

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 1658. VESTING OF TITLE TO CLAIMED HORSE

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

PROPOSED REGULATORY ACTION

The Board proposes to amend Rule 1658, Vesting of Title to Claimed Horse. The proposed amendment would require the stewards to void a claim if the racing veterinarian or official veterinarian determines the horse will be placed on the Veterinarian's List as "bled." The proposed amendment also provides a definition of "bled."

PUBLIC HEARING

The Board will hold a public hearing starting at **9:30 a.m., Thursday, November 19, 2015**, or as soon after that as business before the Board will permit, at the **Del Mar Surfside Race Place, 2260 Jimmy Durante Boulevard, Del Mar, California**. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes at **5:00 p.m., on November 16 2015**. 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

AUTHORITY AND REFERENCE

Authority cited: Sections 19420 and 19440, Business and Professions Code. Reference: Section 19562, Business and Professions Code.

Business and Professions Code sections 19420 and 19440 authorize the Board to adopt the proposed regulation, which would implement, interpret or make specific section 19562, Business and Professions Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Business and Professions Code section 19420 provides that 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, but not be limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 states the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in this State.

The Board proposes to amend Rule 1658, Vesting of Title to Claimed Horse, to provide that a claim will be voided by the stewards if the racing veterinarian or the official veterinarian determines that the horse will be placed on the Veterinarian's List as "bled." Subsection 1658(b)(2) has been amended to add "bled" as a condition that will cause a claim to be voided. If a horse finishes a race with evidence of bleeding from the nostrils, it is evidence that it suffers from exercise induced pulmonary hemorrhage (EIPH). Just as horses may have preexisting unsoundness issues with regards to lameness, they also may have preexisting conditions with regards to their respiratory tracts. Two issues racetrack veterinarians routinely deal with are soundness health and respiratory health. Exercise-induced pulmonary hemorrhage occurs in horses that engage in intense exercise or race at high speeds. Blood enters the air passages of a horse's lung, due to fractured lung capillaries, which may lead to the impairment of lung function. Over time, the damage from repeated episodes of EIPH can set up a cycle that increases with severity of bleeding. Blood itself causes irritation and inflammation in the lung; this process leads to lung scarring and a weakening of the blood vessels. Mild EIPH may have only minimal effect on performance, but severe bleeding could impair exercise performance by decreasing oxygen uptake in the lung. In extreme cases the horse can break down on the track, which puts the health and safety of the jockey at risk. Horses with severe EIPH develop nosebleeds (epistaxis), while horses with less severe cases may not show any overt signs of the condition. One way to determine the presence and severity of EIPH is through a flexible endoscope examination. Observation of blood in the trachea or large bronchi of horses shortly after racing or strenuous exercise can provide a conclusive diagnosis of EIPH, and reveal a problem that has not yet become apparent with bleeding at the nostrils.

A claiming race provides an opportunity to unload a horse that has been found to have EIPH, but has not yet developed epistaxis. Such an action does not address the health of the horse; rather, it passes the issue to the new owner. Potential claimants cannot examine the horse before putting

in a claim, so it may not be easy to find out whether a horse has previously bled. Claiming a horse that displays epistaxis penalizes the new owner, as the horse will be ineligible to race as provided under Rule 1845, Authorized Bleeder Medicaiton. Rule 1845 provides that if the official veterinarian observes a horse bleeding externally from one or both nostrils during or after a race, and determines such bleeding is a direct result of EIPH, the horse shall be ineligible to race for periods of time ranging from 14 days if a first incident, to being barred from racing for lifetime if the bleeding is the fourth observed incident within a 365 day period. The claimant has no way of knowing if the horse has previously been placed on the Veterinarian's List due to external bleeding as a result of EIPH. To protect the interests of the horse and claimant, the Board has determined it is necessary to amend subsection 1658(b) to add "bled" as a condition that will cause a claim to be voided.

