

CALIFORNIA HORSE RACING BOARD

1010 Hurley Way, Suite 300

Sacramento, CA 95825

www.chrb.ca.gov

(916) 263-6000

information@chrb.ca.gov

REGULAR MEETING

Of the **California Horse Racing Board (CHRB/Board)** will be held on **Thursday, January 18, 2024**, commencing at **9:30 a.m.** at the **California Exposition and State Fair Grandstand, 1600 Exposition Boulevard, Sacramento, California**. The audio portion only of the California Horse Racing Board regular meeting will be available online through a link at the CHRB website (www.chrb.ca.gov) under “Webcasts.”

The agenda for the regular meeting will consist of the following matters:

AGENDA

Action Items:

1. **Approval of the minutes of December 14, 2023.**
2. Discussion and action by the Board regarding the **delegation of authority to the executive director** pursuant to California Business and Professions Code section 19428 for one year.
3. Discussion and action by the Board regarding the **Allocation of Northern California Racing Dates for racing year 2024.**
4. Discussion and action by the Board regarding the **request to continue the distribution of market access fees from Advanced Deposit Wagering for wagering conducted by Thoroughbred Associations in the Central and Southern zones for 2024**, to include distributions to Southern California Off-Track Wagering, Inc.
5. Discussion and action by the Board regarding the **request to modify the distribution of market access fees from Advanced Deposit Wagering, which otherwise would have funded purses and commissions, to cover the assessments as allocated to each Signatory Racing Association pursuant to the Horse Racing Integrity and Safety Act of 2020 (“HISA”) for calendar year 2024.**
6. Discussion and action by the Board regarding the **proposed amendments of CHRB Rule 1927, Fire Prevention, Rule 1928, Fire Regulations, Rule 2101, Definitions, and Rule 2103, Habitable Rooms**, to modify the requirements for racing associations to make adequate provisions for fire prevention, protection against fires, and fire suppression within CHRB inclosures.

7. Discussion and action by the Board regarding the **proposed amendments and public comment received for CHRB Rule 1846.5, Postmortem Examination, and Rule 1846.6, Postmortem Examination Review.**
8. Reports
 - A. **Executive Director's Report.**
 - B. **Equine Medical Director's Report.**
9. **Public Comment:** Communications, reports, requests for future actions of the Board. **Note:** During the public comment period, a total of thirty minutes will be allowed for public comments. After thirty minutes, no further comments will be accepted. Each person will be limited to two minutes.
10. **Closed Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by section 11126 of the Government Code.
 - A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," and as authorized by Government Code section 11126(e).
 - B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding pending administrative licensing or disciplinary matters as authorized by Government Code section 11126(e).
 - C. The Board may convene a Closed Session for the purposes of considering personnel matters as authorized by Government Code section 11126(a).
11. **Adjournment.**

Additional information regarding this meeting may be obtained from the CHRB Administrative Office, 1010 Hurley Way, Suite 300, Sacramento, CA 95825; telephone (916) 263-6000. This notice is located on the CHRB website at www.chrb.ca.gov. *Information for requesting disability related accommodation for persons with a disability who require aid or services in order to participate in this public meeting, should contact information@chrb.ca.gov. Requests will be swiftly resolved by CHRB staff.

CALIFORNIA HORSE RACING BOARD

Gregory L. Ferraro, DVM, Chairman
Oscar Gonzales, Vice Chair
Dennis Alfieri, Member
Damascus Castellanos, Member
Brenda Davis, Member
Thomas C. Hudnut, Member
Wendy Mitchell, Member
Scott Chaney, Executive Director
Cynthia Alameda, Deputy Executive Director

CALIFORNIA HORSE RACING BOARD

1010 HURLEY WAY, SUITE 300

SACRAMENTO, CA 95825

(916) 263-6000

information@CHRB.ca.gov

**PENDING LITIGATION**
JANUARY 2024**COURT LITIGATION**

- A. Ruis Racing, LLC v. California Horse Racing Board**
Superior Court of California, County of Los Angeles
- B. Hollendorfer v. California Horse Racing Board**
Court of Appeal, 4th Appellate District
- C. Baltas v. California Horse Racing Board (Et. al)**
Superior Court of California, County of Los Angeles
- D. Jamgotchian v. California Horse Racing Board**
U.S. District Court, Central District of California
- E. Jamgotchian v. Lewis et al.**
Superior Court of California, County of Alameda

OTHER LITIGATION

- F. Proposed Ordinance adding Chapter 12.75 to the Berkeley Municipal Code**
Discussion and Action pursuant to Cal. Government Code 11126(e)(2)(C)

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Sacramento, CA 95825

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(916) 263-6000 Fax (916) 263-6042

**REGULAR BOARD MEETING MINUTES**

- Date and Time:** December 14, 2023, at 9:30 a.m.
- Location:** California Exposition and State Fair Grandstand
1600 Exposition Boulevard
Sacramento, CA 95815
- Board Members Present:** Gregory Ferraro, Chairman
Oscar Gonzales, Vice-Chairman
Damascus Castellanos, Member
Brenda Washington Davis, Member
- Staff Members Present:** Scott Chaney, Executive Director
Robert Brodnik, Chief Counsel
Jeff Blea, Equine Medical Director

1. APPROVAL OF THE MINUTES OF November 16, 2023.**Motion:** Approve.**Motioned/Seconded:** Castellanos/Davis.**Roll call vote:** **Aye:** Castellanos, Gonzales, Davis, Ferraro. **Nay:** None. **Motion carried.**

Page 3 in the Board transcript.

