 1433, APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING  
RULE 1845, AUTHORIZED BLEEDER MEDICATION

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

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1433, Application for License to Conduct a Horse Racing Meeting, to require that racing associations include a furosemide agreement when submitting an application for license. The agreement shall be made between the racing association, the horsemen's organization, and trainers' organization, and shall provide for race-day furosemide administration procedures. The Board proposes to amend Rule 1845, Authorized Bleeder Medication, to enact the Racing Medication and Testing Consortium (RMTC) recommendations for third party administration of race-day furosemide. The RMTC is a national horse racing organization whose mission is to develop and promote uniform rules, policies and testing standards at the national level; coordinate research and educational programs that seek to ensure the integrity of racing and the health and welfare of racehorses and participants; and protect the interests of the racing public. In 2011 the RMTC formed a race-day medication task force, which concluded that to preserve race-day furosemide and eliminate concerns regarding the efficacy of furosemide to control exercise-induced pulmonary hemorrhage (EIPH), a national uniform medication policy must include third-party administration of furosemide only. In 2013 the Racing Commissioners International (RCI) incorporated the RMTC recommendations in a Model Rule. The RCI Model Rule requires that furosemide be the only medication authorized for administration on race day, and limits furosemide administration to no later than four hours prior to post time for the race in which the horse is entered. Furosemide may only be administered by third-party veterinarians or veterinary technicians who are prohibited from working as private veterinarians or technicians on the racetrack or with participating licensees. The proposed amendment to Rule 1845 will bring the Board's rules in line with the national movement to address the issue of race day medication. The Board proposes to modify the text of Rule 1845 to provide that the only authorized medication for the control of EIPH shall be furosemide. (EIPH refers to the presence of blood in the airways of the lung in association with exercise. EIPH is common in horses undertaking intense exercise.) The proposed amendment provides the steps required to register a horse on the authorized bleeder medication list. Once registered, the proposed amendment states when the horse, if entered to race, must arrive on the grounds, and provides that the horse shall be placed in a pre-race security stall identified by the posting of the form Detention Stall sign CHRB-234 (New 01/16). The proposed amendment to Rule 1845 states how and in what dosage furosemide shall be administered to the horse. The amendment to Rule 1845 states that furosemide may only be administered by a furosemide veterinarian, or a California registered veterinary technician under the direct supervision of the furosemide veterinarian. The furosemide veterinarian and the veterinary technician shall be

employees of the racing association. Prior to the administration of furosemide, the furosemide veterinarian, or the Official Veterinarian or Racing Veterinarian, must consult with the trainer, owner or the owner's veterinarian, regarding the condition of the horse. Additionally, the furosemide veterinarian must examine the horse sufficient to establish a veterinary-client-patient-relationship within the meaning of California Code of Regulations (CCR), Title 16, section 2032.1 (California Veterinary Medical Board regulations). The proposed amendment to Rule 1845 provides that the owner, trainer, or a licensed employee of the trainer, shall be present to observe the furosemide administration; what actions to take in the event of an adverse reaction or other emergency related to the administration of furosemide; and that the syringe used to administer furosemide shall be retained by the Board until all testing of the horse is completed. The amendment to Rule 1845 sets the specific gravity of the post-race urine sample, and states that quantitation of furosemide in serum or plasma shall be performed if the urine sample is not available, or the specific gravity of the urine sample is below a specified level. The proposed amendment to Rule 1845 requires that the owner(s) of a registered horse shall pay all costs associated with the administration of furosemide; consent to the procedures in the regulation; and agree that the pre-race examination conducted under the direction of the Official Veterinarian shall constitute a veterinary-client-patient relationship within the meaning of the CCR, Title 16, section 2032.1. In addition, the proposed amendment to Rule 1845 modifies the CHRB form 194 (Rev. 01/16) Authorized Bleeder Medication Request (CHRB 194) by changing the title of the form to: "Authorized Bleeder Medication and Medical History Request." A new section has been added to the form 194 to allow the owner's veterinarian to provide the medical history relevant to the administration of authorized bleeder medication for the horse listed on the form.

The forms Bleeder Treatment Report CHRB-36 (New 08/04), CHRB-194, and Detention Stall sign CHRB-234 (New 01/16) are incorporated by reference into Rule 1845, as it would be cumbersome, unduly expensive or otherwise impractical to publish the documents in the CCR.

The proposed amendment to Rule 1845 also provides that the horsemen's organization, trainers' organization and racing association shall enter into an agreement to provide for race-day administration of furosemide. The agreement shall be submitted to the Board for approval.

## PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, May 19, 2016**, or as soon after that as business before the Board will permit, at the **Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, 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. (\*Note: The hearing for adoption has been postponed and will be held at the Regular Board Meeting, **Thursday, June 16, 2016, at the Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California, at 9:30 a.m.**, or as soon thereafter as the business before the Board will permit.)

## WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representatives, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m. on**

**May 9, 2016.** The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Harold Coburn, Regulation Analyst  
California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, CA 95825  
Telephone (916) 263-6026  
Fax: (916) 263-6022  
E-Mail: [haroldc@chr.ca.gov](mailto:haroldc@chr.ca.gov)

#### AUTHORITY AND REFERENCE:

##### Rule 1433:

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

Reference: Sections 19480, 19481, 19481.3 and 19562, Business and Professions Code.

Business and Professions Code sections 19920 and 19440 authorize the Board to adopt the proposed regulation, which would implement, interpret or make specific sections 19480, 19481, 19481.3 and 19562, Business and Professions Code.

##### Rule 1845:

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

Reference: Sections 19580 and 19582, Business and Professions Code.

Business and Professions Code sections 19940 and 19562 authorize the Board to adopt the proposed regulation, which would implement, interpret or make specific sections 19580 and 19581, Business and Professions Code.

#### INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions Code section 19420 provides that the Board shall have jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. Business and Professions Code section 19440 states the Board has all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19480 states the Board may issue to any person who makes application in writing, who has complied with the provisions of horse racing law, a license to conduct a horse racing meeting at the track specified in the application; provided, the Board determines that the issuance will be in the public interest. Business and Professions Code section 19481 provides that in performing its responsibilities, the Board shall establish safety standards governing equipment for horse and rider. Business and Professions Code section 19481.3 states every racing association and racing fair licensed by the Board shall maintain, staff, and supply an on-track first aid facility, that may be either permanent or mobile, and which shall be staffed and equipped as directed by the Board. Business and Professions Code section 19562 provides that the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be

conducted in California. Business and Professions Code section 19580 requires the Board to adopt regulations to establish policies, guidelines, and penalties relating to equine medication to preserve and enhance the integrity of horse racing in California. Business and Professions Code section 19582 states violations of Section 19581, as determined by the Board are punishable as set forth in regulations adopted by the Board. The Board may classify violations of section 19581 based on each class of prohibited drug substances, prior violations within the previous three years, and prior violations within the violator's lifetime. The Board may provide for the suspension of a license for not more than three years, except as provided in subdivision (b), or a monetary penalty of not more than one hundred thousand dollars, or both, and disqualification from purses, for a violation of Section 19581. The actual amount of the monetary penalty imposed pursuant to this paragraph shall be determined only after due consideration has been given to all the facts, circumstances, acts, and intent of the licensee, and shall not be solely based on the trainer-insurer rule, as established in Section 1843 and 1887 of Title 4 of the CCR. The punishment for second and subsequent violations of section 19581 shall be greater than the punishment for a first violation of section 19581 with respect to each class of prohibited drug substances, unless the administrative law judge, in findings of fact and conclusions of law filed with the Board, concludes that a deviation from this general rule is justified. A third violation of section 19581 during the lifetime of the licensee, determined by the Board to be at a class I or class II level, may result in the permanent revocation of the person's license. The administrative law judge shall, after consideration of the circumstances surrounding a violation specified in paragraph (1), file a decision with the Board that includes findings of fact and conclusions of law. Any person whose license is suspended or revoked pursuant to this section shall not be entitled to receive any material benefit or remuneration in any capacity or from any business activity permitted or allowed by the license during any period of its suspension or revocation. The penalties provided by this section are in addition to any other civil, criminal, and administrative penalties or sanctions provided by law, and do not supplant, but are cumulative to, other penalties or sanctions.

Rule 1433 incorporates by reference the forms Application for License to Conduct a Horse Racing Meeting, CHRB-17 (Rev. 01/16) (CHRB-17), and Application for License to Conduct a Horse Racing Meeting of a California Fair, CHRB-18 (Rev. 01/16) (CHRB-18); therefore, any revisions to the application forms would necessitate an amendment of the Rule 1433.

The forms CHRB-17, and CHRB-18, are incorporated by reference into Rule 1433, as it would be cumbersome, unduly expensive or otherwise impractical to publish the documents in the California Code of Regulations.

The Board proposes to amend Rule 1433 to change section 23 of the form CHRB-17, and section 22 of the form CHRB-18 to require that the applicant racing association/racing fair attach a furosemide agreement, including the name of the furosemide veterinarian. In implementing its program for third party administration of furosemide, the Board determined that it is necessary to require that the horsemen's organization, trainers' organization and racing association/racing fair enter into an agreement regarding the conduct of the racing association's/racing fair's program for the administration of race-day furosemide. The agreement shall be submitted to the Board for approval at the time of application for license to conduct the race meeting. Sections 23 of the form CHRB-17, and 22 of the form CHRB-18 are both titled "Declarations," and are the items

where the Board states its requirements regarding documents to be attached to the application, such as labor and horsemen agreements, and service contracts. The requirement to attach a furosemide agreement was placed under sections 23 of the form CHRB-17, and 22 of the form CHRB-18 for purposes of consistency.

Furosemide is a diuretic administered to horses to treat EIPH, which is a condition wherein pulmonary bleeding occurs when capillaries in horses' lungs burst due to the exertion of severe exercise, or from racing. EIPH and the associated side effects cause poor racing performance. EIPH cumulatively damages lungs, and as damage accumulates the incidence and severity of bleeding increases. Untreated EIPH places both horse and rider at risk of injury. In 2011 a committee of the RMTC studying the administration of furosemide and adjunct bleeder medications presented its recommendations to the RMTC board, which resulted in the development of a Model Rule for RCI consideration. In 2013 the RCI incorporated the RMTC recommendations in a Model Rule, which requires that furosemide be the only medication authorized for administration on race day, and limits furosemide administration to no later than four hours prior to post time for the race in which the horse is entered. The RCI Model Rule also requires that furosemide administration be performed only by third-party veterinarians or veterinary technicians who are prohibited from working as private veterinarians or technicians at the racetrack or with participating licensees. As of January 2014, thirteen states had adopted regulations requiring third-party administration of furosemide: Colorado, Delaware, Indiana, Kentucky, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Dakota, Virginia and West Virginia. The proposed amendment to Rule 1845, Authorized Bleeder Medication, will bring the Board's regulations in line with the RMTC/RCI recommendations regarding the third-party administration of furosemide.