A new subsection 1658(b)(2)(A) defines "bled" as the racing or official veterinarian observing a horse bleeding from one or both nostrils during or after the race, and determining that the bleeding is a direct result of exercise induced pulmonary hemorrhage (EIPH). The Board has determined that it is necessary to amend Rule 1658 to add a definition of "bled" so that prospective claimants and racing officials will have clarity in understanding how the EIPH must display itself before a claim may be voided. There must be clear evidence of the condition, demonstrated by bleeding from one or both nostrils, before the stewards will void a claim.

Claiming Race: A claiming race is a horse race in which each horse entered is made available for purchase, or claiming, at a fixed price, which a buyer must agree to pay before the race is run. Claiming races allow lesser quality horses to compete equally, as not all horses are competitive at the top or mid levels of racing. Horses are entered for a price at which the owner or trainer feels is reasonable to lose it. A claiming race is a venue through which a new owner may buy his first horse. It is also a venue where others claim (at bargain prices) horses they believe can compete at higher levels. Claiming races can also be used by owners and trainers to rid themselves of horses whose performance is not what they expect, so the terms "*Caveat Emptor*" or "*Buyer Beware*" apply. The claimant does not get to examine the horse prior to putting in a claim, and the horse actually belongs to a successful claimant from the time the field is dispatched. Under traditional claiming races, if anything happens to the horse during or immediately after the race, the claimant still must take ownership, regardless of its condition; this is true in many racing states. However, in 2012 the Board amended Rule 1658 to provide that if a claimed horse is placed on the Veterinarian's List as unsound or lame, the stewards shall void the claim and return the horse to its original owner. The amendment was meant to protect the health of the horse by discouraging owners and trainers from attempting to run unsound horses in claiming races, and to encourage new owners, as well as experienced horsemen, to claim more California horses.

POLICY STATEMENT OVERVIEW OF ANTICIPATED BENEFITS OF PROPOSAL

The Board proposes to amend Rule 1658, Vesting of Title to Claimed Horse, to provide that a claim will be voided by the stewards if the racing veterinarian or the official veterinarian determines that the horse will be placed on the Veterinarian's List as "bled." Subsection 1658(b)(2) has been amended to add "bled" as a condition that will cause a claim to be voided. A new subsection 1658(b)(2)(A) defines "bled" as the racing or official veterinarian observing a

horse bleeding from one or both nostrils during or after the race, and determining that the bleeding is a direct result of exercise induced pulmonary hemorrhage (EIPH).

The proposed amendment to Rule 1658 is necessary to ensure the integrity of horseracing and the protection of the public. The proposed amendment will have the benefit of assuring potential claimants and horseracing fans alike that California's claiming races will not be venues wherein trainers and owners attempt to rid themselves of unsound horses. The proposed amendment will have the benefit of promoting fairness in that claimants will be less likely to find they have claimed horses that are not fit to continue racing. In addition, the proposed amendment will help to protect the health and safety of horse and rider, as horses with a history of bleeding due to EIPH will no longer be passed from one claiming race to another at increasingly lower values. The proposed amendment will not have an impact with regards to protecting the environment, the promotion of social equality or transparency in government. The proposed amendment will have an impact with regards to transparency in the business of claiming races, as it will promote the entrance of horses fit to continue racing, and discourage the dumping of unsound horses.

CONSISTENCY EVALUATION

Consistency with Existing State Regulations: During the process of developing the proposed amendment, the Board has conducted an evaluation for any other possible related regulations and has determined that Rule 1658 is the only regulation dealing with this subject area (Vesting of Title to Claimed Horse). Therefore the proposed regulation is neither inconsistent nor incompatible with existing state regulations.

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 of Rule 1658 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states. The proposed amendment addresses California claiming races by promoting the entrance of sound race horses while discouraging the running of unsound horses. The assurance of sound horses running in claiming races will help attract current and prospective owners to California's horse racing industry.

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.