2. DISCUSSION AND ACTION BY THE BOARD REGARDING THE SUBMISSION TO THE BOARD OF THE NORTHERN CALIFORNIA STABLING AND VANNING FUND PROPOSED FINANCIAL AND OPERATIONAL PLANS FOR THE UPCOMING CALENDAR YEAR, AS REQUIRED PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19607.3.**Motion:** None.**Motioned/Seconded:** None/None.**Roll call vote:** **Aye:** None. **Nay:** None. **No action needed; information provided to the Board for review only.**

Pages 4–6 in the Board transcript.

3. DISCUSSION AND ACTION BY THE BOARD REGARDING THE SUBMISSION TO THE BOARD OF THE SOUTHERN CALIFORNIA STABLING AND VANNING FUND PROPOSED FINANCIAL AND OPERATIONAL PLANS FOR THE UPCOMING CALENDAR YEAR, AS REQUIRED PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19607.1.**Motion:** None.

Proceedings of the Regular Meeting of December 14, 2023

Motioned/Seconded: None/None

Roll call vote: **Aye:** None. **Nay:** None. **No action needed; information provided to the Board for review only.**

Pages 6–7 in the Board transcript.

4. DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST TO **MODIFY THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCE DEPOSIT WAGERING FOR WAGERING CONDUCTED BY THOROUGHBRED RACING ASSOCIATIONS AND RACING FAIRS IN THE CENTRAL AND SOUTHERN ZONES TO INCLUDE A DISTRIBUTION TO THE SOUTHERN CALIFORNIA STABLING AND VANNING FUND** AND TO ADJUST THE AMOUNT DISTRIBUTED TO THE FUND FROM BRICK AND MORTART WAGERING TO THE SAME PERCENTAGE AS FOR ADW FOR 2024.

Motion: Approve.

Motioned/Seconded: Davis/Castellanos.

Roll call vote: **Aye:** Davis, Gonzales, Castellanos, Ferraro. **Nay:** None. **Motion carried.**

Pages 7–8 in the Board transcript.

5. DISCUSSION AND ACTION BY THE BOARD REGARDING ENTERING INTO A **VOLUNTARY IMPLEMENTATION AGREEMENT WITH THE HORSERACING INTEGRITY AND SAFETY AUTHORITY, INC. (HISA) AND THE HORSE RACING INTEGRITY AND WELFARE UNIT (HIWU).**

Motion: Approve.

Motioned/Seconded: Castellanos/Gonzales.

Roll call vote: **Aye:** Davis, Gonzales, Castellanos, Ferraro. **Nay:** None. **Motion carried.**

Pages 8–10 in the Board transcript.

6. DISCUSSION AND ACTION BY THE BOARD ON THE **APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY AT THi 68, INC. dba NEW OC TAVERN, IN SAN CLEMENTE, CA.**

Motion: Approve

Motioned/Seconded: Gonzales/Washington Davis

Roll call vote: **Aye:** Castellanos, Gonzales, Washington Davis, Ferraro. **Nay:** None. **Motion carried.**

Pages 10–14 in the Board transcript.

7. DISCUSSION AND ACTION BY THE BOARD REGARDING **CALIFORNIA THOROUGHBRED BREEDERS ASSOCIATION, REQUEST FOR AUTHORIZATION OF ITS UPCOMING HORSE SALE AT FAIRPLEX IN POMONA, CALIFORNIA, PURSUANT TO CHRB RULE 1807, AUTHORIZED HORSE SALES.**

Motion: Approve.

Motioned/Seconded: Gonzales/Castellanos.

Roll call vote: **Aye:** Davis, Gonzales, Castellanos, Ferraro. **Nay:** None. **Motion carried.**

Proceedings of the Regular Meeting of December 14, 2023

Pages 14–15 in the Board transcript.

8. DISCUSSION AND ACTION BY THE BOARD REGARDING THE **DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF LOS ALAMITOS RACING ASSOCIATION, COMBINED 2022 THOROUGHBRED RACE MEETINGS.**

Motion: Approve.

Motioned/Seconded: Ferraro/Castellanos.

Roll call vote: Aye: Davis, Gonzales, Castellanos, Ferraro. **Nay:** None.

Motion carried.

Pages 15–16 in the Board transcript.