The proposed amendment to Rule 1845 will modify the opening paragraph of the regulation to state that furosemide shall be the only authorized bleeder medication for the control of EIPH. EIPH occurs in horses, and is characterized by bleeding into the lungs or out the nose during exercise. It is believed horses experience EIPH because during exercise they have unusually high blood pressure in the vessels that lead from the heart to the lungs and this high pressure causes the walls of the vessels to break and release blood into the airways. The blood can impair breathing and lead to exercise intolerance. Some bleeding occurs in most horses that engage in strenuous exercise, but it becomes a problem when there is enough blood to prevent the horse from performing. Furosemide is a diuretic that has been shown to be effective in reducing EIPH. Theoretically, if horses are given furosemide, the drug draws water away from the lungs and keeps the blood pressure from getting too high, preventing the lesions in the vessels and the blood from getting into the lungs. In 2011, the RMTC, the National Thoroughbred Racing Association, and the American Association of Equine Practitioners formed industry working groups to develop model rule recommendations, including recommendations governing the regulatory administration of furosemide. The consensus reached by the RMTC committee became the basis for an RCI Model Rule which allows only furosemide for the control of EIPH on race day. Under the RMTC recommendations, and the RCI Model Rule, adjunct bleeder medications are eliminated. The proposed amendment to Rule 1845 will bring California in line with the RCI Model Rule by designating furosemide as the only authorized bleeder medication for the control of EIPH. The opening paragraph of Rule 1845 has also been modified to state that furosemide shall only be administered by a single intravenous injection, in a dosage of not

less than 150 milligrams and not more than 500 milligrams, on the grounds of the racetrack where the horse will race, and no later than four hours prior to the post time of the race for which the horse is entered. The proposed regulation states that furosemide shall only be administered to a horse that is registered on the authorized bleeder medication list. These provisions are not new to the regulation, but were moved to the opening paragraph from the previous subsection 1845(e); they are also consistent with the RCI Model Rule.

The amended subsections 1845(a) through (a)(2) state how a horse is registered on the authorized bleeder medication list. Subsection (a)(1) provides that the trainer and the owner's veterinarian must determine furosemide is medically necessary to control EIPH and is not otherwise contraindicated for the horse. Subsection 1845(a) currently provides that either the trainer or a veterinarian may determine if it is in the horses "best interest" to run on bleeder medication. The proposed amendment provides a higher standard by requiring that the trainer and the owner's veterinarian must determine furosemide is medically necessary to control EIPH and is not otherwise contraindicated for the horse. This is necessary, because in addition to the control of EIPH, furosemide is also associated with improved performance. Under the current rule, a trainer's determination that running on furosemide is in the best interest of a horse may not be based on medical necessity. The proposed amendment requires that the trainer and the owner's veterinarian must be in agreement that furosemide is a medical necessity to control EIPH, and is not otherwise contraindicated for the horse. This will mean that the horse has actually been observed bleeding, and/or that an endoscopic examination has been performed. It will further require that the trainer and the owner's veterinarian determine furosemide will not be harmful to the horse, and its benefits outweigh any risk. These provisions are necessary to prevent a horse from being placed on the bleeder medication list without a medical determination that it is actually exhibiting EIPH.

Currently, under Rule 1845, the form CHRB 194, which is incorporated by reference in Rule 1845, is used to notify the Official Veterinarian of the trainer's or veterinarian's decision to place the horse on the bleeder medication list. Subsection (a)(2) has been amended to provide that prior to entry for race, the Official Veterinarian must approve the CHRB 194. The requirement for the Official Veterinarian's approval will mean that he or she must agree with the medical determination made by the trainer of the horse and the owner's veterinarian before the horse may be placed on the bleeder list. The title of the CHRB 194 has been changed to read "Authorized Bleeder Medication and Medical History Request." This has been done to reflect the requirement that the horse's medical history, relevant to the administration of authorized bleeder medication, must be provided. This is in accordance with section 2032.1 of Title 16, of the CCR dealing with Veterinarian-Client-Patient Relationships. This regulation requires veterinarians who perform any act requiring a license upon any animal to prepare a legible, written record concerning the animal which shall contain a history or pertinent information as it pertains to each animal.

The form CHRB 194 is incorporated by reference into Rule 1845, as it would be cumbersome, unduly expensive or otherwise impractical to publish the document in the CCR.

The existing subsections 1845(b) and 1845(c) have been renumbered as 1845(i)(1) and (i)(2). The change was necessary for purposes of consistency and clarity.

The existing subsection 1845(d) has been renumbered as subsections 1845(b) through (b)(2)(C). Rule 1845 currently requires that furosemide be administered no later than four hours prior to the race in which the horse is entered. Although the majority of horses that will receive furosemide are stabled on the grounds of the racing association, this is not always the case. Some horses are shipped-in the day of the race. Subsections 1845(b) and (b)(1) state that once registered, any horse that shall be administered furosemide shall arrive on the grounds of the racetrack where it shall race no later than five hours prior to post time. The five hour requirement is necessary to provide adequate time for the horse to be brought on-track and placed in its pre-race security stall prior to the administration of furosemide.

Subsections 1845(b)(2) through (b)(2)(B) state the horse shall be assigned to a pre-race security stall. The horse shall remain in the security stall until it is taken to the receiving barn or the paddock to be saddled or harnessed for the race. While in the security stall, the horse shall be under the constant care, custody and view of the trainer or a licensed person assigned by the trainer. The trainer shall be responsible for the condition of the horse while it remains in the security stall. These provisions are not new, as they exist in the current Rule 1845(d). Pre-race security stalls are a component of the pre-race security measures that help to minimize or eliminate the administration of illegal drugs to racehorses. In practice, one or more of a trainer's assigned stalls are designated with Detention Stall signs CHRB-234 (New 01/16). The signs identify a horse entered on the day's race card.

The form Detention Stall sign CHRB-234 (New 01/16) is incorporated by reference into Rule 1845, as it would be cumbersome, unduly expensive or otherwise impractical to publish the document in the CCR.

Board Rule 1887, Trainer to Insure condition of Horse, provides that the trainer is the absolute insurer of and responsible for the condition of the horses entered in a race. Subsection 1845(b)(2)(B) reiterates this concept by requiring that the horse in the pre-race security stall must be under the care, custody and constant view of the trainer, or of a licensed person assigned by the trainer. Placing the horse entered to race in a pre-race security stall and providing constant monitoring of the horse is an important element in the Board's efforts to ensure race-day security. These measures are necessary to guarantee the integrity of horseracing and the protection of the public.

Racehorses are athletes. They must train regularly to be at their competitive peak. Trainers formulate specific training schedules that ensure each horse will perform at its best on race day. Under-training may lead to cramps, strains and injuries during the race. Subsection 1845(b)(2)(C) allows a trainer to engage a horse, that would otherwise be confined to a security stall, in pre-race on-track warm-ups with the permission of the Official Veterinarian.

Before the furosemide veterinarian may administer furosemide to the horse, a veterinary-client-patient relationship must be established within the meaning of CCR, Title 16, section 2032.1. The provisions of subsections 1845(c)(1) through (c)(2), which are meant to establish a veterinary-client-patient relationship, were developed in conjunction with the California Veterinary Medical Board (CVMB) in response to the CVMB's concerns that third party

administration of furosemide would violate the veterinary-client-patient relationship. A new subsection 1845(c)(1) provides that such a relationship may be established if the trainer, owner, or the owner's veterinarian has consulted with the furosemide veterinarian regarding the condition of the horse. The furosemide veterinarian must also examine the horse. Alternatively, under a new subsection 1845(c)(2), the trainer, owner or owner's veterinarian may consult with the Official Veterinarian or Racing Veterinarian, and the furosemide veterinarian examines the horse. Under subsection 1845(c)(2) the consulting Official Veterinarian or Racing Veterinarian must also directly supervise the furosemide veterinarian or California registered veterinary technician who administers the furosemide. The direct supervision is necessary because the furosemide veterinarian would not have consulted with the owner, the trainer or the owner's veterinarian.

A revised subsection 1845(d) states the person who administers furosemide shall notify the official veterinarian of the treatment not later than two hours before post time. The notification shall be made on the form Bleeder Treatment Report CHRB-36 (New 08/04), which is incorporated by reference in Rule 1845. The revision to subsection 1845(d) clarifies who shall report the administration of furosemide, when such administration shall be reported, and which form shall be used to make the report.

The form Bleeder Treatment Report CHRB-36 (New 08/04) is incorporated by reference into Rule 1845, as it would be cumbersome, unduly expensive or otherwise impractical to publish the document in the CCR.

A new subsection (d)(1) states that the owner, trainer or a licensed employee of the trainer shall be present and observe the furosemide administration. This provision is necessary so that there will be no question that the furosemide was properly administered by the furosemide veterinarian or the California registered veterinary technician. This is also in keeping with subsection 1845(b)(2)(B) which states that the horse shall be under the constant care, custody and view of the trainer or a licensed person assigned by the trainer. The trainer shall be responsible for the condition of the horse while it remains in the security stall.

A new subsection 1845(e) provides that the horsemen's organization, trainers' organization and racing association shall enter into an agreement regarding race-day furosemide administration. (The current subsection 1854(e) has been amended and renumbered as new subsections 1845(c) through 1845(d).) The agreement shall be submitted to the Board for approval at the time of application for license to conduct the race meeting. This is necessary to ensure that all concerned parties are in agreement regarding the conduct of the racing association's program to administer third party furosemide. The requirement to submit the agreement with the application to conduct a race meeting will provide the Board with the ability to vet the document and to ask any questions during the hearing for approval of license. Under Rule 1432, Board May Demand Information, the Board may require any racing association intending to make application for license to conduct a horse racing meeting to furnish the Board with such information as it may require in determining the association's eligibility or qualifications to conduct a race meeting.

The new subsection 1845(e)(1) states that the furosemide veterinarian, or a California registered veterinary technician under the direct supervision of the furosemide veterinarian shall administer

furosemide. The furosemide veterinarian or California registered veterinary technician who administers furosemide shall be employed by the racing association. In addition, the furosemide veterinarian and California registered veterinary technician shall not have a current business relationship, or a prior veterinarian-client-patient relationship, with participating licensees within 30 days of the date he or she is employed to administer furosemide. These provisions are necessary to meet the goals of “third-party” administration of furosemide, which are to get private veterinarians out of the stall on race day, and to ensure that only veterinarians (or California registered veterinary technicians) employed by the racing association administer furosemide. To make certain the furosemide veterinarians and/or the California registered veterinary technicians do not have an interest in the business of licensees, they are prohibited from having worked as private veterinarians or technicians on the racetrack, or with participating licensees, within 30 days of the date they are designated to administer furosemide. Limiting the administration of furosemide to the furosemide veterinarian and the California registered veterinary technician is necessary to assure competitors and the wagering public alike that the only drug or medication horses will receive on race day is furosemide, and the only veterinarian/technician treating the horse is a third party veterinarian/technician.