RESULT OF ECONOMIC IMPACT ANALYSIS

The adoption of the proposed amendment of Rule 1658 will not (1) create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California. The proposed amendment will have the benefit of assuring potential claimants and horseracing fans alike that California's claiming races will not be venues wherein trainers and owners attempt to rid themselves of unsound horses. The proposed amendment will have the benefit of promoting fairness in that claimants will be less likely to find they have claimed horses that are not fit to continue racing. In addition, the proposed amendment will help to protect the health and safety of horse and rider, as horses with a history of bleeding due to EIPH will no longer be passed from one claiming race to another at increasingly lower values. The proposed amendment will not have an impact with regards to protecting the environment, the promotion of social equality or transparency in government. The proposed amendment will have an impact with regards to transparency in the business of claiming races, as it will promote the entrance of horses fit to continue racing, and discourage the dumping of unsound horses

Effect on small businesses: none. The proposal to amendment of Rule 1658 does not affect small businesses because horse racing is not a small business under Government Code Section 11342.610.

CONSIDERATION OF ALTERNATIVES

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

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

CONTACT PERSON

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

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

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

Andrea Ogden, Regulations Manager
Telephone: (916) 263-6033
E-mail: andreao@chrb.ca.gov

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 made available after the Board has adopted the proposed regulation in its current or modified form, should be sent to the attention of Harold Coburn at the address stated above.

BOARD WEB ACCESS

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

INITIAL STATEMENT OF REASONS

RULE 1658. VESTING OF TITLE TO CLAIMED HORSE

SPECIFIC PURPOSE OF THE REGULATION

The Board proposes to amend Rule 1658, Vesting of Title to Claimed Horse. The proposed amendment would require the stewards to void a claim if the racing veterinarian or official veterinarian determines the horse will be placed on the Veterinarian's List as "bled." The proposed amendment also provides a definition of "bled."

PROBLEM

If a horse finishes a race with evidence of bleeding from the nostrils, it is evidence that it suffers from exercise induced pulmonary hemorrhage (EIPH). Just as horses may have preexisting unsoundness issues with regards to lameness, they also may have preexisting conditions with regards to their respiratory tracts. Two issues racetrack veterinarians routinely deal with are soundness health and respiratory health. Exercise-induced pulmonary hemorrhage occurs in horses that engage in intense exercise or race at high speeds. Blood enters the air passages of a horse's lung, due to fractured lung capillaries, which may lead to the impairment of lung function. Over time, the damage from repeated episodes of EIPH can set up a cycle that increases with severity of bleeding. Blood itself causes irritation and inflammation in the lung; this process leads to lung scarring and a weakening of the blood vessels. Mild EIPH may have only minimal effect on performance, but severe bleeding could impair exercise performance by decreasing oxygen uptake in the lung. In extreme cases the horse can break down on the track, which puts the health and safety of the jockey at risk. Horses with severe EIPH develop nosebleeds (epistaxis), while horses with less severe cases may not show any overt signs of the condition. One way to determine the presence and severity of EIPH is through a flexible endoscope examination. Observation of blood in the trachea or large bronchi of horses shortly after racing or strenuous exercise can provide a conclusive diagnosis of EIPH, and reveal a problem that has not yet become apparent with bleeding at the nostrils.

A claiming race provides an opportunity to unload a horse that has been found to have EIPH, but has not yet developed epistaxis. Such an action does not address the health of the horse; rather, it passes the issue to the new owner. Potential claimants cannot examine the horse before putting in a claim, so it may not be easy to find out whether a horse has previously bled. Claiming a horse that displays epistaxis penalizes the new owner, as the horse would be ineligible to race as provided under Rule 1845, Authorized Bleeder Medicaiton. Rule 1845 provides that if the official veterinarian observes a horse bleeding externally from one or both nostrils during or after a race, and determines such bleeding is a direct result of EIPH, the horse shall be ineligible to race for periods of time ranging from 14 days if a first incident, to being barred from racing for lifetime if the bleeding is the fourth observed incident within a 365 day period. The claimant has no way of knowing if the horse has previously been placed on the Veterinarian's List due to external bleeding as a result of EIPH. To protect the interests of the claimant and horse, the

Board has determined it is necessary to amend subsection 1658(b) to add “bled” as a condition that will cause a claim to be voided.