9. REPORT AND DISCUSSION ON **CHRB/CAHFS POSTMORTEM PROGRAM FATALITY REVIEW PROGRAM FOR FISCAL YEAR 2022-2023.**

Motion: None.

Motioned/Seconded: None/None

Roll call vote: Aye: None. **Nay:** None. **No action needed; information provided to the Board for review only.**

Pages 16–33 in the Board transcript.

10. REPORTS.

A. EXECUTIVE DIRECTOR'S REPORT

Pages 33–41 in the Board transcript.

B. EQUINE MEDICAL DIRECTOR'S REPORT.

Pages 41–46 in the Board transcript.

11. PUBLIC COMMENT.

Pages 46-49 in the Board transcript.

MEETING ADJOURNED AT 11:12 A.M.

Proceedings of the Regular Meeting of December 14, 2023

A full and complete transcript of the aforesaid proceedings are on file at the office of the California Horse Racing Board, 1010 Hurley Way, Suite 300, Sacramento, California, and therefore made a part hereof.

Chairman

Executive Director

Agenda Item 2

STAFF ANALYSIS DISCUSSION AND ACTION BY THE BOARD REGARDING THE DELEGATION OF AUTHORITY TO THE EXECUTIVE DIRECTOR PURSUANT TO CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTION 19428 FOR ONE YEAR.

Regular Board Meeting
January 18, 2024

ISSUE

The Executive Director of the California Horse Racing Board is vested with the authority to carry out and execute duties specified by the Law and by the Board. To increase efficiency and transparency, staff seeks to codify commonly requested actions of the Executive Director.

ANALYSIS

Business and Professions Code section 19428 provides in part, "The Executive Director shall be the Board's executive officer and shall carry out and execute the duties as specified by law and by the Board."

Commonly, the Executive Director is asked to approve administrative actions on behalf of the Board by licensees. To increase efficiency and transparency, staff seeks to codify commonly requested actions of the Executive Director.

1. Authority to approve a change to the first post time.
2. Authority to approve the cancelation of a place or show pool.
3. Authority to permit an authorized racing day which has been canceled, to be run on a non-racing day within the license period.
4. Authority to permit a racing day or days to be added within the license period.

Consistent with its authority under the California Business and Professions Code, the Board is permitted to delegate authority to act in these instances to the Executive Director.

RECOMMENDATION

This item is presented for Board discussion and action.

BEFORE THE CALIFORNIA HORSE RACING BOARD

STATE OF CALIFORNIA

In the Matter of Delegation of Authority to
the Executive Director of the California
Horse Racing Board

RESOLUTION AND ORDER

Pursuant to the authority granted to the California Horse Racing Board by virtue of California Business and Professions Code section 19428, the Board hereby authorizes the Executive Director to perform the following actions:

1. Upon request of a licensed racing association or fair, the Executive Director shall have the authority to approve a change to the first post time.
2. Upon request of a licensed racing association or fair, the Executive Director shall have the authority to approve the cancelation of a place or show pool.
3. Upon request of a licensed racing association or fair, the Executive Director, with the approval of the Chairman and Vice Chairman of the Board, shall have the authority to permit an authorized racing day which has been canceled, to be run on a non-racing day within the license period.
4. Upon request of a licensed racing association or fair, the Executive Director, with the approval of the Chairman and Vice Chairman of the Board, shall have the authority to permit an additional racing day or days to be run on a non-racing day or days within the license period.

This authority shall take effect on the day this resolution is adopted by the Board and shall remain in full force and effect for one year from that date unless amended, superseded or vacated by further order of the California Horse Racing Board.

CALIFORNIA HORSE RACING BOARD

Gregory L. Ferraro, DVM, Chairman

Dated: January 18, 2024

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE
ALLOCATION OF NORTHERN CALIFORNIA THOROUGHBRED RACING
DATES FOR RACING YEAR 2024

Regular Board Meeting
January 18, 2024

ISSUE:

Every year, the California Horse Racing Board (Board) hears from industry stakeholders regarding the allocation of race dates for the following year. This discussion is initially held at the Race Dates Committee (Committee) meeting, prior to being presented to the Board at a regular meeting for final approval of the allocated race dates. In the past, there has been discussion of adopting a multi-year allocated race dates calendar, but to date one has not been established.

The Board discussed the allocation of 2024 race dates at the August 2023 Race Dates Committee meeting and the September 2023 Board meeting, then again at the October 2023 regular Board meeting. At the August 2023 Board meeting, the Board adopted the 2024 Southern California race dates and some of the 2024 Harness racing dates. The Board deferred the 2024 Northern California race date discussion until the September 2023 meeting to allow time for additional considerations due to the closing of Golden Gate Fields following June 2024. At the September 2023 Board meeting, the Board heard from industry stakeholders regarding the 2024 proposed calendar for fair and thoroughbred racing. At the September 2024 Board meeting, the Board allocated the Northern California race dates through Summer 2024. The Board is returning this agenda item to allocate the remaining Northern California racing dates following the closing of Golden Gate Fields in June of 2024.