New subsections 1845(e)(2) and (e)(3) provide definitions for “furosemide veterinarian” and “owner’s veterinarian.” The definitions are necessary to provide clarity regarding the different roles the veterinarians have with regards to the health and welfare of the race horse. The definitions also clarify who employs the veterinarians.

Subsection 1845(f) provides that the horse authorized to be administered furosemide shall receive 250 mg of furosemide intravenously unless an alternative dose between 150 mg and 500 mg has been determined after consultation between the trainer, owner, or owner’s veterinarian and the furosemide veterinarian. The current Rule 1845 allows for furosemide administration between 150 mg and 500 mg. The proposed amendment to Rule 1845 sets a standard furosemide dose of 250 mg. This is a nationally recognized default dose. However, not every horse will require a standard dose of furosemide. Therefore, to provide the parties with the flexibility to act in the best interest of the horse, subsection 1845(f) allows for the administration of between 150 mg and 500 mg of furosemide. The range of 150 mg to 500 mg is consistent with the RCI Model Rule recommendations for administration of furosemide.

A new subsection 1845(g) requires that in the event of an adverse reaction or other emergency related to the administration of furosemide, the furosemide veterinarian or California registered veterinary technician who administered the furosemide shall attend the horse until the arrival of the owner’s veterinarian. This provision is necessary to ensure the horse is in the care of a veterinarian or medical technician at all times, and will allow the owner’s veterinarian to confer with the party who administered furosemide regarding the horse’s reaction to the furosemide administration.

The current subsection 1845(e) provides that a representative of the Board may request that the veterinarian administering the bleeder medication surrender the syringe used in the administration of furosemide for possible testing. A new subsection 1845(h) requires that the syringe used to administer furosemide shall be provided to, and retained by the Board until all testing of the horse is completed. This is necessary to ensure that each syringe used to

administer furosemide is in the custody of the Board and available for testing, as needed. If there is a positive test finding, the Board may order, or the owner or trainer may request that the syringe be analyzed for prohibited substances. This is consistent with Board Rule 1859.25, Split Sample Testing, which provides the owner or trainer the opportunity to request, and pay a fee to have the split sample of the Board's official test sample tested by an independent Board-approved laboratory if the Board's official test sample is found to contain a prohibited drug substance. Subsection 1845(e) states the results of the test may be used in any action before the Board. This is consistent with current practice under Rule 1859.25, as the results of the split sample shall be reported to the Executive Director, the Board and the Equine Medical Director, and may be used if and when the Board files an official complaint or accusation.

The current subsections 1845(b) and (c) have been renumbered for purposes of clarity and consistency and appear in the amended text as subsections 1845(i) through (i)(2). These subsections give the required specific gravity of post-race urine samples, which shall not be below 1.010. (Specific gravity is a measurement of how concentrated the urine is; the density of the fluid.) They also provide that if the urine sample is not available, or if it is determined to be below 1.010, quantitation of furosemide in serum or plasma shall be performed. Concentrations may not exceed 100 nanograms of furosemide per milliliter of serum or plasma. These levels are the same as those in the current 1845 text. These levels are also consistent with the requirements of the RCI Model Rule recommendations.

Subsection 1845(f) of the current Rule 1845 has been renumbered as subsection 1845(j) of the amended text. The subsection remains essentially unchanged from the current version of Rule 1845. Any changes that have been made to subsection 1845(j) are for the purposes of clarity and consistency. Subsection 1845(j) states how a horse may be removed from the official authorized bleeder medication list, and the periods of time the horse must remain off the list before it can be re-registered on the list. The criteria for placing a horse back on the authorized bleeder medication list has been changed from a determination by the official veterinarian that not placing the horse on the list would be "detrimental to the welfare of the horse" to a requirement that the official veterinarian must find it is medically necessary for the horse. This is consistent with changes made to subsection 1845(a)(1), which require that the trainer and the owner's veterinarian must find that furosemide is medically necessary for the horse.

Subsection 1845(g) of the current Rule 1845 has been renumbered for purposes of clarity and consistency as subsection 1845(k) of the revised text. The subsection provides the period of time a horse will be ineligible to race if the official veterinarian observes it bleeding externally from one or both nostrils during or after a race or workout, and determines such bleeding is a direct result of EIPH. These periods of time remain unchanged; however, an exemption to these periods of ineligibility for horses voluntarily administered authorized bleeder medication without an external bleeding incident has been stricken. Under the proposed amendment it must be determined that furosemide is medically necessary for the horse; this would preclude the "voluntary" administration of the medication without a bleeding incident.

A new subsection 1845(l)(1) provides that the owner of the horse shall pay all costs associated with the administration of furosemide. A new subsection 1845(l)(2) provides that the owner shall pay administrative costs as set under the race-day furosemide agreement entered into by the

horsemen's organization, trainers' organization and the racing association. This is consistent with current practice. Owners currently pay all veterinary medical costs associated with the care and upkeep of their horses, including the administration of race-day furosemide.

A new subsection (1)(3) provides that the owner shall consent to the procedures in Rule 1845, and shall agree that the pre-race examination conducted under the direction of the official veterinarian or racing veterinarian constitutes a veterinary-client-patient relationship within the meaning of Title 16, section 2032.1, of the CCR. Although Rule 1846, Racing Soundness Examination, provides that the horse may be examined as late as two hours before post time, most racing soundness examinations occur in early morning, well before the first post time. (The first post time in a thoroughbred race meeting is typically between 12:30 p.m. and 1:30 p.m.) The examinations are conducted by the official veterinarian or the racing veterinarian. This provision will ensure a veterinary-client-patient relationship has been established for the purposes of the administration of race-day furosemide by the furosemide veterinarian.

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

The proposed amendment to Board Rule 1433, Application for License to Conduct a Horse Racing Meeting, will amend the forms CHRB-17, and CHRB-18 to require that the applicant racing association or racing fair submit a furosemide agreement, including the name of the furosemide veterinarian. In implementing its program for third party administration of furosemide, the Board determined that it is necessary to require that the horsemen's organization, trainers' organization and racing association/racing fair enter into an agreement regarding the conduct of the racing association's/racing fair's program for the administration of race-day furosemide. The agreement shall be submitted to the Board for approval at the time of application for license to conduct the race meeting.

The proposed amendment to Board Rule 1845 will enact the RMTC/RCI recommendations for third party administration of furosemide. The Board proposes to modify the text of Rule 1845 to provide that the only authorized medication for the control of EIPH shall be furosemide. The proposed amendment provides the steps required to register a horse on the authorized bleeder medication list. Once registered, the proposed amendment states when, how and in what dosage furosemide shall be administered to the horse. The amendment to Rule 1845 requires that furosemide may only be administered by a furosemide veterinarian, or a California registered veterinary technician under the direct supervision of the furosemide veterinarian. Prior to the administration of furosemide, either the furosemide veterinarian, or the official veterinarian or racing veterinarian and the furosemide veterinarian, must consult with the trainer, owner or the owner's veterinarian, regarding the condition of the horse, and the furosemide veterinarian must examine the horse sufficient to establish a veterinary-client-patient-relationship within the meaning of CCR, Title 16, section 2032.1. The proposed amendment to Rule 1845 provides that the owner, trainer, or a licensed employee of the trainer, shall be present to observe the furosemide administration. The proposed amendment requires the horsemen's organization, trainer's organization and racing association to enter into an agreement to provide for race-day furosemide administration. The amendment to Rule 1845 states that furosemide shall be administered by a furosemide veterinarian or a California registered veterinary technician under the supervision of the furosemide veterinarian, and that such persons shall be the employee of the

racing association. The furosemide veterinarian and the California registered veterinary technician shall not have had a business relationship or prior veterinarian-client-patient relationship with participating licensees within 30 days of the date he or she is employed to administer furosemide. The proposed amendment to Rule 1845 sets the standard dose of furosemide; states what actions to take in the event of an adverse reaction or other emergency related to the administration of furosemide; and that the syringe used to administer furosemide shall be retained by the Board until all testing of the horse is completed. The amendment to Rule 1845 sets the specific gravity of the post-race urine sample, and states that quantitation of furosemide in serum or plasma shall be performed if the urine sample is not available, or the specific gravity of the urine sample is below a specified level. The proposed amendment to Rule 1845 requires that the owner(s) of a registered horse shall pay all costs associated with the administration of furosemide as well as reasonable administrative costs as set under the race-day furosemide agreement; consent to the procedures in the regulation; and agree that the pre-race examination conducted under the direction of the Official Veterinarian shall constitute a veterinary-client-patient relationship within the meaning of the CCR, Title 16, section 2032.1. In addition, the proposed amendment to Rule 1845 modifies the CHRB 194 by changing the title of the form to: "Authorized Bleeder Medication and Medical History Request." A new section has been added to the CHRB 194 to allow the veterinarian designated by the horse owner(s) or trainer to provide the medical history relevant to the administration of authorized bleeder medication for the horse listed on the form.

These measures are necessary to ensure the integrity of horseracing and the protection of the public. The proposed amendment to Rule 1845 will have the benefit of assuring competitors and horseracing fans alike that the only medication horses entered to race will receive on race day is furosemide, and the only veterinarian that shall administer furosemide to the horse prior to a race is the furosemide veterinarian or the California registered veterinary technician under the direction of the furosemide veterinarian. The proposed amendment will have the benefit of promoting fairness and helping to protect the health and safety of horse and rider. The proposed amendment will not have an impact with regards to protecting the environment, the promotion of social equity, or transparency in business and government.

Evaluation of Consistency and Compatibility with Existing State Regulations: During the process of developing the proposed amendments, the Board has conducted an evaluation for any related regulations and has determined that Rule 1433 is the only regulation dealing with an application for license to conduct a horse racing meeting, and that Rule 1845 is the only regulation dealing with authorized bleeder medication with regards to horse racing in California. Therefore the proposed regulations are neither inconsistent nor incompatible with existing state regulations.

#### FORMS INCORPORATED BY REFERENCE

##### A. Rule 1845:

Form CHRB-36, New 08/04, California Horse Racing Board Bleeder Treatment Report;  
Form CHRB-194, Rev. ~~08/04~~01/16, Authorized Bleeder Medication and Medical History Request;  
Form CHRB-234, New 01/16, Detention Stall

B. Rule 1433:

Form CHRB-18, Rev. ~~2/15~~1/16, Application for License to Conduct a Horse Racing Meeting of a California Fair;

Form CHRB-17, Rev. ~~2/15~~1/16, Application for License to Conduct a Horse Racing Meeting

#### DISCLOSURE REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

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

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

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

The Board has made an initial determination that the proposed amendment to Rule 1433 and Rule 1845 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

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

Cost impact on representative private persons or businesses: The proposal to amend Rule 1433 and Rule 1845 will have an initial cost impact on horse racing associations to conduct the program for third party administration of furosemide. Based on the cost estimates provided by thoroughbred racing associations, the average cost to operate the program will be \$1,595 per race-day. However, Rule 1845 provides that horse owners shall pay all costs associated with materials used in the administration of furosemide, as well as reasonable administrative costs as set under the race-day furosemide agreement entered into by the horsemen's organization, trainers' organization and the racing association. This should result in the reimbursement of the racing associations' costs of operating the program. The cost impact to horse owners will be an average of \$25.64 per race-day administration of furosemide. The cost impact is based on the average number of thoroughbred horses running on furosemide divided into the average cost per day to the racing association. Some horse owners may experience a reduction in cost, as the current cost to horse owners for race-day furosemide ranges from \$20 to \$35.