NECESSITY

The Board proposes to amend Rule 1658, Vesting of Title to Claimed Horse, to provide that a claim will be voided by the stewards if the racing veterinarian or the official veterinarian determines that the horse will be placed on the Veterinarian’s List as “bled.” Subsection 1658(b)(2) has been amended to add “bled” as a condition that will cause a claim to be voided. If a horse finishes a race with evidence of bleeding from the nostrils, it is evidence that it suffers from exercise induced pulmonary hemorrhage (EIPH). Just as horses may have preexisting unsoundness issues with regards to lameness, they also may have preexisting conditions with regards to their respiratory tracts. Two issues racetrack veterinarians routinely deal with are soundness health and respiratory health. Exercise-induced pulmonary hemorrhage occurs in horses that engage in intense exercise or race at high speeds. Blood enters the air passages of a horse’s lung, due to fractured lung capillaries, which may lead to the impairment of lung function. Over time, the damage from repeated episodes of EIPH can set up a cycle that increases with severity of bleeding. Blood itself causes irritation and inflammation in the lung; this process leads to lung scarring and a weakening of the blood vessels. Mild EIPH may have only minimal effect on performance, but severe bleeding could impair exercise performance by decreasing oxygen uptake in the lung. In extreme cases the horse can break down on the track, which puts the health and safety of the jockey at risk. Horses with severe EIPH develop nosebleeds (epistaxis), while horses with less severe cases may not show any overt signs of the condition. One way to determine the presence and severity of EIPH is through a flexible endoscope examination. Observation of blood in the trachea or large bronchi of horses shortly after racing or strenuous exercise can provide a conclusive diagnosis of EIPH, and reveal a problem that has not yet become apparent with bleeding at the nostrils.

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A new subsection 1658(b)(2)(A) defines “bled” as the racing or official veterinarian observing a horse bleeding from one or both nostrils during or after the race, and determining that the bleeding is a direct result of exercise induced pulmonary hemorrhage (EIPH). The Board has

determined that it is necessary to amend Rule 1658 to add a definition of “bled” so that prospective claimants and racing officials will have clarity in understanding how the EIPH must display itself before a claim may be voided. There must be clear evidence of the condition, demonstrated by bleeding from one or both nostrils, before the stewards will void a claim.

BENEFITS ANTICIPATED FROM THE REGULATORY ACTION

The Board proposes to amend Rule 1658 to provide that a claim will be voided by the stewards if the racing veterinarian or the official veterinarian determines that the horse will be placed on the Veterinarian’s List as “bled.” Subsection 1658(b)(2) has been amended to add “bled” as a condition that will cause a claim to be voided. A new subsection 1658(b)(2)(A) defines “bled” as the racing or official veterinarian observing a horse bleeding from one or both nostrils during or after the race, and determining that the bleeding is a direct result of exercise induced pulmonary hemorrhage (EIPH).

The proposed amendment to Rule 1658 is necessary to ensure the integrity of horseracing and the protection of the public. The proposed amendment will have the benefit of assuring potential claimants and horseracing fans alike that California’s claiming races will not be venues wherein trainers and owners attempt to rid themselves of unsound horses. The proposed amendment will have the benefit of promoting fairness in that claimants will be less likely to find they have claimed horses that are not fit to continue racing. In addition, the proposed amendment will help to protect the health and safety of horse and rider, as horses with a history of bleeding due to EIPH will no longer be passed from one claiming race to another at increasingly lower values. The proposed amendment will not have an impact with regards to protecting the environment, the promotion of social equality or transparency in government. The proposed amendment will have an impact with regards to transparency in the business of claiming races, as it will promote the entrance of horses fit to continue racing, and discourage the dumping of unsound horses.