RECOMMENDATION:

This item is presented for discussion.



1/ST



January 5, 2024

Gregory L. Ferraro, DVM – Chairman
Oscar Gonzales – Vice Chairman
Dennis V. Alfieri – Member
Damascus Castellanos – Member
Brenda Washington Davis – Member
Thomas C. Hudnut – Member
Wendy Mitchell – Member
C. Scott Chaney – Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Commissioners and Executive Director,

With the closure of Golden Gate Fields (GGF) in June, California racing is at a tipping point. Decisions that define our future will have long-term ramifications on our sustainability in both the short and long term. We recognize the sense of loss that so many feel in the North with the closing of GGF in June and are united in our view that a viable North is an important part of California racing and breeding.

California's foal crop, horse population and field sizes have been in steady decline over the past several years. First with the closing of Bay Meadows and now GGF, supporting two full-time circuits has become increasingly difficult and underscores the daunting task for industry stakeholders and the CHRБ to agree to a holistic answer that can reverse many of the declines that have placed the California racing and breeding industry in a state of flux.

Coupled with the issues in the North, the Santa Anita purse account is overpaid \$4 million at the start of 2024. This forced the tough decision to reduce purses at Santa Anita by \$3 million over the first half of the new year and yet the overpayment is still growing. It is the same for Del Mar where purses were reduced up to 15% during the recently concluded Fall season as a mitigating measure to reduce the overpayment. The North also experienced massive purse cuts at GGF due to several years of overpayments amounting to over \$3 million and a shorter-than-expected payback period. The current California purse structure is unsustainable and, moreover, uncompetitive with other states across the country that benefit from alternative gaming revenue.

At the January 5, 2024, TOC board meeting, management teams from Santa Anita, Del Mar and Los Alamitos all stated that purses at their tracks will be further reduced in 2024 if an enhanced revenue structure is not introduced in the immediate future.

As you know, the North and South are not separate circuits, they are linked. If the South is not financially viable, it is difficult to see a future for any form of racing and breeding in the state. The South assumes approximately 80 percent of the costs for HISA, CHRБ and workers comp, despite a relatively equal number of starts before the two zones. Due to the increasing economic pressure, it is no longer sustainable for the South to maintain subsidies to support the North.

In September 2023, with unanimous industry support, AB 1074 was signed into law. The new legislation redirects – when there is no racing in the Northern zone – ADW and simulcast revenue (i.e. wagering on Southern Zone signals and imported races from out of state that comprise Northern Zone betting handle) to support live racing in the Southern Zone. Specifically, this redirected revenue would be allocated to regulatory costs, which has largely been paid by revenues that would otherwise flow to Southern zone purses and track commissions.

Since the announced closure of GGF in July, a realistic, financially sound plan that would enable racing in the Northern zone beyond the traditional CARF and Santa Rosa footprints has not been presented to California industry stakeholders. (It must be noted that any potential new operator of racing would need year-round stabling, training and backstretch facilities that are compliant with the federal Clean Water Act and other state and local regulations and how that compliance would be maintained with any future track or other improvements and/or increase in horse population.) Further, CARF’s Executive Director, Larry Swartzlander, declined TOC’s invitation to present any details of a North plan at our January 5 board meeting.

During the past six months, the TOC has been inundated with calls, texts, and emails regarding the future of California. Our members, horsemen and horsewomen are looking to industry stakeholders and the CHRB to create a path for a sustainable future. At present, 14 weeks of the late-season 2024 North calendar remain open, primarily in the fourth quarter, as well as 39 weeks in 2025. Time is of the essence to stabilize California racing and ensure the future for the tens of thousands of people employed in our industry.

TOC, Santa Anita, Del Mar Thoroughbred Club, and Los Alamitos request the opportunity at the January CHRB board meeting to present a plan that creates suitable and sustainable opportunities for 2024, 2025 and beyond. This plan is the result of collaboration among stakeholders to create opportunity in the Southern Zone during the unoccupied GGF dates, while also providing a secure path for CARF and Santa Rosa toward stability. The plan includes the introduction of required legislation to allow Los Alamitos the ability to offer new races, aimed at accommodating horses currently racing in the North. Also included is a transition component to provide financial incentives for those moving from the North to the South.

These are challenging times for our industry. A declining and uncompetitive purse structure coupled with a heavily subsidized and outdated business model where the Southern Zone tracks and horsemen provide their simulcast signal to the Northern Zone at no charge and pay a disproportionately large share of industry costs is weighing heavily on our future. We very much appreciate and share the CHRB mission statement to protect the viability of the state’s horse racing industry and ask that the CHRB allocate race dates for 2024 and 2025 for the industry to properly prepare for the future.