Significant effect on housing costs: none.

#### RESULT OF ECONOMIC IMPACT ANALYSIS

The adoption of the proposed amendment to Rule 1433 and Rule 1845 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within

California. The amendment to Rule 1433 and Rule 1845 promotes the integrity of horseracing and the protection of the public. The proposed amendment to Rule 1433 and Rule 1845 will have the benefit of assuring competitors and horseracing fans alike that the only medication horses will receive on race day is furosemide, and the only veterinarian treating the horse in the hours prior to a race is the furosemide veterinarian or the California registered veterinary technician under the direction of the furosemide veterinarian. The proposed amendment will have the benefit of helping to protect the health and safety of horse and rider.

Effect on small businesses: none. The proposal to amend Rule 1433 and Rule 1845 does not affect small businesses because horse racing is not a small business under Government Code section 11342.610.

#### CONSIDERATION OF ALTERNATIVES

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

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

#### CONTACT PERSON

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

Harold Coburn, Regulation Analyst  
California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, CA 95825  
Telephone (916) 263-6026  
Fax: (916) 263-6022  
E-Mail: [haroldc@chrb.ca.gov](mailto:haroldc@chrb.ca.gov)

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

Andrea Ogden,  
Policy, Regulations and Legislation  
Telephone: (916) 263-6033

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

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

## AVAILABILITY OF MODIFIED TEXT

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

## AVAILABILITY OF FINAL STATEMENT OF REASONS

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

## BOARD WEB ACCESS

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

## REVISED INITIAL STATEMENT OF REASONS

### RULE 1433. APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING RULE 1845. AUTHORIZED BLEEDER MEDICATION

#### SPECIFIC PURPOSE OF THE REGULATION

The Board proposes to amend Rule 1433, Application for License to Conduct a Horse Racing Meeting, to require that racing associations include a furosemide agreement when submitting applications for license. The agreement shall be made between the racing association, the horsemen's organization, and trainers' organization, and shall state the procedures for the third party administration of race-day furosemide. The Board proposes to amend Rule 1845, Authorized Bleeder Medication, to enact the Racing Medication and Testing Consortium (RMTC) recommendations for third party administration of race-day furosemide. The RMTC is a national horse racing organization whose mission is to develop and promote uniform rules, policies and testing standards at the national level; coordinate research and educational programs that seek to ensure the integrity of racing and the health and welfare of racehorses and participants; and protect the interests of the racing public. In 2011 the RMTC formed a race-day medication task force, which concluded that to preserve race-day furosemide and eliminate concerns regarding the efficacy of furosemide to control exercise-induced pulmonary hemorrhage (EIPH), a national uniform medication policy must include third-party administration of furosemide (EIPH refers to the presence of blood in the airways of the lung in association with exercise. EIPH is common in horses undertaking intense exercise.). In 2013 the Racing Commissioners International (RCI) incorporated the RMTC recommendations in a Model Rule. The RCI Model Rule requires that furosemide be the only medication authorized for administration on race day, and limits furosemide administration to no later than four hours prior to post time for the race in which the horse is entered. Furosemide may only be administered by third-party veterinarians or veterinary technicians who are prohibited from working as private veterinarians or technicians on the racetrack or with participating licensees. The proposed amendment to Rule 1845 will bring the Board's rules in line with the national movement to address the issue of race day medication. The Board proposes to modify the text of Rule 1845 to provide that the only authorized bleeder medication for the control of EIPH shall be furosemide. The proposed amendment provides the steps required to register a horse on the authorized bleeder medication list. Once registered, the proposed amendment states when the horse, if entered to race, must arrive on the grounds, and provides that the horse shall be placed in a pre-race security stall identified by the posting of the form Detention Stall sign CHRB-234 (New 01/16). The proposed amendment to Rule 1845 states how and in what dosage furosemide shall be administered to the horse. The amendment to Rule 1845 states that furosemide may only be administered by a furosemide veterinarian, or a California registered veterinary technician under the direct supervision of the furosemide veterinarian. The furosemide veterinarian and the veterinary technician shall be employees of the racing association and shall not have had a prior veterinary-client-patient relationship with participating licensees within 30 days of the date he or she is employed to administer race-day furosemide. Prior to the administration of furosemide, the furosemide veterinarian, or the Official Veterinarian or Racing Veterinarian, must consult with the trainer, owner or the owner's veterinarian, regarding the condition of the horse. Additionally, the furosemide veterinarian must examine the horse

sufficient to establish a veterinary-client-patient-relationship within the meaning of California Code of Regulations (CCR), Title 16, section 2032.1 (California Veterinary Medical Board regulation). The proposed amendment to Rule 1845 provides that the owner, trainer, or a licensed employee of the trainer, shall be present to observe the furosemide administration; what actions to take in the event of an adverse reaction or other emergency related to the administration of furosemide; and that the syringe used to administer furosemide shall be retained by the Board until all testing of the horse is completed. The amendment to Rule 1845 sets the specific gravity of the post-race urine sample, and states that quantitation of furosemide in serum or plasma shall be performed if the urine sample is not available, or the specific gravity of the urine sample is below a specified level. The proposed amendment to Rule 1845 requires that the owner(s) of a registered horse shall pay all costs associated with the administration of furosemide; consent to the procedures in the regulation; and agree that the pre-race examination conducted under the direction of the Official Veterinarian shall constitute a veterinary-client-patient relationship within the meaning of the CCR, Title 16, section 2032.1. In addition, the proposed amendment to Rule 1845 modifies the CHRB 194 by changing the title of the form to: "Authorized Bleeder Medication and Medical History Request." A new section has been added to the CHRB 194 to allow the owner's veterinarian to provide the medical history relevant to the administration of authorized bleeder medication for the horse listed on the form. The proposed amendment to Rule 1845 also provides that the horsemen's organization, trainers' organization and racing association shall enter into an agreement to provide for race-day administration of furosemide. The agreement shall be submitted to the Board for approval at the same time the association submits its application for license to conduct a race meeting.

## PROBLEM

Furosemide is a diuretic administered to horses to treat EIPH, which is a condition wherein pulmonary bleeding occurs when capillaries in horses' lungs burst due to the exertion of severe exercise, or from racing. EIPH and the associated side effects cause poor racing performance. EIPH cumulatively damages lungs, and as damage accumulates the incidence and severity of bleeding increases. Untreated EIPH places both horse and rider at risk of injury. In 2011 a committee of the RMTC studying the administration of furosemide and adjunct bleeder medications presented its recommendations to the RMTC board, which resulted in the development of a Model Rule for RCI consideration. In 2013 the RCI incorporated the RMTC recommendations in a Model Rule, which requires that furosemide be the only bleeder medication authorized for administration on race day, and limits furosemide administration to no later than four hours prior to post time for the race in which the horse is entered. The RCI Model Rule also requires that furosemide administration be performed only by third-party veterinarians or veterinary technicians who are prohibited from working as private veterinarians or technicians at the racetrack or with participating licensees. As of January 2014, thirteen states had adopted regulations requiring third-party administration of furosemide: Colorado, Delaware, Indiana, Kentucky, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Dakota, Virginia and West Virginia. The proposed amendments to Rule 1845, Authorized Bleeder Medication, will bring the Board's regulations in line with the RMTC/RCI recommendations regarding the third-party administration of furosemide. The proposed amendment to Rule 1845 also provides that the horsemen's organization, trainers' organization and racing association shall enter into an agreement to provide for race-day administration of furosemide. The agreement

must be submitted to the Board for approval. To ensure the furosemide agreement is submitted, the Board proposes to amend Rule 1433 to require that the agreement be provided concurrent with the application for license to conduct a race meeting.

## NECESSITY

Rule 1433 incorporates by reference the forms Application for License to Conduct a Horse Racing Meeting, CHRB-17 (Rev. 01/16) (CHRB-17), and Application for License to Conduct a Horse Racing Meeting of a California Fair, CHRB-18 (Rev. 01/16) (CHRB-18); therefore, any revisions to the application forms would necessitate an amendment of the Rule 1433.

The Board proposes to amend Rule 1433 to change section 23 of the form CHRB-17, and section 22 of the form CHRB-18 to require that the applicant racing association/racing fair attach a furosemide agreement, including the name of the furosemide veterinarian. In implementing its program for third party administration of race-day furosemide, the Board determined that it is necessary to require that the horsemen's organization, trainers' organization and racing association/racing fair enter into an agreement regarding the conduct of the racing association's/racing fair's program for the administration of race-day furosemide. The agreement shall be submitted to the Board for approval at the time of application for license to conduct the race meeting. Sections 23 of the form CHRB-17, and 22 of the form CHRB-18 are both titled "Declarations," and are the items where the Board states its requirements regarding documents to be attached to the application, such as labor and horsemen agreements, and service contracts. The requirement to attach a furosemide agreement was placed under sections 23 of the form CHRB-17, and 22 of the form CHRB-18 for purposes of consistency.

The proposed amendment to Rule 1845 will modify the opening paragraph of the regulation to state that furosemide shall be the only authorized bleeder medication for the control of EIPH. EIPH occurs in horses, and is characterized by bleeding into the lungs or out the nose during exercise. It is believed horses experience EIPH because during exercise they have unusually high blood pressure in the vessels that lead from the heart to the lungs and this high pressure causes the walls of the vessels to break and release blood into the airways. The blood can impair breathing and lead to exercise intolerance. Some bleeding occurs in most horses that engage in strenuous exercise, but it becomes a problem when there is enough blood to prevent the horse from performing. Furosemide is a diuretic that has been shown to be effective in reducing EIPH. Theoretically, if horses are given furosemide, the drug draws water away from the lungs and keeps the horse's blood pressure from getting too high, preventing the lesions in the vessels and the blood from getting into the lungs. In 2011, the RMTC, the National Thoroughbred Racing Association, and the American Association of Equine Practitioners formed industry working groups to develop model rule recommendations, including recommendations governing the regulatory administration of furosemide. The consensus reached by the RMTC committee became the basis for an RCI Model Rule which allows only furosemide for the control of EIPH on race day. Under the RMTC recommendations, and the RCI Model Rule, adjunct bleeder medications are eliminated. The proposed amendment to Rule 1845 will bring California in line with the RCI Model Rule by designating furosemide as the only authorized bleeder medication for the control of EIPH. The opening paragraph of Rule 1845 has also been modified to state that furosemide shall only be administered by a single intravenous injection, in a dosage of not

less than 150 milligrams and not more than 500 milligrams, on the grounds of the racetrack where the horse will race, and no later than four hours prior to the post time of the race for which the horse is entered. The proposed regulation states that furosemide shall only be administered to a horse that is registered on the authorized bleeder medication list. These provisions are not new to the regulation, but were moved to the opening paragraph from the previous subsection 1845(e); they are also consistent with the RCI Model Rule.

