

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

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

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

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

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1632, Jockey's Riding Fee, to adjust the Non-Winning Jockey Riding Fee scale for losing mounts to reflect the new California minimum wage increase of 5 percent that will be effective January 1, 2017. Business and Professions Code section 19501(b)(1) requires the scale of minimum jockey riding fees for losing mounts to be increased whenever the state minimum wage is increased by the percentage of that increase. In addition, the Board proposes to amend the Non-Winning Jockey Riding Fee scale to reflect only the dollar amounts to be paid jockeys riding losing mounts. The Board also proposes to add new subsections 1632(b)(3) through 1632(b)(5) which provide direction for calculating jockey riding fees for second and third place mounts.

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, November 17, 2016**, or as soon thereafter as business before the Board will permit, at the **Del Mar Surfside Race Place, 2260 Jimmy Durante Blvd., Del Mar, California**. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m. on October 24, 2016**. The Board must receive all comments at that time; however, written comments may still be submitted at the public hearing. Submit comments to:

Nicole Lopes-Gravelly, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Telephone: (916) 263-6397
Fax: (916) 263-6022
E-mail: nlgravely@chr.ca.gov

AUTHORITY AND REFERENCE

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

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions Code section 19401(a) and (d) provides that the intent of Chapter 4 is to allow pari-mutuel wagering on horse races, while assuring protection of the public and providing uniformity of regulation for each type of horse racing. Business and Professions Code section 19420 states jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board. Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 provides that the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in California. Assembly Bill (AB) 649, Chapter 605, Statutes of 2007, added section 19501 to the Business and Professions Code. Subsection 19501(b)(1) states that the scale of minimum jockey riding fees for losing mounts shall be increased whenever the state minimum wage is increased by the percentage of that increase.

Business and Professions Code subsection 19501(b)(1) requires the scale of minimum jockey riding fees whenever the state minimum wage is increased by the percentage of that increase; however, it does not provide for an increase for the second and third place mounts. Further, Rule 1632 provides specific dollar amounts to pay losing mounts. To calculate second and third place mount fees, Rule 1632 provides a formula of 5 percent of place purse, plus \$10 for second and third place mounts finishing with purses of \$10,000 to \$100,000. This has resulted in a steady increase in losing mount fees while second and third place mount fees have remained static. As a result of the minimum wage increases over the past several years, the fees paid to losing mounts have begun to encroach upon the amounts paid to second and third place mounts, with the result that the formula for second and third place mount fees (5 percent plus \$10) no longer works under all circumstances. In some instances the losing mount jockey riding fee may be equal to or greater than the third place mount. When the third place mount fee is adjusted, it may be equal to the second place mount fee. This will eliminate any disparity between the non-winning jockey riding fees and will deter jockeys from intentionally losing a race rather than put forth his best effort in order to earn more money.

The proposed amendment to Rule 1632 addresses the mount fee disparities by changing the non-winning jockey riding fee chart under subsection 1632(b) to reflect only the dollar amounts to be paid jockeys riding losing mounts, and by adding new subsections 1632(b)(3) through 1632(b)(5) to provide direction for calculating jockey riding fees for second and third place mounts. Subsections 1632(b)(3) through 1632(b)(5) do not change current practice; instead, they

place current practice in narrative form. A new subsection 1632(b)(3) states that the Paymaster of Purses shall use the Horsemen's Agreement to determine the horse owner's place purse when calculating non-winning jockey riding fees. The Horsemen's Agreements provide the percentage of the gross purse the horse owner will receive, based on the order of the finish. The owner's percentage of the gross purse is the dollar amount from which the Paymaster of Purses will calculate the jockey mount fee. The subsection also provides that the losing mount jockey riding fee shall be paid as provided under subsection 1632(b). This is due to the fact that the losing fees are specific dollar amounts based on the requirements of Business and Professions Code section 19501. The minimum jockey riding fees for losing mounts are increased whenever California's minimum wage is increased and are not based on the owner's share of the gross purse. Therefore, the losing mount fees must be stated in the regulation. A new subsection 1632(b)(4) provides the formula for calculating the second and third place mount fees. It is the same formula that is provided under the current 1632(b) non-winning jockey riding fee chart: 5 percent plus \$10. A new subsection 1632(b)(5) provides instructions for the Paymaster of Purses should the losing mount fee be equal to or greater than the third place mount fee. The third place mount shall earn \$2 more than the losing mount and the second place mount shall earn \$2 more than the third place mount. This will allow the Paymaster of Purses to ensure that losing mount fees are never equal to or greater than second and third place mount fees.