Horse racing in California has an incredibly proud history and rich tradition. Under the leadership of the CHRB, our equine safety and welfare reforms have become the industry’s gold standard. Allocating 2024 and 2025 race dates will pave the way for California racing to continue to play an important role as a national leader and enable the industry to create a path for growth.

Sincerely,



Edward Allred
Chairman & CEO
Los Alamitos Quarter
Horse Racing Association



Aidan Butler
Chief Executive Officer
1/ST Racing & Gaming



Josh Rubinstien
President & COO
Del Mar Thoroughbred
Club

William A. Nader
President & CEO
Thoroughbred Owners of
California

Presentation to CHRB

January 18, 2024

Annual Registered Foal Crop

	California	N. America
Year	Number	% Total
2003	3,867	10.4
2004	3,787	10.0
2005	3,664	9.6
2006	3,320	8.7
2007	3,087	8.2
2008	2,914	8.3
2009	2,466	7.6
2010	1,968	7.0
2011	1,841	0.4
2012	1,714	7.3
2013	1,690	7.3
2014	1,748	7.6
2015	1,855	8.0
2016	1,788	7.9
2017	1,841	8.3
2018	1,779	8.4
2019	1,664	8.1
2020	1,482	7.5
2021	1,314	6.8
Decline	66%	

Races

Year	North	South	Total
2003	2,419	2,364	4,783
2004	2,393	2,344	4,737
2005	2,316	2,311	4,627
2006	2,315	2,355	4,670
2007	2,243	2,379	4,622
2008	2,281	2,332	4,613
2009	2,081	2,216	4,297
2010	1,905	2,091	3,996
2011	1,769	1,960	3,729
2012	1,713	1,973	3,686
2013	1,681	1,957	3,638
2014	1,628	1,876	3,504
2015	1,614	1,874	3,488
2016	1,629	1,861	3,490
2017	1,597	1,821	3,418
2018	1,630	1,847	3,477
2019	1,682	1,543	3,225
2020	1,194	1,259	2,453
2021	1,438	1,481	2,919
2022	1,388	1,468	2,856
2023	1,342	1,438	2,780
Decline	44.50%	39.20%	41.9%

