

## INITIAL STATEMENT OF REASONS

### RULE 1588. HORSE INELIGIBLE TO START IN A RACE

#### SPECIFIC PURPOSE OF THE REGULATION

The proposed amendment to California Horse Racing Board (Board) Rule 1588, Horse Ineligible to Start in a Race, will add new subsection 1588(a)(11)(B) to provide that, except with prior approval of the stewards, and except for horses shipped directly from another racing jurisdiction, a horse that has not been in the care of a licensed trainer and stabled within a Board inclosure for seven consecutive days prior to the race, is ineligible to start in a race.

#### PROBLEM

The trainer plays a vital role in the conditioning and training of a horse prior to a race. The decisions the trainer makes about training, workouts, and rest can affect the performance of the horse. The trainer is also ultimately responsible for the condition of the horse prior to entry to race and for ensuring the horse is free of medications and illicit substances, healthy to run, and fit to compete.

The purpose of the proposed amendment is to address the use of “program” or “paper” trainers and to eliminate late ship-in horses and the potential for medication violations. A program trainer is the person whose name is listed on the official track program as the trainer of a horse that has actually been in the care of another. Sometimes the horse has been conditioned by an individual whose license has been suspended or revoked. The horse may not have been in the care of the program trainer long enough for him or her to train the horse, even minimally. As a result, horses may be running while unfit or, more likely, with a prohibited substance in their systems. The requirement that the horse be in the care of a licensed trainer within the inclosure for seven days prior to racing will give the trainer time to ensure the horse is sound and in fit condition to race. The seven days may also provide time for any prohibited substances to no longer be present in the horse.

#### NECESSITY

Board Rule 1588, Horse Ineligible to Start in a Race, sets forth various conditions in which a horse would be ineligible to start in a race. Currently, subsection 1588(a)(11) provides that, except with prior approval of the stewards, a horse that has not been on the grounds of the association or its approved auxiliary stable area for at least 24 hours prior to the time the race is to be run is ineligible to start in a race. While this addresses horses already on the grounds that are subject to strict regulations, it does not address those horses that are shipped into California racing and training facilities. The proposed amendment to Board Rule 1588 will add new subsection 1588(a)(11)(B) to provide that, except with prior approval of the stewards, and except for horses shipped directly from another racing jurisdiction, a horse that has not been in the care of a licensed trainer and

stabled within a Board inclosure for seven consecutive days prior to the race, is ineligible to start in a race.

In 2015, the Board amended Board Rule 1887, Trainer to Insure Condition of Horse, to add owners of ship-in horses as joint-absolute insurers and equally responsible for the condition of the horse entered to race. The title of the rule was changed to "Trainer or Owner to Insure Condition of Horse." The primary purpose of the amendment was to address the use of "program" or "paper" trainers. Additionally, Board Rule 1887 was amended to define a ship-in horse as any horse entered to race that has not been in the care of a Board-licensed trainer for seven consecutive calendar days prior to the day of the race for which it is entered. From 2018-2019 there were 10 cases in which Board Rule 1887 was cited as a violation and would have been prevented if the horse was unable to start in a race. The proposed amendment to Board Rule 1588 will strengthen the Board's ability to prevent program training and late ship-in horses and reduce medication violations which affect the integrity of the race.

All other changes are for renumbering or clarity purposes.

#### BENEFITS ANTICIPATED FROM THE REGULATORY ACTION

The proposed amendment to Board Rule 1588 will have the benefit of promoting fairness and helping to protect the health and safety of horse and rider by ensuring only those horses that have been in the care of a trainer licensed by the Board and stabled within a Board inclosure for seven consecutive days prior to the race will be eligible to run. The proposed amendment would increase the effectiveness of Board Rule 1588 by helping to reduce medication violations by deterring owners from sending a ship-in horse to race under another trainer's name that has been treated with a prohibited drug substance as their horse would be ineligible to run. This will increase the public's confidence in California horse race, 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. Additionally, this will better protect horses from injuries and breakdowns, which will better protect horses, their riders, and promote a better image of the Board.

#### 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 (GC) 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 an initial determination that the proposed regulatory action 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 Board Rule 1588 will, with exceptions, provide that a horse is ineligible to start in a race when said horse has not been in the care of a Board-licensed trainer and stabled within a Board inclosure for seven consecutive days prior to the race. As such, the proposed regulatory action will affect only trainers and owners who attempt to send a ship-in horse, that has been treated with a prohibited drug substance, to race under another trainer's name. Therefore, a minority of individuals within only the horse racing industry will be affected.

#### PURPOSE

The proposed amendment to Board Rule 1588, Horse Ineligible to Start in a Race, would provide that, except with prior approval of the stewards, and except for horses shipped directly from another racing jurisdiction, a horse that has not been in the care of a licensed trainer and stabled within a Board inclosure for seven consecutive days prior to the race, is ineligible to start in a race.

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

The proposed amendment to Board Rule 1588 will ensure only those horses that have been in the care of a trainer licensed by the Board and stabled within a Board inclosure for seven consecutive days prior to the race will be eligible to run. This will strengthen the Board's ability to prevent program training and late ship-in horses and reduce medication violations which affect the integrity of the race. This regulation will only affect trainers and owners and as such only has an effect on horseracing and not on any other type of California business. Therefore, the Board 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 Board Rule 1588 will ensure only those horses that have been in the care of a trainer licensed by the Board and stabled within a Board inclosure for seven consecutive days prior to the race will be eligible to run. This will strengthen the

Board's ability to prevent program training and late ship-in horses and reduce medication violations which affect the integrity of the race. This regulation will only affect trainers and owners and as such only has an effect on horseracing and not on any other type of California business. Therefore, the Board 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 Board Rule 1588 will ensure only those horses that have been in the care of a trainer licensed by the Board and stabled within a Board inclosure for seven consecutive days prior to the race will be eligible to run. This will strengthen the Board's ability to prevent program training and late ship-in horses and reduce medication violations which affect the integrity of the race. Therefore, the Board 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 Board Rule 1588 will have the benefit of promoting fairness and helping to protect the health and safety of horse and rider by ensuring only those horses that have been in the care of a trainer licensed by the Board and stabled within a Board inclosure for seven consecutive days prior to the race will be eligible to run. The proposed amendment would increase the effectiveness of Board Rule 1588 by helping to reduce medication violations by deterring owners from sending a ship-in horse to race under another trainer's name that has been treated with a prohibited drug substance as their horse would be ineligible to run. This will increase the public's confidence in California horse race, 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. These regulations do not benefit the state's environment.

#### ALTERNATIVES 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 Board Rule 1588 was discussed at the August 22, 2019 regular Board meeting. No alternatives to the recommendation were proposed by the Board or by any other individual or entity at the meetings. No subsequent alternative recommendations were made prior to the notice. The Board invites any interested party to submit comments that offer any alternative proposal.

California Horse Racing Board  
August 21, 2020