The amended subsections 1845(a) through (a)(2) state how a horse is registered on the authorized bleeder medication list. Subsection (a)(1) provides that the trainer and the owner's veterinarian must determine furosemide is medically necessary to control EIPH and is not otherwise contraindicated for the horse. Currently, subsection 1845(a) provides that either the trainer or a veterinarian may determine if it is in the horses "best interest" to run on bleeder medication. The proposed amendment provides a higher standard by requiring that the trainer and the owner's veterinarian must determine furosemide is medically necessary to control EIPH and is not otherwise contraindicated for the horse. This is necessary, because in addition to the control of EIPH, furosemide is also associated with improved performance. Under the current rule, a trainer's determination that running on furosemide is in the best interest of a horse may not be based on medical necessity. The proposed subsection 1845(a)(1) will require that the horse has actually been observed bleeding, and/or that an endoscopic examination has been performed. It will further require that the trainer and the owner's veterinarian determine furosemide will not be harmful to the horse, and its benefits outweigh any risk. These provisions are necessary to prevent a horse from being placed on the bleeder medication list without a medical determination that it is actually exhibiting EIPH.

Currently, under Rule 1845, the form CHRB 194, which is incorporated by reference in Rule 1845, is used to notify the Official Veterinarian of the trainer's or veterinarian's decision to place a horse on the bleeder medication list. Subsection (a)(2) has been amended to provide that prior to entry for race, the Official Veterinarian must approve the CHRB 194. The requirement for the Official Veterinarian's approval will mean that he or she must agree with the medical determination made by the trainer of the horse and the owner's veterinarian before the horse may be placed on the bleeder list. The title of the CHRB 194 has been changed to read "Authorized Bleeder Medication and Medical History Request." This has been done to reflect the requirement that the horse's medical history, relevant to the administration of authorized bleeder medication, must be provided. This is in accordance with section 2032.1 of Title 16, of the CCR dealing with Veterinarian-Client-Patient Relationships. This regulation requires veterinarians who perform any act requiring a license upon any animal to prepare a legible, written record concerning the animal which shall contain a history or pertinent information as it pertains to each animal.

The form CHRB 194 is incorporated by reference into Rule 1845, as it would be cumbersome, unduly expensive or otherwise impractical to publish the document in the CCR.

The existing subsections 1845(b) and 1845(c) have been renumbered as 1845(i)(1) and (i)(2). The change was necessary for purposes of consistency and clarity.

The existing subsection 1845(d) has been renumbered as subsections 1845(b) through (b)(2)(C). Rule 1845 currently requires that furosemide be administered no later than four hours prior to the race in which the horse is entered. Although the majority of horses that will receive furosemide are stabled on the grounds of the racing association, this is not always the case. Some horses are shipped-in the day of the race. Subsections 1845(b) and (b)(1) state that once registered, any horse that shall be administered furosemide shall arrive on the grounds of the racetrack where it shall race no later than five hours prior to post time. The five hour requirement is necessary to provide adequate time for the horse to be brought on-track and placed in its pre-race security stall prior to the administration of furosemide.

Subsections 1845(b)(2) through (b)(2)(B) state the horse shall be assigned to a pre-race security stall. The horse shall remain in the security stall until it is taken to the receiving barn or the paddock to be saddled or harnessed for the race. While in the security stall, the horse shall be under the constant care, custody and view of the trainer or a licensed person assigned by the trainer. The trainer shall be responsible for the condition of the horse while it remains in the security stall. These provisions are not new, as they exist in the current subsection 1845(d). Pre-race security stalls are a component of the pre-race security measures that help to minimize or eliminate the administration of illegal drugs to racehorses. In practice, one or more of a trainer's assigned stalls are designated with Detention Stall signs CHRB-234 (New 01/16). The signs identify a horse entered on the day's race card.

The form Detention Stall sign CHRB-234 (New 01/16) is incorporated by reference into Rule 1845, as it would be cumbersome, unduly expensive or otherwise impractical to publish the document in the CCR.

Board Rule 1887, Trainer to Insure condition of Horse, provides that the trainer is the absolute insurer of and responsible for the condition of the horses entered in a race. Subsection 1845(b)(2)(B) reiterates this concept by requiring that the horse in the pre-race security stall must be under the care, custody and constant view of the trainer, or of a licensed person assigned by the trainer. Placing the horse entered to race in a pre-race security stall and providing constant monitoring of the horse is an important element in the Board's efforts to ensure race-day security. These measures are necessary to guarantee the integrity of horseracing and the protection of the public.

Racehorses are athletes. They must train regularly to be at their competitive peak. Trainers formulate specific training schedules that ensure each horse will perform at its best on race day. Under-training may lead to cramps, strains and injuries during the race. Subsection 1845(b)(2)(C) allows a trainer to engage a horse, that would otherwise be confined to a security stall, in pre-race on-track warm-ups with the permission of the Official Veterinarian.

Before the furosemide veterinarian may administer race-day furosemide to a horse, a veterinary-client-patient relationship must be established within the meaning of CCR, Title 16, section 2032.1. The provisions of subsections 1845(c)(1) through (c)(2), which are meant to establish a veterinary-client-patient relationship, were developed in conjunction with the California Veterinary Medical Board (CVMB) in response to the CVMB's concerns that third party administration of race-day furosemide would violate the veterinary-client-patient relationship. A

new subsection 1845(c)(1) provides that such a relationship may be established if the trainer, owner, or the owner's veterinarian has consulted with the furosemide veterinarian regarding the condition of the horse. The furosemide veterinarian must also examine the horse. Alternatively, under a new subsection 1845(c)(2), the trainer, owner or owner's veterinarian may consult with the Official Veterinarian or Racing Veterinarian, and the furosemide veterinarian examines the horse. Under subsection 1845(c)(2) the consulting Official Veterinarian or Racing Veterinarian must also directly supervise the furosemide veterinarian or California registered veterinary technician who administers the race-day furosemide. The direct supervision is necessary because the furosemide veterinarian would not have consulted with the owner, the trainer or the owner's veterinarian.

A revised subsection 1845(d) states the person who administers furosemide shall notify the official veterinarian of the treatment not later than two hours before post time. The notification shall be made on the form Bleeder Treatment Report CHRB-36 (New 08/04), which is incorporated by reference in Rule 1845. The revision to subsection 1845(d) clarifies who shall report the administration of furosemide, when such administration shall be reported, and which form shall be used to make the report.

The form Bleeder Treatment Report CHRB-36 (New 08/04) is incorporated by reference into Rule 1845, as it would be cumbersome, unduly expensive or otherwise impractical to publish the document in the CCR.

A new subsection (d)(1) states that the owner, trainer or a licensed employee of the trainer shall be present and observe the furosemide administration. This provision is necessary so that there will be no question that the race-day furosemide was properly administered by the furosemide veterinarian or the California registered veterinary technician. This is also in keeping with subsection 1845(b)(2)(B) which states that the horse shall be under the constant care, custody and view of the trainer or a licensed person assigned by the trainer. The trainer shall be responsible for the condition of the horse while it remains in the security stall.

A new subsection 1845(e) provides that the horsemen's organization, trainers' organization and racing association shall enter into an agreement regarding race-day furosemide administration. (The current subsection 1854(e) has been amended and renumbered as new subsections 1845(c) through 1845(d).) The agreement shall be submitted to the Board for approval at the time of application for license to conduct the race meeting. This is necessary to ensure that all concerned parties are in agreement regarding the conduct of the racing association's program to administer third party race-day furosemide. The requirement to submit the agreement with the application to conduct a race meeting will provide the Board with the ability to vet the document and to ask any questions during the hearing for approval of license. Under Rule 1432, Board May Demand Information, the Board may require any racing association intending to make application for license to conduct a horse racing meeting to furnish the Board with such information as it may require in determining the association's eligibility or qualifications to conduct a race meeting.

The new subsection 1845(e)(1) states that the furosemide veterinarian, or a California registered veterinary technician under the direct supervision of the furosemide veterinarian shall administer

furosemide. The furosemide veterinarian or California registered veterinary technician who administers race-day furosemide shall be employed by the racing association. In addition, the furosemide veterinarian and California registered veterinary technician shall not have a current business relationship, or a prior veterinarian-client-patient relationship, with participating licensees within 30 days of the date he or she is employed to administer race-day furosemide. These provisions are necessary to meet the goals of “third-party” administration of race-day furosemide, which are to get private veterinarians out of the stall on race day, and to ensure that only veterinarians (or California registered veterinary technicians) employed by the racing association administer furosemide. To make certain the furosemide veterinarians and/or the California registered veterinary technicians do not have an interest in the business of licensees, they are prohibited from having worked as private veterinarians or technicians on the racetrack, or with participating licensees, within 30 days of the date they are designated to administer furosemide. Limiting the administration of race-day furosemide to the furosemide veterinarian and the California registered veterinary technician is necessary to assure competitors and the wagering public alike that the only drug or medication horses will receive on race day is furosemide, and the only veterinarian/technician treating the horse is a third party veterinarian/technician.

New subsections 1845(e)(2) and (e)(3) provide definitions for “furosemide veterinarian” and “owner’s veterinarian.” The definitions are necessary to provide clarity regarding the different roles the veterinarians have with regards to the health and welfare of the race horse. The definitions also clarify who employs the veterinarians.

Subsection 1845(f) provides that the horse authorized to be administered furosemide shall receive 250 mg of furosemide intravenously unless an alternative dose between 150 mg and 500 mg has been determined after consultation between the trainer, owner, or owner’s veterinarian and the furosemide veterinarian. The current Rule 1845 allows for furosemide administration between 150 mg and 500 mg. The proposed amendment to Rule 1845 sets a standard furosemide dose of 250 mg. This is a nationally recognized default dose. However, not every horse will require a standard dose of furosemide. Therefore, to provide the parties with the flexibility to act in the best interest of the horse, subsection 1845(f) allows for the administration of between 150 mg and 500 mg of furosemide. The range of 150 mg to 500 mg is consistent with the RCI Model Rule recommendations for administration of furosemide.

A new subsection 1845(g) requires that in the event of an adverse reaction or other emergency related to the administration of furosemide, the furosemide veterinarian or California registered veterinary technician who administered the furosemide shall attend the horse until the arrival of the owner’s veterinarian. This provision is necessary to ensure the horse is in the care of a veterinarian or medical technician at all times, and will allow the owner’s veterinarian to confer with the party who administered furosemide regarding the horse’s reaction to the furosemide administration.