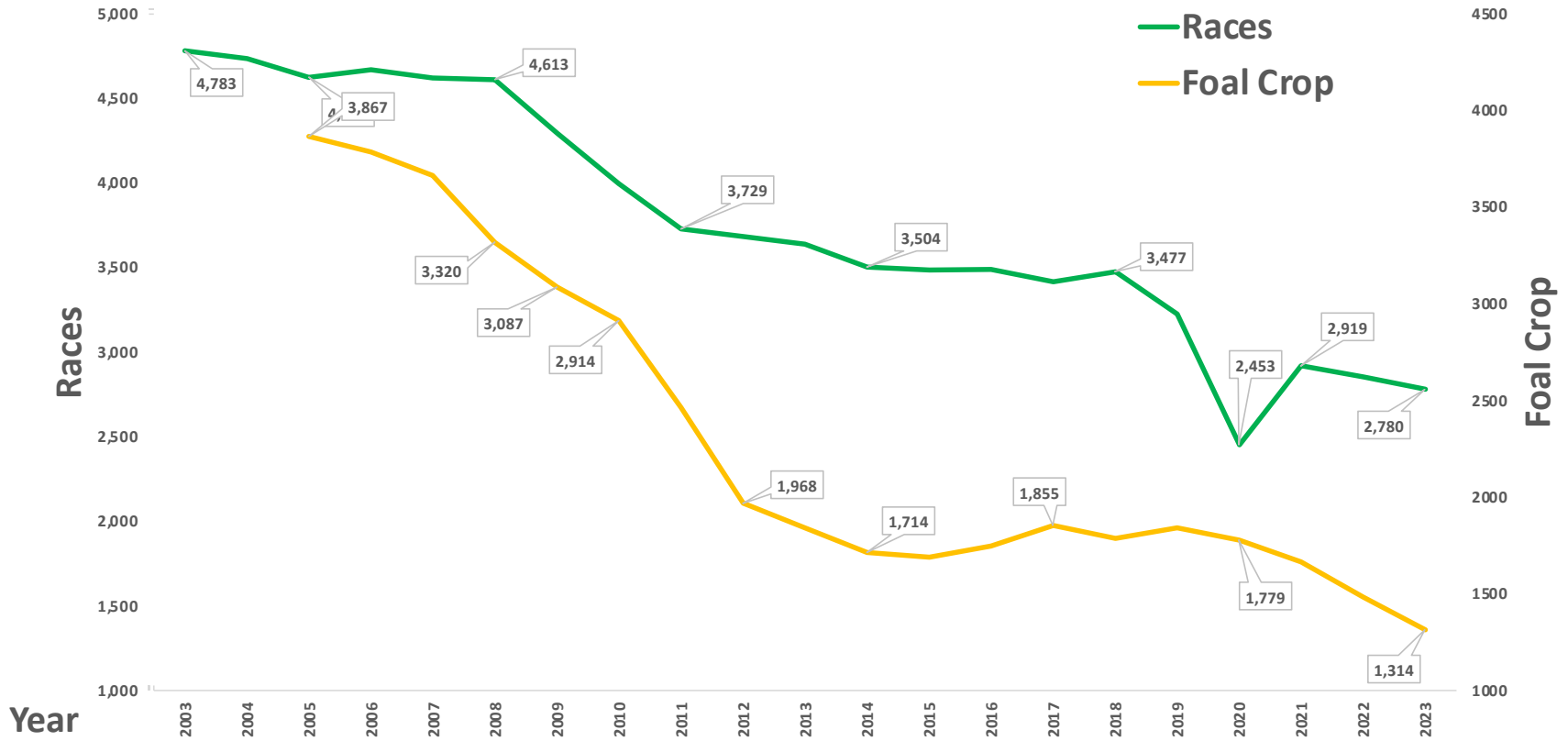
Runners

Year	North	South	Total
2003	17,688	18,726	36,414
2004	17,122	18,723	35,845
2005	16,609	18,288	34,897
2006	16,161	19,664	35,825
2007	16,287	20,338	36,625
2008	16,892	19,558	36,450
2009	15,436	17,931	33,367
2010	13,269	15,978	29,247
2011	12,533	15,539	28,072
2012	12,021	15,850	27,871
2013	12,409	15,959	28,368
2014	11,233	15,103	26,336
2015	11,015	15,304	26,319
2016	11,234	14,757	25,991
2017	10,583	14,369	24,952
2018	11,102	14,599	25,701
2019	11,381	11,376	22,757
2020	8,176	9,794	17,970
2021	9,436	11,094	20,530
2022	8,993	11,211	20,204
2023	8,682	10,777	19,459
Decline	50.90%	42.40%	46.6%

Average Field Size

Year	North	South	Overall
2003	7.31	7.92	7.61
2004	7.16	7.99	7.57
2005	7.17	7.91	7.54
2006	6.98	8.35	7.67
2007	7.26	8.55	7.92
2008	7.41	8.39	7.90
2009	7.42	8.09	7.77
2010	6.97	7.64	7.32
2011	7.08	7.93	7.53
2012	7.02	8.03	7.56
2013	7.38	8.15	7.80
2014	6.90	8.05	7.52
2015	6.82	8.17	7.55
2016	6.90	7.93	7.45
2017	6.63	7.89	7.30
2018	6.81	7.90	7.39
2019	6.77	7.37	7.06
2020	6.85	7.78	7.33
2021	6.56	7.49	7.03
2022	6.48	7.64	7.07
2023	6.47	7.49	7.00
Decline	11.50%	5.40%	8.00%

Declining Foal Crop and Number of Races



Year	Total
2003	\$3.368
2004	\$3.146
2005	\$3.035
2006	\$3.102
2007	\$3.249
2008	\$3.210
2009	\$2.665
2010	\$2.148
2011	\$1.926
2012	\$2.069
2013	\$2.176
2014	\$2.117
2015	\$1.989
2016	\$2.055
2017	\$2.019
2018	\$2.044
2019	\$1.875
2020	\$1.481
2021	\$1.984
2022	\$1.783
2023	\$1.821
Decline	45.90%