POLICY STATEMENT OVERVIEW OF ANTICIPATED BENEFITS OF PROPOSAL

The proposed amendment to Rule 1632(b) amends the non-winning jockey riding fee chart to reflect only the dollar amounts to be paid jockeys riding losing mounts by 5 percent based on the California minimum wage rate increase that becomes effective January 1, 2017. In addition, the proposed amendment adds new subsections 1632(b)(3) through 1632(b)(5) which provide direction for calculating jockey riding fees for second and third place mounts. This will eliminate any disparity between the non-winning jockey riding fees and will deter jockeys from intentionally losing a race rather than put forth his best effort in order to earn more money. This will increase the public's confidence in California horse racing, which may result in increased wagering. An increase in wagering will have a positive economic impact on the industry by increasing handle, which in turn may increase purses and commissions. The specific benefits anticipated from the regulation are compliance with current law and a balanced fee scale which will result in a fair and honest race product.

CONSISTENCY EVALUATION

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

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

Mandate on local agencies and school districts: none.

Cost or savings to any state agency: none.

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

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

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

The Board has made an initial determination that the proposed amendment to Rule 1632 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states.

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

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

Significant effect on housing costs: none.

RESULTS OF ECONOMIC IMPACT ASSESSMENT

The adoption of the proposed amendment to Rule 1632 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California. The proposed amendment to Rule 1632 is a benefit to the health and welfare of California residents because it promotes fairness and compliance with current law. The proposed regulation will increase the losing mounts fee scale to reflect the new California minimum wage increase of 5 percent that becomes effective January 1, 2017, as required by Business and Professions Code section 19501(b)(1). In addition, the proposed regulation will provide direction for calculating jockey riding fees for second and third place mounts which will create a balanced fee scale and eliminate any inequality. This will promote the public's interest in a fair and honest race product by deterring a jockey from intentionally losing a race rather than put forth his best effort in order to earn more money. Furthermore, by adjusting the Non-Winning Jockey Riding Fee scale based on the minimum wage increase there may be an increase to consumer spending that in turn may help the overall economy in California.

Effect on small businesses: none. The proposal to amend Rule 1632 does not affect small businesses because horse racing associations in California are not classified as small businesses under Government Code Section 11342.610.

CONSIDERATION OF ALTERNATIVES

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

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

CONTACT PERSON

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

Nicole Lopes-Gravely, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 263-6397
Fax: (916) 263-6022
E-mail: nlgravely@chr.ca.gov

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

Laurel Houle, Regulation Analyst
Policy and Regulations
Telephone: (916) 274-6043

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

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

AVAILABILITY OF MODIFIED TEXT

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

BOARD WEB ACCESS

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

INITIAL STATEMENT OF REASONS

RULE 1632. JOCKEY'S RIDING FEE.

SPECIFIC PURPOSE OF THE REGULATION

The Board proposes to amend Rule 1632, Jockey's Riding Fee, to adjust the Non-Winning Jockey Riding Fee scale for losing mounts to reflect the new California minimum wage increase of 5 percent that will be effective January 1, 2017. Business and Professions Code section 19501(b)(1) requires the scale of minimum jockey riding fees for losing mounts to be increased whenever the state minimum wage is increased by the percentage of that increase. In addition, the Board proposes to amend the Non-Winning Jockey Riding Fee scale to reflect only the dollar amounts to be paid jockeys riding losing mounts. The Board also proposes to add new subsections 1632(b)(3) through 1632(b)(5) which provide direction for calculating jockey riding fees for second and third place mounts.