The current subsection 1845(e) provides that a representative of the Board may request that the veterinarian administering the bleeder medication surrender the syringe used in the administration of furosemide for possible testing. A new subsection 1845(h) requires that the syringe used to administer furosemide shall be provided to, and retained by the Board until all

testing of the horse is completed. This is necessary to ensure that each syringe used to administer race-day furosemide is in the custody of the Board and available for testing, as needed. If there is a positive test finding, the Board may order, or the owner or trainer may request that the syringe be analyzed for prohibited substances. This is consistent with Board Rule 1859.25, Split Sample Testing, which provides the owner or trainer the opportunity to request, and pay a fee to have the split sample of the Board's official test sample tested by an independent Board-approved laboratory if the Board's official test sample is found to contain a prohibited drug substance. Subsection 1845(e) states the results of the test may be used in any action before the Board. This is consistent with current practice under Rule 1859.25, as the results of the split sample shall be reported to the Executive Director, the Board and the Equine Medical Director, and may be used if and when the Board files an official complaint or accusation.

The current subsections 1845(b) and (c) have been renumbered for purposes of clarity and consistency and appear in the amended text as subsections 1845(i) through (i)(2). These subsections give the required specific gravity of post-race urine samples, which shall not be below 1.010. (Specific gravity is a measurement of how concentrated the urine is; the density of the fluid.) They also provide that if the urine sample is not available, or if it is determined to be below 1.010, quantitation of furosemide in serum or plasma shall be performed. Concentrations may not exceed 100 nanograms of furosemide per milliliter of serum or plasma. These levels are the same as those in the current 1845 text. These levels are also consistent with the requirements of the RCI Model Rule recommendations.

Subsection 1845(f) of the current Rule 1845 has been renumbered as subsection 1845(j) of the amended text. The subsection remains essentially unchanged from the current version of Rule 1845. Any changes that have been made to subsection 1845(j) are for the purposes of clarity and consistency. Subsection 1845(j) states how a horse may be removed from the official authorized bleeder medication list, and the periods of time the horse must remain off the list before it can be re-registered on the list. The criteria for placing a horse back on the authorized bleeder medication list has been changed from a determination by the official veterinarian that not placing the horse on the list would be "detrimental to the welfare of the horse" to a requirement that the Official Veterinarian must find it is medically necessary for the horse. This is consistent with changes made to subsection 1845(a)(1), which require that the trainer and the owner's veterinarian must find that furosemide is medically necessary for the horse.

Subsection 1845(g) of the current Rule 1845 has been renumbered for purposes of clarity and consistency as subsection 1845(k) of the revised text. The subsection provides the period of time a horse will be ineligible to race if the official veterinarian observes it bleeding externally from one or both nostrils during or after a race or workout, and determines such bleeding is a direct result of EIPH. These periods of time remain unchanged; however, an exemption to these periods of ineligibility for horses voluntarily administered authorized bleeder medication without an external bleeding incident has been stricken. Under the proposed amendment it must be determined that furosemide is medically necessary for the horse; this would preclude the "voluntary" administration of the medication without a bleeding incident.

A new subsection 1845(1)(1) provides that the owner of the horse shall pay all costs associated with the administration of furosemide. A new subsection 1845(1)(2) provides that the owner shall pay administrative costs as set under the race-day furosemide agreement entered into by the horsemen's organization, trainers' organization and the racing association. This is consistent with current practice. Owners currently pay all veterinary medical costs associated with the care and upkeep of their horses, including the administration of race-day furosemide.

A new subsection (1)(3) provides that the owner shall consent to the procedures in Rule 1845, and shall agree that the pre-race examination conducted under the direction of the official veterinarian or racing veterinarian constitutes a veterinary-client-patient relationship within the meaning of Title 16, section 2032.1, of the CCR. Although Rule 1846, Racing Soundness Examination, provides that the horse may be examined as late as two hours before post time, most racing soundness examinations occur in early morning, well before the first post time. (The first post time in a thoroughbred race meeting is typically between 12:30 p.m. and 1:30 p.m.) The examinations are conducted by the official veterinarian or the racing veterinarian. This provision will ensure a veterinary-client-patient relationship has been established for the purposes of the administration of race-day furosemide by the furosemide veterinarian.

#### BENEFITS ANTICIPATED FROM THE REGULATORY ACTION

The proposed amendment to Board Rule 1433, Application for License to Conduct a Horse Racing Meeting, will amend the forms CHRB-17, and CHRB-18 to require that the applicant racing association or racing fair submit a furosemide agreement, including the name of the furosemide veterinarian. In implementing its program for third party administration of furosemide, the Board determined that it is necessary to require that the horsemen's organization, trainers' organization and racing association/racing fair enter into an agreement regarding the conduct of the racing association's/racing fair's program for the administration of race-day furosemide. The agreement shall be submitted to the Board for approval at the time of application for license to conduct the race meeting.

The proposed amendment to Board Rule 1845 will enact the RMTC/RCI recommendations for third party administration of furosemide. The Board proposes to modify the text of Rule 1845 to provide that the only authorized medication for the control of EIPH shall be furosemide. The proposed amendment provides the steps required to register a horse on the authorized bleeder medication list. Once registered, the proposed amendment states when, how and in what dosage furosemide shall be administered to the horse. The amendment to Rule 1845 requires that furosemide may only be administered by a veterinarian designated by the Official Veterinarian, or a California registered veterinary technician under the direct supervision of the veterinarian designated by the Official Veterinarian. In an emergency, the Official Veterinarian may designate himself or herself to administer furosemide. The details of the emergency shall immediately be reported to the stewards. Prior to the administration of furosemide, either the veterinarian designated by the Official Veterinarian, or the Official Veterinarian or Racing Veterinarian, must consult with the trainer, owner or the veterinarian designated by the owner or trainer, regarding the condition of the horse, and the veterinarian designated by the Official Veterinarian, or the Official Veterinarian or the Racing Veterinarian, must examine the horse sufficient to establish a veterinary-client-patient-relationship within the meaning of CCR, Title

16, section 2032.1. The proposed amendment to Rule 1845 provides that the owner, trainer, or a designated licensed employee of the trainer, shall be present to observe the furosemide administration; what actions to take in the event of an adverse reaction or other emergency related to the administration of furosemide; and that the syringe used to administer furosemide shall be retained by the Board until all testing of the horse is completed. The amendment to Rule 1845 sets the specific gravity of the post-race urine sample, and states that quantitation of furosemide in serum or plasma shall be performed if the urine sample is not available, or the specific gravity of the urine sample is below a specified level. The proposed amendment to Rule 1845 requires that the owner(s) of a registered horse shall pay all costs associated with the administration of furosemide; consent to the procedures in the regulation; and agree that the pre-race examination conducted under the direction of the Official Veterinarian shall constitute a veterinary-client-patient relationship within the meaning of the CCR, Title 16, section 2032.1. In addition, the proposed amendment to Rule 1845 modifies the CHRB 194 by changing the title of the form to: "Authorized Bleeder Medication and Medical History Request." A new section has been added to the CHRB 194 to allow the veterinarian designated by the horse owner(s) or trainer to provide the medical history relevant to the administration of authorized bleeder medication for the horse listed on the form.

These measures are necessary to ensure the integrity of horseracing and the protection of the public. The proposed amendment to Rule 1845 will have the benefit of assuring competitors and horseracing fans alike that the only medication horses will receive on race day is furosemide, and the only veterinarian treating the horse in the hours prior to a race is the furosemide veterinarian, or the California registered veterinary technician under the direction of the furosemide veterinarian. The proposed amendment will have the benefit of promoting fairness, and helping to protect the health and safety of horse and rider. The proposed amendment will not have an impact with regards to protecting the environment, the promotion of social equity, or transparency in business and government.

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

The Board relied on the RCI Model Rules of Racing, Chapter 25, Equine Veterinary Practices, Health and Medication, in proposing the amendment to Rule 1433 and Rule 1845.

#### RESULTS OF ECONOMIC IMPACT ASSESSMENT

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

- The proposed regulations will not impact the creation or eliminate jobs within the State of California, or the creation of new businesses or the elimination of existing business or the expansion of businesses in California.
- The proposed amendment of Rule 1433 and Rule 1845 will not impact the creation of new businesses or eliminate existing businesses in California.
- Rule 1433 and Rule 1845 will not impact the expansion of businesses currently doing business in California.

- The proposed regulations will not benefit the health and welfare of California residents who are jockeys or harness drivers. The proposed regulations will not benefit the State's environment.

## PURPOSE

The proposed amendment to Rule 1433 is a necessary component of the Board's program for third-party administration of race-day furosemide. The Board proposes to amend Rule 1433 to require that racing associations include a furosemide agreement when submitting an application for license to conduct a race meeting. The agreement is required under the proposed amendment of Rule 1845. By requiring the racing association to submit the agreement at the time it submits its application for license, the Board will ensure the racing association, the horsemen's organization, and trainers' organization have provided for race-day furosemide administration procedures.

The proposed amendment to Rule 1845 will bring the Board's rules in line with the national movement to address the issue of race day medication. The Board proposes to modify the text of Rule 1845 to provide that the only authorized medication for the control of EIPH shall be furosemide. The proposed amendment provides the steps required to register a horse on the authorized bleeder medication list. Once registered, the proposed amendment states when, how and in what dosage furosemide shall be administered to the horse. The amendment to Rule 1845 requires that furosemide may only be administered by a veterinarian designated by the Official Veterinarian, or a California registered veterinary technician under the direct supervision of the veterinarian designated by the Official Veterinarian. In an emergency, the Official Veterinarian may designate himself or herself to administer furosemide. The details of the emergency shall immediately be reported to the stewards. Prior to the administration of furosemide, either the veterinarian designated by the Official Veterinarian, or the Official Veterinarian or Racing Veterinarian, must consult with the trainer, owner or the veterinarian designated by the owner or trainer, regarding the condition of the horse, and the veterinarian designated by the Official Veterinarian, or the Official Veterinarian or the Racing Veterinarian, must examine the horse sufficient to establish a veterinary-client-patient-relationship within the meaning of CCR, Title 16, section 2032.1. The proposed amendment to Rule 1845 provides that the owner, trainer, or a designated licensed employee of the trainer, shall be present to observe the furosemide administration; what actions to take in the event of an adverse reaction or other emergency related to the administration of furosemide; and that the syringe used to administer furosemide shall be retained by the Board until all testing of the horse is completed. The amendment to Rule 1845 sets the specific gravity of the post-race urine sample, and states that quantitation of furosemide in serum or plasma shall be performed if the urine sample is not available, or the specific gravity of the urine sample is below a specified level. The proposed amendment to Rule 1845 requires that the owner(s) of a registered horse shall pay all costs associated with the administration of furosemide; consent to the procedures in the regulation; and agree that the pre-race examination conducted under the direction of the Official Veterinarian shall constitute a veterinary-client-patient relationship within the meaning of the California Code of Regulations, Title 16, section 2032.1. In addition, the proposed amendment to Rule 1845 modifies the CHRB 194 by changing the title of the form to: "Authorized Bleeder Medication and Medical History Request." A new section has been added to the CHRB 194 to allow the veterinarian designated

by the horse owner(s) or trainer to provide the medical history relevant to the administration of authorized bleeder medication for the horse listed on the form.