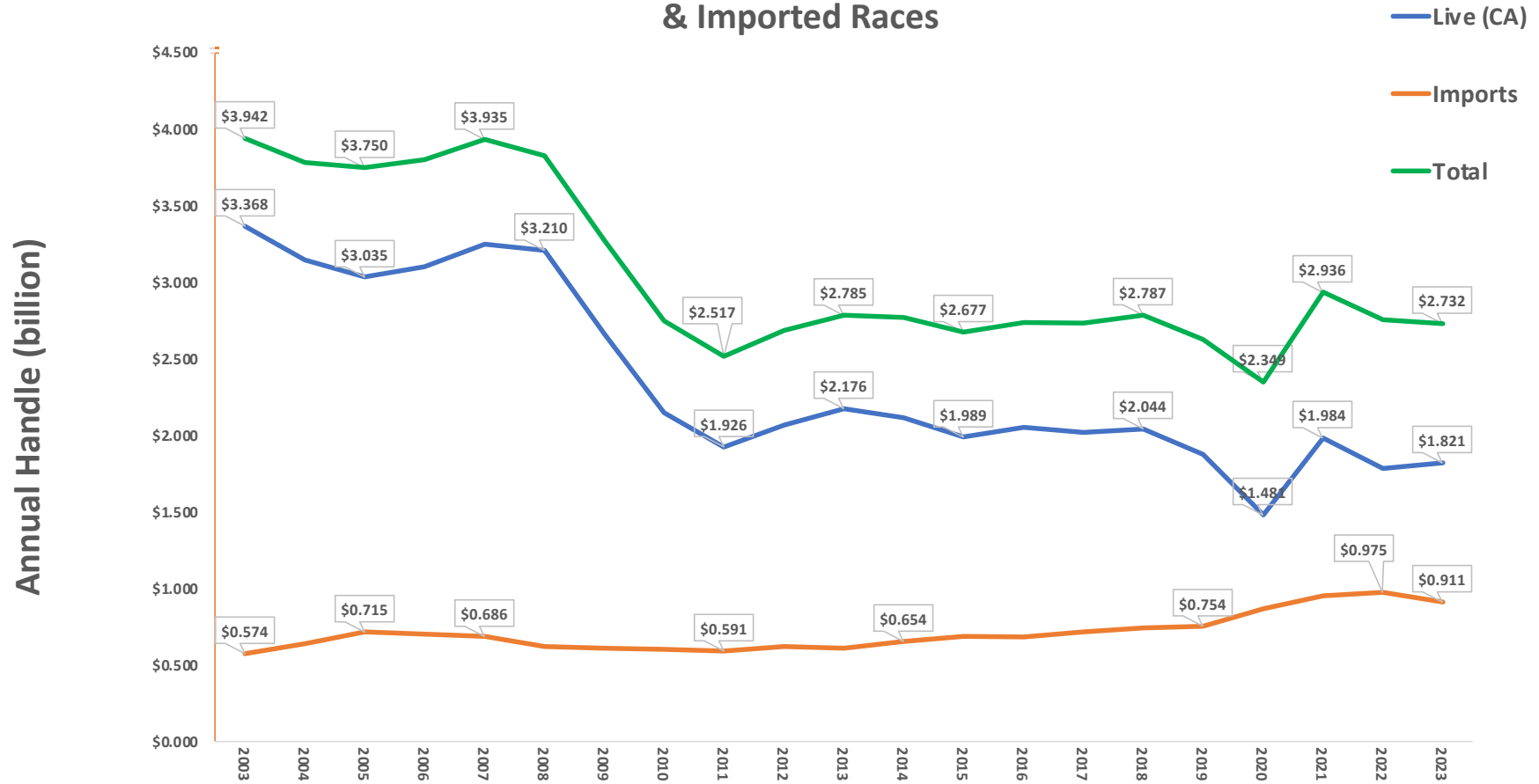
All Sources Handle
(billions) on
Thoroughbred Day
Racing

Year	Total
2004	\$3.786
2005	\$3.750
2006	\$3.802
2007	\$3.935
2008	\$3.829
2009	\$3.276
2010	\$2.750
2011	\$2.517
2012	\$2.688
2013	\$2.785
2014	\$2.771
2015	\$2.677
2016	\$2.738
2017	\$2.735
2018	\$2.787
2019	\$2.629
2020	\$2.349
2021	\$2.936
2022	\$2.758
2023	\$2.732
Decline	30.70%

Total Handle
(billions) on
Thoroughbred
Day Racing +
Imported Races

Handle numbers are not adjusted for inflation

Total Handle on Thoroughbred (Day) Racing & Imported Races



Handle numbers are not adjusted for inflation

Two Circuit State Living in a One Circuit Body?

- Bay Meadows closed in 2008
- Hollywood Park closed in 2013
- Golden Gate to close in 2024
- Foal Crop has declined 66% (2003 – 2021)
- No. of Races has declined 42% (2003 – 2023)
- No. of Runners has declined 47% (2003 – 2023)

Pressure on Purses

- All-Sources Handle on California daytime Thoroughbred Racing has declined 46% (2003 – 2023), directly related to the reduction in our production – foal crop, number of races, number of runners.
- No secondary source of gaming income to support Purses and Tracks.
- Golden Gate Fields entered 2024 with a \$3 million purse overpayment.
- Santa Anita entered 2024 with a \$4 million purse overpayment.
- Santa Anita implemented \$3 million in purse cuts during the current Classic Meet (Dec. 26 – June 16).
- Santa Anita purse overpayment will reach \$5 - \$6 million after the first half of 2024.
- Del Mar (2023) purse overpayment of \$2.1 million for the combined Summer and Fall Meets.

Increasing Economic Pressure

- Number of Races and Number of Starters relatively equal (North and South) through the years.
- Nearly 80% of the \$19 million annual cost for CHRB and HISA is assumed by the South. Other programs such as Workers' Comp have similar inequities.
- Reciprocal FREE SIMULCAST CONTENT between North and South may no longer be equitable or possible.

Feasibility and Viability of the New North

- A North plan that is feasible and viable has our support.
- Feasibility includes environmental compliance with the federal Clean Water Act and other state and local regulations associated with year-round stabling, training, and backstretch facilities.
- An Increase in horse population and installation of new racetrack surfaces at an existing fair track could add to the complexity of compliance.
- Viability includes the proper funding, racing calendar, and business plan that provides confidence and assurance to advance a sustainable California racing and breeding footprint in the North.