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 to Rule 1658.

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 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 to Rule 1658 will not impact the creation of new businesses or eliminate existing businesses in California.
- Rule 1658 will not impact the expansion of businesses currently doing business in California.

- The proposed regulation will not benefit the health and welfare of California residents or benefit the State's environment.

PURPOSE

The proposed amendment to Rule 1658 provide that a claim will be voided by the stewards if the racing veterinarian or the official veterinarian determines that the horse will be placed on the Veterinarian's List as "bled." Subsection 1658(b)(2) has been amended to add "bled" as a condition that will cause a claim to be voided. A new subsection 1658(b)(2)(A) defines "bled" as the racing or official veterinarian observing a horse bleeding from one or both nostrils during or after the race, and determining that the bleeding is a direct result of EIPH. This regulation will help protect the health and welfare of the horse and jockey by reducing the number of unsound horses run in claiming races. In addition the regulation will protect the interests of claimants by ensuring that owners and trainers of horses with severe EIPH, as evidenced by bleeding from one or both nostrils during or after a race, are not able to pass such horses to unsuspecting claimants by entering them in claiming races.

CREATION OR ELIMINATION OF JOBS WITHIN THE STATE OF CALIFORNIA

The proposed amendment to Rule 1658 provide that a claim will be voided by the stewards if the racing veterinarian or the official veterinarian determines that the horse will be placed on the Veterinarian's List as "bled." Subsection 1658(b)(2) has been amended to add "bled" as a condition that will cause a claim to be voided. A new subsection 1658(b)(2)(A) defines "bled" as the racing or official veterinarian observing a horse bleeding from one or both nostrils during or after the race, and determining that the bleeding is a direct result of EIPH. The proposed amendment will not affect the creation or elimination of jobs within the State of California, as it deals solely with the voiding of claims where the claimed horse is found unsound due to bleeding as a direct result of EIPH.

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

The proposed amendment to Rule 1658 provide that a claim will be voided by the stewards if the racing veterinarian or the official veterinarian determines that the horse will be placed on the Veterinarian's List as "bled." Subsection 1658(b)(2) has been amended to add "bled" as a condition that will cause a claim to be voided. A new subsection 1658(b)(2)(A) defines "bled" as the racing or official veterinarian observing a horse bleeding from one or both nostrils during or after the race, and determining that the bleeding is a direct result of EIPH. The proposed amendment will not affect the creation of new or elimination of existing businesses within the State of California, as deals solely with the voiding of claims where the claimed horse is found unsound due to bleeding as a direct result of EIPH.

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

The proposed amendment to Rule 1658 provide that a claim will be voided by the stewards if the racing veterinarian or the official veterinarian determines that the horse will be placed on the Veterinarian's List as "bled." Subsection 1658(b)(2) has been amended to add "bled" as a condition that will cause a claim to be voided. A new subsection 1658(b)(2)(A) defines "bled" as the racing or official veterinarian observing a horse bleeding from one or both nostrils during or after the race, and determining that the bleeding is a direct result of EIPH. The proposed amendment will not affect the expansion of businesses or elimination of existing businesses within the State of California, as it deals solely with the voiding of claims where the claimed horse is found unsound due to bleeding as a direct result of EIPH.