PROBLEM

Business and Professions Code subsection 19501(b)(1) provides for an increase for losing mounts on the scale of minimum jockey riding fees whenever the state minimum wage is increased by the percentage of that increase; however, it does not provide for an increase for the second and third place mounts. Further, Rule 1632 provides specific dollar amounts to pay losing mounts. This has resulted in a steady increase in losing mount fees while second and third place mount fees have remained static. As a result of the minimum wage increases over the past several years, the fees paid to losing mounts have begun to encroach upon the amounts paid to second and third place mounts. This creates a disparity between the non-winning jockey riding fees and may remove any incentive for a jockey to put forth his best effort.

In April 2016, Governor Brown signed Senate Bill (SB) 3 to increase California's minimum wage by 5 percent commencing January 1, 2017. Under SB 3, the minimum hourly wage will increase each year by \$1.00 per hour through January 1, 2022, when the minimum wage will reach \$15.00 per hour. The enactment of SB 3 will require that Board Rule 1632, Jockey's Riding fee, which currently provides a scale of jockey riding fees, be amended once a year over the next six years. The proposed amendment to Rule 1632 will update non-winning jockey riding fees as mandated by SB 3.

NECESSITY

Business and Professions Code subsection 19501(b)(1) requires the scale of minimum jockey riding fees whenever the state minimum wage is increased by the percentage of that increase; however, it does not provide for an increase for the second and third place mounts. Further, Rule 1632 provides specific dollar amounts to pay losing mounts. To calculate second and third place mount fees, Rule 1632 provides a formula of 5 percent of place purse, plus \$10 for second and third place mounts finishing with purses of \$10,000 to \$100,000. This has resulted in a steady increase in losing mount fees while second and third place mount fees have remained static. As a result of the minimum wage increases over the past several years, the fees paid to losing mounts have begun to encroach upon the amounts paid to second and third place mounts, with the result that the formula for second and third place mount fees (5 percent plus \$10) no longer works under all circumstances. In some instances the losing mount jockey riding fee may be equal to or greater than the third place mount. When the third place mount fee is adjusted, it may be equal to the second place mount fee. This will eliminate any disparity between the non-winning jockey riding fees and will deter jockeys from intentionally losing a race rather than put forth his best effort in order to earn more money.

The proposed amendment to Rule 1632 addresses the mount fee disparities by changing the non-winning jockey riding fee chart under subsection 1632(b) to reflect only the dollar amounts to be paid jockeys riding losing mounts, and by adding new subsections 1632(b)(3) through 1632(b)(5) to provide direction for calculating jockey riding fees for second and third place mounts. Subsections 1632(b)(3) through 1632(b)(5) do not change current practice; instead, they place current practice in narrative form. A new subsection 1632(b)(3) states that the Paymaster of Purses shall use the Horsemen's Agreement to determine the horse owner's place purse when calculating non-winning jockey riding fees. The Horsemen's Agreements provide the percentage of the gross purse the horse owner will receive, based on the order of the finish. The owner's percentage of the gross purse is the dollar amount from which the Paymaster of Purses will calculate the jockey mount fee. The subsection also provides that the losing mount jockey riding fee shall be paid as provided under subsection 1632(b). This is due to the fact that the losing fees are specific dollar amounts based on the requirements of Business and Professions Code section 19501. The minimum jockey riding fees for losing mounts are increased whenever California's minimum wage is increased and are not based on the owner's share of the gross purse. Therefore, the losing mount fees must be stated in the regulation. A new subsection 1632(b)(4) provides the formula for calculating the second and third place mount fees. It is the same formula that is provided under the current 1632(b) non-winning jockey riding fee chart: 5 percent plus \$10. A new subsection 1632(b)(5) provides instructions for the Paymaster of Purses should the losing mount fee be equal to or greater than the third place mount fee. The third place mount shall earn \$2 more than the losing mount and the second place mount shall earn \$2 more than the third place mount. This will allow the Paymaster of Purses to ensure that losing mount fees are never equal to or greater than second and third place mount fees.