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

The proposed amendment to Rule 1433 and 1845 provides for the third party administration of race-day furosemide. The medication is currently administered by private, Board licensed veterinarians. However, the proposed amendment will not eliminate the livelihood of private veterinarians, as the administration of race-day furosemide is only one component in ensuring the overall health and well-being of the horse. Private veterinary services will still be required by owners and trainers. The proposed amendment to Rule 1845 will create a limited number of new veterinarian and California registered veterinary technician openings at California racetracks, as the proposed amendment requires that the veterinarians and California registered veterinary technicians be employees of the racing association.

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

The proposed amendment to Rule 1433 and Rule 1845 provides for the third party administration of race-day furosemide. Race-day furosemide will be administered by furosemide veterinarians and California registered veterinary technicians, all of whom will be racing association employees. The furosemide veterinarians and the California registered veterinary technicians will be supervised by Board licensed Official Veterinarians and Board licensed Racing Veterinarians. Therefore no new businesses in California will be created, nor will existing businesses in California will be eliminated.

#### EXPANSION OF BUSINESSES OR ELIMINATION OF EXISTING BUSINESSES WITHIN THE STATE OF CALIFORNIA

The proposed amendment to Rule 1433 and Rule 1845 provides for the third party administration of race-day furosemide. Race-day furosemide will be administered by furosemide veterinarians and California registered veterinary technicians, all of whom will be racing association employees. The furosemide veterinarians and the California registered veterinary technicians will be supervised by Board licensed Official Veterinarians and Board licensed Racing Veterinarians. Therefore no new businesses in California will be created, nor will existing businesses in California will be eliminated.

#### BENEFITS OF THE REGULATION

The proposed amendment to Board Rule 1433 and Rule 1845 will enact the RMTTC/RCI recommendations for third party administration of race-day furosemide. The program will be supervised by Board licensed Official Veterinarians and Board licensed Racing Veterinarians. Race-day furosemide will be administered by furosemide veterinarians and California registered veterinary technicians, all of whom will be racing association employees. These measures are necessary to ensure the integrity of horseracing and the protection of the public. The proposed amendment to Rule 1433 and Rule 1845 will have the benefit of assuring competitors and

horseracing fans alike that the only medication horses will receive on race day is furosemide. The proposed amendment will have the benefit of promoting fairness and helping to protect the health and safety of horse and rider. The proposed amendment will not have an impact with regards to protecting the environment, the promotion of social equity, or transparency in business and government.

Based on the above facts detailed on the Economic Impact Analysis, the Board has made an initial determination that the proposed amendment to Rule 1433 and Rule 1845 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.

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

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

#### REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION

The proposed amendment to Rule 1433 and Rule 1845 was discussed at the March 2014 Regular Board Meeting, and the February 2015 Regular Board Meeting. No alternatives to the recommendation were proposed by the Board or by any other individual or entity at either meeting. No subsequent alternative recommendations were made prior to the notice. The Board invites any interested party to submit comments which offer any alternative proposal.

California Horse Racing Board  
March 25, 2016

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

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

(a) Unless the Board requires an earlier filing, at least 90 days before the time allocated by the Board for a race meeting to start, the association shall file with the Board an Application for License to Conduct a Horse Racing Meeting, CHRB-17 (Rev. 12/4516), which is hereby incorporated by reference. Note: CHRB-17 incorporates by reference, the Personal History Record, CHRB-25A (Rev. 11/08). A California fair shall file with the Board an Application for License to Conduct a Horse Racing Meeting of a California Fair, CHRB-18 (Rev. 12/4516), 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.

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

Reference: Section 19480, 19481, 19481.3 and 19562,  
Business and Professions Code.

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

**1. APPLICANT FAIR ASSOCIATION**

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

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

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

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

**2. DATES OF RACE MEETING**

A. Inclusive dates allocated for race meeting:

B. Actual dates racing will be held:

C. Dates racing will **NOT** be held:

D. Total number of racing days:

E. Days of the week races will be held:  
 Wed - Sun  Tues - Sat  Other (specify)

**3. RACING PROGRAM**

A. Total number of races:

B. Number of races by breed:

Thoroughbreds  Quarter Horses  Appaloosas  
 Arabians  Paints  Mules

**CHRB CERTIFICATION**

Application received:  
Reviewed:

Hearing date:  
Approved date:  
License number:

C. Number of races daily:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Thoroughbred							
Other Breeds							
Total							

D. Total number of stakes races by breed:

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

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

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

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

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

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

Yes  No      If no, what racing colors are to be used:

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

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

**4. FAIR ASSOCIATION**

A. Names of the fair directors:

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

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

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

**5. TAKE OUT PERCENTAGE**

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

Yes  No

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

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

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

**6. HANDLE HISTORY**

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

Year	Handle	Attendance

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

A. Purse distribution:

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

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

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

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

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

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

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

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

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

Current meet estimate:	Prior meet actual:
CTT	
TOC	
NTRA	
PCQHRA	
CWAR	
ARAC	
AMRA	
CHBPAPEN	
CTHF	
Total	Total

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

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

- E. Purse funds to be generated from on-track handle and intrastate off-track handle (excluding carry-overs from prior race meet(s):  
 Current meet estimate:  
 Prior meet actual:
- Average Daily Purse ( $7E \div$  number of days):  
 Current meet estimate:  
 Prior meet actual:
- F. Purse funds to be generated from interstate handle:  
 Current meet estimate:  
 Prior meet actual:
- Average Daily Purse ( $7F \div$  number of days):  
 Current meet estimate:  
 Prior meet actual:
- G. Bank and account number for the Paymaster of Purses' purse account:
- H. Name, address, email and telephone number of the pari-mutuel audit firm engaged for the meeting:

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

## 8. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held:
- B. Minimum number of stalls believed necessary for the meeting:
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:

- E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site.

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

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

**9. EQUINE EMERGENCY SERVICES**

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

**10. PARI-MUTUEL WAGERING PROGRAM**

- A. Is the fair applicant a member of the California Authority of Racing Fairs (CARF)? If yes, attach a copy of the CARF recommended wagering format. Yes  No
- B. Pursuant to Business and Professions Code section 19599, and with the approval of the CHRB, fairs may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each. If applicant is a member of CARF, also indicate if wager is a part of the CARF recommended wagering format:

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

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

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

- C. Identify any wagers noted in 10A (the current pari-mutuel wagering program) that were not in the prior year's pari-mutuel program, or that are not being carried forward from the previous year's pari-mutuel wagering program.
- D. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool:
- E. List any options requested with regard to exotic wagering:
- F. Will "advance" or "early bird" wagering be offered?                      Yes              No  
  
If yes, when will such wagering begin. Specify days and time for "early bird" wagering:
- G. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract:
- H. List below the takeout percentage for each type of wager identified in 10B:

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

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

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

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

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

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

Yes  No

If yes, attach a copy of the approval.

If no, explain the status of the approval.

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

**12. SIMULCAST WAGERING PROGRAM**

- A. Simulcast organization engaged by the fair to conduct simulcast wagering:
- B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.
- C. California simulcast facilities the fair proposes to offer its live audiovisual signal:
- D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal:
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair:
- F. California mini-simulcast facilities the fair proposes to offer its live audiovisual signal:
- G. List the host tracks from which the fair proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

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

**THOROUGHBRED SIMULCAST RACES TO BE IMPORTED**

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

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

## OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

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

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

- A. Racing officials nominated:
  - Association Veterinarian(s)
  - Clerk of Scales
  - Clerk of the Course
  - Film Specialist
  - Horse Identifier
  - Horseshoe Inspector
  - Paddock Judge
  - Patrol Judges
  - Placing Judges
  - Starter
  - Timer
- B. Management officials in the racing department:
  - Director of Racing
  - Racing Secretary
  - Assistant Racing Secretary
  - Paymaster of Purses
  - Others (identify by name and title)
- C. Name, address, email and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:

- E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

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

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers.
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
  - 1. Attach a written plan for enhanced security for graded stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention stalls.
  - 2. Detention Stalls:
    - A. Attach a plan for use of graded stakes or overnight races.
    - B. Number of security guards in the detention stall area during a 24-hour period.
    - C. Describe number and location of surveillance cameras in detention stall area.
  - 3. TCO2 Testing:
    - A. Number of races to be tested, and number of horses entered in each race to be tested.
    - B. Plan for enhanced surveillance for trainers with high-test results.
    - C. Plan for detention stalls for repeat offenders.
    - D. Number of security personnel assigned to the TCO2 program.
- C. Describe the electronic security system.
  - 1. Location and number of video surveillance cameras for the detention stall and stable gate.

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

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and during racing:

1. Attach a certification from the Ambulance Company(s) listed in 15 A, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
1. Attach a certification from the Ambulance Company(s) listed in 15 B, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.
- C. Describe the on-track first aid facility, including equipment and medical staffing:
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:
- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey:
- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to Business and Professions Code section 19481.3(d):
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
- I. Name of the workers' compensation insurance carrier for the fair and the number of the insurance policy (if self-insured, provide details):
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the fair for payment of workers' compensation.

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

**16. CONCESSIONAIRES AND SERVICE CONTRACTORS**

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

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

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

**18. SCHEDULE OF CHARGES**

- A. Proposed charges, note any changes from previous year:  
Admission (general)  
Admission (clubhouse)  
Reserved seating (general)  
Reserved seating (clubhouse)  
Parking (general)  
Parking (preferred)  
Parking (valet)  
Programs (on-track)  
(off-track)
- B. Describe any "Season Boxes" or other special accommodation fees:
- C. Describe any "package" plans such as combined parking, admission and program:

**19. JOCKEYS' QUARTERS**

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

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

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

## 20. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by (name) \_\_\_\_\_ on (date) \_\_\_\_\_.
- B. Number of rooms used for housing on the backstretch of the racetrack:
- C. Number of restrooms available on the backstretch of the racetrack:
- D. Estimated ratio of restrooms to the number of backstretch personnel:

## 21. TRACK SAFETY

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

## 22. DECLARATIONS

- A. All labor agreements, concession and service contracts, and other agreements necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state):
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.

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

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

**23. CERTIFICATION BY APPLICANT**

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

\_\_\_\_\_   
 Print Name

\_\_\_\_\_   
 Signature

\_\_\_\_\_   
 Print Title

\_\_\_\_\_   
 Date

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

## 1. APPLICANT ASSOCIATION

A. Name, mailing address, telephone, fax numbers, and the email address for associations contact person:

B. Breed of horse: TB  QH  H

C. Racetrack name:

D. Attach a certified check payable to the Treasurer of the State of California in the amount of \$10,000 as deposit for license fees pursuant to Business and Professions Code section 19490.

E. Was the association licensed to operate a race meeting prior to January 1, 2001?

Yes  No

If no, attach a surety bond in the amount of one hundred thousand dollars.

