

## FINAL STATEMENT OF REASONS

### UPDATED INFORMATIVE DIGEST

There have been no changes in applicable laws or to the effect of the proposed regulation from the laws and effects described in the Notice of Proposed Action.

The Board adopted Rule 1581.1, Entries, and Rule 1597.5, Microchips Required for All Horses on Grounds, at the June 20, 2019 Regular Board Meeting.

### LOCAL MANDATE DETERMINATION

The adoption of Rule 1581.1 and Rule 1597.5 does not impose any mandate on local agencies or school districts.

### SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE ORIGINAL NOTICE PERIOD OF APRIL 26, 2019 TO JUNE 11, 2019.

No comments were received during the original notice period of April 26, 2019 to June 11, 2019.

### SUMMARY AND RESPONSE TO COMMENTS RECEIVED AT THE JUNE 20, 2019 REGULATORY HEARING.

No comments were received at the June 20, 2019 Regulatory Hearing.

The adoption of Rule 1581.1 and Rule 1597.5 has no significant adverse economic impact on small business.

The adoption of Rule 1581.1 and Rule 1597.5 has no significant adverse economic impact on business.

### ALTERNATIVE DETERMINATION

The Board has determined that no alternative would be more effective in carrying out the purpose for which the regulation was proposed, would be as effective and less burdensome to affected private persons than the proposed regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. The amendment to Rule 1581.1 will delete subsection 1581.1(a)(4), which prohibits a horse that does not carry a microchip or has not received a microchip waiver from the stewards, from entering to race. The amendment to Rule 1597.5 will change the title of the regulation to "Microchips Required for all Race Horses on Grounds." The change reflects the fact that the microchipping requirement applies only to race horses, and not to pony or companion horses. In addition, the amendment will designate the horse identifier as the person who shall be informed of the horse's microchipping rather than the stewards and stable superintendent. The amendment to Rule 1597.5 also removes the requirement for posting signage on stall of horses that do not carry a microchip; deletes the requirement that a horse must be implanted with a microchip within 72 hours of arriving

on the grounds; removes the requirement that a horse that has not been microchipped within 72 hours of coming onto the grounds be removed from the premises; and extends the 72 hour deadline for microchipping a horse to within 7 days of arriving on the grounds of the racetrack. The amendment to Rule 1597.5 also expands the stewards' authority to grant a microchipping waiver. Waivers may be granted for any single race rather than only for stakes races. Further, waivers will remain in effect for 7 days rather than 72 hours. Finally, Rule 1597.5 will be amended to allow horses without a microchip to enter to race. Horses without a microchip may be entered to race, provided they are microchipped prior to the actual race. The Board invited interested persons to present statements or arguments with respect to alternatives to the proposed regulations at the scheduled hearing or during the written comment period. No alternatives were proposed.

No alternatives that would lessen any adverse economic impact on small business were proposed.