BENEFITS ANTICIPATED FROM THE REGULATORY ACTION

The proposed amendment to Rule 1632(b) amends the non-winning jockey riding fee chart to reflect only the dollar amounts to be paid jockeys riding losing mounts by 5 percent based on the California minimum wage rate increase that becomes effective January 1, 2017. In addition, the

proposed amendment adds new subsections 1632(b)(3) through 1632(b)(5) which provide direction for calculating jockey riding fees for second and third place mounts. This will eliminate any disparity between the non-winning jockey riding fees and will deter jockeys from intentionally losing a race rather than put forth his best effort in order to earn more money. This will increase the public's confidence in California horse racing, which may result in increased wagering. An increase in wagering will have a positive economic impact on the industry by increasing handle, which in turn may increase purses and commissions. The specific benefits anticipated from the regulation are compliance with current law and a balanced fee scale which will result in a fair and honest race product.

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

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

RESULTS OF ECONOMIC IMPACT ASSESSMENT

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

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

The Board has made the initial determination that the proposed amendment to Rule 1632 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states. The proposed amendment to Rule 1632 will bring the California Horse Racing Board (CHRB) in compliance with Business and Professions Code section 19501 by adjusting the fee scale to reflect the upcoming state minimum wage rate increase of 5 percent for losing mounts. In addition, the proposed regulation will provide direction for calculating jockey riding fees for second and third place mounts which will create a balanced fee scale and eliminate any inequality. This regulation will only affect jockeys and owners, and only when said parties have not agreed on a fee to be paid to the jockey as specified in a contract or written agreement and submitted before the running of a race. Absent a contract or written agreement, the jockey will be paid based on the Non-Winning Jockey Riding Fee scale. The proposed amendment to the regulation may encourage out-of-state horsemen to compete in California by assuring they will receive proper compensation for losing mounts.

Purpose:

The proposed amendment to Rule 1632, Jockey's Riding Fee, will adjust the Non-Winning Jockey Riding Fee scale for losing mounts to reflect the new California minimum wage increase

of 5 percent that will become effective January 1, 2017. The purpose of the proposed amendment to Rule 1632, subsection (b) is to comply with Business and Professions Code section 19501(b)(1) which requires an increase in the scale of minimum jockey riding fees for losing mounts whenever the state minimum wage is increased by a percentage of that increase. In addition, the proposed amendment to Rule 1632 will provide direction for calculating jockey riding fees for second and third place mounts. This will create a balanced fee scale and eliminate any disparity between the non-winning jockey riding fees.

The Creation or Elimination of Jobs Within the State of California

The proposed amendment to Rule 1632 will bring CHRB in compliance with Business and Professions Code section 19501 by adjusting the fee scale to reflect the upcoming state minimum wage rate increase of 5 percent for losing mounts. In addition, the proposed amendment to Rule 1632 will provide direction for calculating jockey riding fees for second and third place mounts. This will create a balanced fee scale and eliminate any inequality. This regulation will only affect jockeys and owners and as such only has an effect on horseracing and not any other type of California business. Therefore, CHRB has determined that this regulatory proposal will not have a significant impact on the creation or elimination of jobs in the State of California.

The Creation of New Businesses or the Elimination of Existing Businesses within the State of California

The proposed amendment to Rule 1632 will bring CHRB in compliance with Business and Professions Code section 19501 by adjusting the fee scale to reflect the upcoming state minimum wage rate increase of 5 percent for losing mounts. In addition, the proposed amendment to Rule 1632 will provide direction for calculating jockey riding fees for second and third place mounts. This will create a balanced fee scale and eliminate any inequality. This regulation will only affect jockeys and owners and as such only has an effect on horseracing and not any other type of California business. Therefore, CHRB has determined this regulatory proposal will not have an impact on the creation of new businesses or the elimination of existing businesses in the State of California.