**NOTICE TO APPLICANT:** No application for a license to conduct a race meeting shall be granted unless the applicant has deposited with the Board a surety bond in the amount of one hundred thousand dollars (\$100,000), or a greater amount, as determined by the board, which is sufficient to ensure payment of employee wages and benefits including, but not limited to, health, welfare, and pension plans. The surety bond shall be maintained during the period of the meeting and for an additional period, as determined by the board, sufficient to assure that all payments are made. This subdivision does not apply to any person or association licensed to operate a horse race meeting prior to January 1, 2001, which has conducted a race meeting in each of the immediate three previous consecutive calendar years. The \$100,000 surety bond amount may be increased to an amount determined by the Board at the time the application is scheduled for hearing pursuant to Business and Professions Code section 19464(b).

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

## 2. DATES OF RACE MEETING

A. Inclusive dates allocated for the entire meeting:

B. Actual dates racing will be held:

C. Total number of days or nights of racing:

D. Days or nights of the week races will be held:

Wed - Sun  Tues - Sat  Other (specify)

E. Number of days or nights of racing per week:

### CHRB CERTIFICATION

Application received:  
Deposit received:  
Reviewed:

Hearing date:  
Approved date:  
License number:

### 3. RACING PROGRAM

- A. Total number of races:
- B. Number of races for each day or night:
- C. Total number of stakes races:
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.
1. Attach a listing of all stakes races for the past two race meetings. The information provided must be for the same timeframe in which the association is applying. Include the date the stakes races were run, and the added money or guaranteed purse for each. Note the races that were designated for California-bred horses.
  2. Identify the stakes races listed under item D that have been altered, added, or are new for the current race meeting. Provide details regarding any alterations to the identified stakes races. (e.g., changes in the age, sex, eligibility, purse or substantial calendar changes).
  3. Identify the stakes races listed under item D1 that have been dropped or deleted, and the reasons the stakes were dropped or deleted.
- E. Will provisions be made for owners and trainers to use their own registered colors?  
 Yes  No      If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

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

### 4. RACING ASSOCIATION

- A. Association is a:  Corporation (complete subsection C)  
 LLC (complete subsection D)  
 Other (specify, and complete subsection E)
- B. Complete the applicable subsection and attached Addendum, Background Information and Ownership.
- C. CORPORATION
1. Registered name of the corporation:
  2. State where incorporated:
  3. Registry or file number for the corporation:
  4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:

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

A. Is parent and/or paired corporation or entity a publically traded or privately held company that guarantees the obligation of the applicant? If no, proceed to section F. If yes, answer questions 10-17. Yes  No

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

D. LLC

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

11. Are the shares listed for public trading? Yes  No
12. If yes, on what exchange and how the stock is listed:

E. OTHER

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

F. FINANCIAL INFORMATION \*

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

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

G. MANAGEMENT AND STAFF

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

5. TAKE OUT PERCENTAGE

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

Yes  No

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

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

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

**6. HANDLE HISTORY**

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

Year	Handle	Attendance

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

- A. Purse distribution:

- 1. All races other than stakes:
  - Current meet estimate:
  - Prior meet actual:
  
  - Average Daily Purse (7 A1 ÷ number of days):
  - Current meet estimate:
  - Prior meet actual:
  
- 2. Overnight stakes:
  - Current meet estimate:
  - Prior meet actual:
  
  - Average Daily Purse (7 A2 ÷ number of days):
  - Current meet estimate:
  - Prior meet actual:

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

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

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

B. California-bred Stakes Races:

- 1. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:  
Current meet estimate:  
Prior meet actual:

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

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

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

Recognized Horsemen’s Organization	
Current meet estimate:	Prior meet actual:

Total	Total
-------	-------

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

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

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

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

Current meet estimate:

Prior meet actual:

G. Purse funds to be generated from interstate handle:

Current meet estimate:

Prior meet actual:

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

Current meet estimate:

Prior meet actual:

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

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

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

## 8. STABLE ACCOMMODATIONS

A. Number of usable stalls available for racehorses at the track where the meeting is held:

B. Minimum number of stalls believed necessary for the meeting:

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:

D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:

E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site.

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

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

**9. EQUINE EMERGENCY SERVICES**

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

**10. PARI-MUTUEL WAGERING PROGRAM**

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

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

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

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

- B. Identify any wagers noted in 10A (the current pari-mutuel wagering program) that were not in the prior year's pari-mutuel program, or that are not being carried forward from the previous year's pari-mutuel wagering program.
- C. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool:
- D. List any options requested with regard to exotic wagering:
- E. Will "advance" or "early bird" wagering be offered? Yes  No   
If yes, when will such wagering begin? Specify days and time for "early bird" wagering:
- F. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:
- G. List below the takeout percentage for each type of wager identified in 10A:

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

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

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

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

Yes  No

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

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

**12. SIMULCAST WAGERING PROGRAM**

- A. Simulcast organization engaged by the association to conduct simulcast wagering:
- B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
- F. California mini-simulcast facilities the association proposes to offer its live audiovisual signal:
- G. For **THOROUGHBRED** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

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

**THOROUGHBRED SIMULCAST RACES TO BE IMPORTED**

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

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

**QUARTER HORSE SIMULCAST RACES TO BE IMPORTED**

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

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

### HARNESS SIMULCAST RACES TO BE IMPORTED

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

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

### OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

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

### 13. CHARITY RACING DAYS

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

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

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

- A. Racing officials nominated:
  - Association Veterinarian(s)
  - Clerk of Scales
  - Clerk of the Course
  - Film Specialist
  - Horse Identifier
  - Horseshoe Inspector
  - Paddock Judge
  - Patrol Judges
  - Placing Judges
  - Starter
  - Timer
  
- B. Management officials in the racing department:
  - Director of Racing
  - Racing Secretary
  - Assistant Racing Secretary
  - Paymaster of Purses
  - Others (identify by name and title)
  
- C. Name, address, email and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
  
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
  
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
  
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

**15. SECURITY CONTROLS**

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

## 2. Detention Stalls:

- A. Attach a plan for use of graded stakes or overnight races.
- B. Number of security guards in the detention stall area during a 24-hour period.
- C. Describe number and location of surveillance cameras in detention stall area.

## 3. TCO2 Testing:

- A. Number of races to be tested, and number of horses entered in each race to be tested.
- B. Plan for enhanced surveillance for trainers with high-test results.
- C. Plan for detention stalls for repeat offenders.
- D. Number of security personnel assigned to the TCO2 program.

## C. Describe the electronic security system:

- 1. Location and number of video surveillance cameras for the detention stall and stable gate.

## D. For night racing associations. Describe emergency lighting system:

**16. EMERGENCY SERVICES**

## A. Name, address and emergency telephone number of the ambulance service to be used during workouts and during racing:

- 1. Attach a certification from the ambulance service(s) listed in 16 A, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.

## B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:

- 1. Attach a certification from the ambulance service (s) listed in 16 B, certifying that the paramedic staff are licensed with the California Emergency Medical Services Authority.

## C. Describe the on-track first aid facility, including equipment and medical staffing:

D. Name and emergency telephone number of the licensed physician on duty during the race meeting: **(If quarter horse racing association sees D (1) :**

- 1. Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, which whom an agreement is in place to provide emergency medical services, pursuant to Business and Professions Code section 19481.3(a):

## E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:

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

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

## 17. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

Does the association provide its own concessions?    Yes        No   

## 18. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Attach a copy of the promotional and marketing plans: for the race meeting:
- B. Promotional/ Marketing budget for this race meeting:  
Promotional/Marketing budget for prior race meeting:
- C. Number of hosts and hostesses employed for meeting:
- D. Describe facilities set aside for new fans:

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

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

**19. SCHEDULE OF CHARGES**

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

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

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

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

**20. JOCKEYS/DRIVERS' QUARTERS**

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

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

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

**21. BACKSTRETCH EMPLOYEE HOUSING**

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

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

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

D. Estimated ratio of restroom facilities to the number of backstretch personnel:

**22. TRACK SAFETY**

A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line:  feet.

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

### 23. DECLARATIONS

- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state):
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
- C. Attach a Race Day Furosemide Agreement to include the name of the furosemide veterinarian.
- ~~C~~ D. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made).
- ~~D~~ E. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):
- ~~E~~ F. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state):

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

**24. CERTIFICATION BY APPLICANT**

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

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Title

\_\_\_\_\_  
Date

## **ADDENDUM**

### **Background and Ownership Information**

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

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

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

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

## II. OWNERSHIP

- A. IDENTIFICATION AND LOCATION - The application documents must include:
1. All names used by the applicant; and
  2. name of the agent and the address and telephone number of the office of the applicant for service of process in California.
- B. BUSINESS STRUCTURE - The application documents must describe the applicant's business structure and include an organizational chart.
- C. ORGANIZERS - If the applicant is not an individual and was organized less than five years before the date on which the application documents are submitted to the CHRB, the application documents must state:
1. Name of each individual who was an organizer or promoter of the applicant;
  2. nature and amount of assets, services, or other consideration contributed to the applicant by an organizer or promoter of the applicant; and
  3. nature and amount of anything of value given by the applicant to an organizer or promoter of the applicant.
- D. ORGANIZATIONAL DOCUMENTS
1. If the applicant is a corporation, the application documents must include:
    - a. Statement of when and in what state the corporation was organized;
    - b. certified copy of the articles of incorporation and bylaws of the applicant;
    - c. statement and documentation of whether the corporation has been reorganized or reincorporated during the five-year period preceding the date on which the application documents are submitted to the CHRB; and
    - d. statement and documentation of whether the corporation has filed restated articles of incorporation.
  2. If the applicant is an unincorporated business association, the application documents must include:
    - a. Certified copy of each organizational document for the applicant, including any partnership agreement; and
    - b. description of any oral agreements involving the organization of the partnership.
- E. CAPITOL STOCK
1. If the applicant is authorized to issue capital stock, the application documents must state the classes of stock authorized and the total shares of each class authorized.
  2. For each class of stock, applicant must also state:
    - a. Par value, if any;
    - b. voting rights;
    - c. current rate of dividend; and
    - d. number of shares outstanding and the market value of each share.
  3. Application documents must list the name and address of each person who owns, of record or beneficially, at least 5% of stock. For each person listed under this subsection, the application documents must describe the nature of the person's ownership interest and the person's percentage of the total ownership interest.

4. Application documents must include a certified copy of each voting trust or voting agreement in which at least 5% of the capital stock is held and must state:
  - a. Name and address of each stockholder participating in the trust or agreement;
  - b. class of stock involved; and
  - c. total number of shares held by the trust or agreement.

F. DIRECTORS, OFFICERS, AND PARTNERS

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

G. CONTROLLING ENTITY

1. Application documents must state whether another entity exercises or is in a position to exercise control in the management or financial affairs of the applicant. The documents must describe the nature of the relationship between the entity and the applicant and the extent of control exercised by the entity.
2. If a nonindividual entity owns an interest of 5% or more in the applicant, the application documents must include the information required by Addendum Section II, G, 1, as it relates to the nonindividual entity.
3. Application documents must include information required by Addendum Section II, G, 2, for each nonindividual entity identified in the application documents to the extent necessary to determine the identity of each individual who is an indirect holder of an ownership interest in the applicant.

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

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