INITIAL DETERMINATION

The Board has made an initial determination that the proposed amendment to Rule 1658 will not have a significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states. The proposed amendment to Rule 1658 provides that a claim will be voided by the stewards if the racing veterinarian or the official veterinarian determines that the horse will be placed on the Veterinarian's List as "bled." Subsection 1658(b)(2) has been amended to add "bled" as a condition that will cause a claim to be voided. A new subsection 1658(b)(2)(A) defines "bled" as the racing or official veterinarian observing a horse bleeding from one or both nostrils during or after the race, and determining that the bleeding is a direct result of EIPH. The proposed amendment to Rule 1658 is necessary to ensure the integrity of horseracing and the protection of the public. The proposed amendment will have the benefit of assuring potential claimants and horseracing fans alike that California's claiming races will not be venues wherein trainers and owners attempt to rid themselves of unsound horses. The proposed amendment will have the benefit of promoting fairness in that claimants will be less likely to find they have claimed horses that are not fit to continue racing. In addition, the proposed amendment will help to protect the health and safety of horse and rider, as horses with a history of bleeding due to EIPH will no longer be passed from one claiming race to another at increasingly lower values.

BENEFITS OF THE REGULATION

The Board proposes to amend Rule 1658 to provide that a claim will be voided by the stewards if the racing veterinarian or the official veterinarian determines that the horse will be placed on the Veterinarian's List as "bled." Subsection 1658(b)(2) has been amended to add "bled" as a condition that will cause a claim to be voided. A new subsection 1658(b)(2)(A) defines "bled" as the racing or official veterinarian observing a horse bleeding from one or both nostrils during or after the race, and determining that the bleeding is a direct result of exercise induced pulmonary hemorrhage (EIPH).

The proposed amendment to Rule 1658 is necessary to ensure the integrity of horseracing and the protection of the public. The proposed amendment will have the benefit of assuring potential claimants and horseracing fans alike that California's claiming races will not be venues wherein trainers and owners attempt to rid themselves of unsound horses. The proposed amendment will have the benefit of promoting fairness in that claimants will be less likely to find they have claimed horses that are not fit to continue racing. In addition, the proposed amendment will help

to protect the health and safety of horse and rider, as horses with a history of bleeding due to EIPH will no longer be passed from one claiming race to another at increasingly lower values. The proposed amendment will not have an impact with regards to protecting the environment, the promotion of social equality or transparency in government. The proposed amendment will have an impact with regards to transparency in the business of claiming races, as it will promote the entrance of horses fit to continue racing, and discourage the dumping of unsound horses.

Based on the above facts detailed in the Economic Impact Analysis, the Board has made an initial determination that the proposed amendment to Rule 1658 will not have a significant statewide adverse economic impact directly affecting business including the ability of California Business 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 1658 was discussed at the February 2015 Regular Board Meeting and the May 2015 Medication and Track Safety Committee 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
October 2, 2015

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 7. CLAIMING RACES.
PROPOSED AMENDMENT OF
RULE 1658. VESTING OF TITLE TO CLAIMED HORSE.

1658. Vesting of Title to Claimed Horse.

(a) Title to a horse which is claimed shall be vested in the successful claimant from the time the field has been dispatched from the starting gate and the horse becomes a starter; and said successful claimant becomes the owner of the horse unless voided by the stewards under the provisions of this article. Only a horse which is officially a starter in the race may be claimed. A

subsequent disqualification of the horse by order of the stewards or the Board shall have no effect upon the claim.

(b) The stewards shall void the claim and return the horse to the original owner if:

(1) The horse suffers a fatality during the running of the race or dies or is euthanized before leaving the track, or

(2) The racing or official veterinarian determines the horse will be placed on the Veterinarian's List as bled, unsound or lame before the horse is released to the successful claimant.

(A) "Bled" is defined as the racing or official veterinarian observing a horse bleeding from one or both nostrils during or after the race, and determining that such bleeding is a direct result of exercise induced pulmonary hemorrhage.

(c) The stewards shall not void the claim if, prior to the race in which the horse is claimed, the claimant elects to claim the horse regardless of whether the racing or official veterinarian determines the horse will be placed on the Veterinarian's List as unsound or lame.

(1) An election made under subsection (c) of this rule shall be entered on the form CHRB-11(Rev. 8/13) Agreement to Claim, in accordance with section 1656 of this article.

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

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

Reference: Section 19562,
Business and Professions Code.