The Expansion of Businesses Currently Doing Business Within the State of California

The proposed amendment to Rule 1632 will bring CHRB in compliance with Business and Professions Code section 19501 by adjusting the fee scale to reflect the upcoming state minimum wage rate increase of 5 percent for losing mounts. In addition, the proposed amendment to Rule 1632 will provide direction for calculating jockey riding fees for second and third place mounts. This will create a balanced fee scale and eliminate any inequality. This regulation will only affect jockeys and owners, and only when said parties have not agreed on a fee to be paid to the jockey as specified in a contract or written agreement and submitted before the running of a race. Absent a contract or written agreement, the jockey will be paid based on the Non-Winning Jockey Riding Fee scale. Therefore, CHRB has determined that the proposed regulatory action is not relevant to the expansion of businesses currently doing business in the State of California.

Benefits of the Regulations to the Health and Welfare of California Residents, Worker Safety, and the State's Environment

The proposed amendment to Rule 1632 is a benefit to the health and welfare of California residents because it promotes fairness and compliance with current law. The proposed regulation will increase the losing mounts fee scale to reflect the new California minimum wage increase of 5 percent that will become effective January 1, 2017, as required by Business and Professions Code section 19501(b)(1). In addition, the proposed amendment to Rule 1632 will provide direction for calculating jockey riding fees for second and third place mounts. This will create a balanced fee scale and eliminate any disparity between the non-winning jockey riding fees. This will promote the public's interest in a fair and honest race product by deterring a jockey from intentionally losing a race rather than put forth his best effort in order to earn more money. Furthermore, by adjusting the Non-Winning Jockey Riding Fee scale based on the minimum wage increase there may be an increase to consumer spending that in turn may help the overall economy in California. These regulations do not benefit the state's environment.

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

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

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION

The proposed amendment to Rule 1632 was discussed at the June 16, 2016, Regular Board Meeting. No alternatives to the recommendation were proposed by the Board or by any other individual or entity at the meeting. No subsequent alternative 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
September 9, 2016

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

1632. Jockey's Riding Fee.

(a) Winning jockey riding fees in the absence of a contract or special agreement are:

GROSS PURSE	Winning Mount
\$100,000 and up:	10% of Win Purse

50,000-99,999:	10% of Win Purse
25,000-49,999:	10% of Win Purse
15,000-24,999:	10% of Win Purse
10,000-14,999:	10% of Win Purse
5,000-9,999:	10% of Win Purse
3,500-4,999:	10% of Win Purse
2,000-3,499:	10% of Win Purse
1,500-1,999:	10% of Win Purse

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

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

(b) Non-winning jockey Jockey riding fees for losing mounts are:

GROSS PURSE	2nd Mount	3rd Mount	Losing Mount	
\$100,000 and up:	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	\$168.74	<u>177.18</u>
50,000-99,999:	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	137.49	<u>144.37</u>
25,000-49,999:	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	118.74	<u>124.68</u>
15,000-24,999:	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	106.24	<u>111.55</u>
10,000-14,999:	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	99.99	<u>104.99</u>
5,000-9,999:	\$112.49	\$96.25	93.75	<u>98.44</u>
3,500-4,999:	99.99	87.49	81.25	
2,000-3,499:	87.49	81.25	78.75	
1,500-1,999:	74.99	72.49	72.49	

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

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

(3) To determine the horse owner's place purse or show purse when calculating non-winning jockey riding fees, the Paymaster of Purses shall use the purse agreement provided in the Horsemen's Agreement for the race meeting at which the jockeys earned such fees. The

losing mount fee shall be paid as provided under subsection (b) of this rule.

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

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

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

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

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

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

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

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

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