South Plan For The New California

With time running out and the absence of a viable, feasible North plan and the economic pressure and current state of the California racing industry, the South has prepared the following:

- Use existing and well-established racetracks at Santa Anita, Los Alamitos and Del Mar and available stabling capacity at Santa Anita, Los Alamitos and San Luis Rey to accommodate the Golden Gate-based horses.
- Seek a legislative change to permit Los Alamitos to card “night” Thoroughbred races at distances not restricted to 4.5 furlongs for \$5,000 claimers and below, and \$8,000 maiden claimers.
- Lower the claiming floor at Santa Anita and Del Mar to provide suitable opportunities for Golden Gate–based horses.
- Establish relocation allowances to assist in the move from North to South once the full terms of a potential redirect are known.
- Work closely with CARF and Santa Rosa to support and secure their traditional footprint within the California racing calendar.

The Redirect

- If the redirect were to happen, what would it achieve?
- Assume a traditional CARF and Santa Rosa calendar of 13 weeks, it would not increase purses in the South.
- It would maintain current purse levels and prevent further reductions by reducing the burden of regulatory costs, which have largely been paid by revenue that would otherwise flow to purses and commissions.
- The only opportunity for an increase in purses would be through ancillary revenue from a secondary source.

CALIFORNIA HORSE RACING BOARD
2024 ALLOCATED RACE DATES CALENDAR

*Note: The allocation begins on the Wednesday prior to opening day
and concludes on the Tuesday following closing day.*

THOROUGHBRED MEETINGS - CENTRAL & SOUTHERN ZONES

<u>Location</u>	<u>Allocated Dates *</u>
Santa Anita	12/20/23 – 06/18/24
Del Mar	07/10/24 – 09/10/24
Los Alamitos	09/11/24 – 09/24/24
Santa Anita	09/25/24 – 10/29/24
Del Mar	10/30/24 – 12/03/24
Los Alamitos	12/04/24 – 12/17/24
Santa Anita	12/18/24 – 12/24/24

THOROUGHBRED MEETINGS - NORTHERN ZONE

Golden Gate Fields (PRAI)	12/20/23 – 06/11/24
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QUARTER HORSE MEETINGS - STATEWIDE

Los Alamitos	12/20/23 – 12/24/24
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HARNESS MEETINGS – STATEWIDE

Cal Expo	12/26/23 – 05/07/24
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FAIR MEETINGS - STATEWIDE

Alameda Fair at Pleasanton	06/12/24 – 07/09/24
L.A. County Fair at Los Alamitos	06/19/24 – 07/09/24
State Fair at Cal Expo	07/10/24 – 07/30/24
Sonoma Fair at Santa Rosa	07/31/24 – 08/20/24
Humboldt Fair at Ferndale	08/21/24 – 09/10/24
Big Fresno Fair at Fresno	10/02/24 – 10/15/24

* Date Block Allocation. Actual days of live racing are determined at the time applications are approved by the Board.

The 2024 Race Dates for Southern California were allocated at the 08/17/2023 regular meeting of the Board. The 2024 Race Dates for Northern California were allocated at the 09/21/2023 regular meeting of the Board.

January 12, 2024

Gregory L. Ferraro, DVM – Chairman
Oscar Gonzalez – Vice Chairman
Dennis V. Alfieri – Member
Damascus Castellanos – Member
Brenda Washington Davis – Member
Thomas C. Hudnut – Member
Wendy Mitchell – Member
C. Scott Chaney – Executive Director

California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Commissioners and Executive Director,

Having received and read the letter dated January 5th sent to the CHRB by the TOC and the Southern California race track operators we comment as follows:

We, the members of the Northern California Racing Committee of the TOC, were unaware of this letter. This despite the fact that the TOC Board met as a whole January 3rd. This is certainly not the first time we have been held unaware of and/or ignored in major decisions facing our racing ecosystem in the North. Most recently our committee voted unanimously to reject the purse proposal for Golden Gate Fields final meets submitted by 1st Racing. This purse proposal was accepted by the TOC without a Board vote (which we requested).

The 25% cut in purses coupled with elimination of the entire stakes calendar except the two graded stakes (purse money typically won by horses/owners from the south) has created a large incentive for Northern horseman to leave the state to other jurisdictions or move horses south. Despite the upheaval this has caused we are encouraged that handle at Golden Gate has performed well and after two weeks a purse underpayment in excess of \$300,000 has been generated in the North. There is a level of purses higher than the bare-bones level currently in place that is sustainable for a sound ecosystem in the North.

We are aware of significant planning and negotiations to ensure a viable circuit in the North since the shock announcement to close Golden Gate Fields less than six months ago. We disagree with the notion that race dates for the latter part of

2024 or 2025 need to be decided now. In fact 1st Racing informed us last week that March 24th would be acceptable to them for the assignment of race dates for the fall of 2024. We believe the end of May or June for assignment of dates would allow time for the plans in the North to be more fully developed.

To discard a racing jurisdiction with over 80 years of history supported by owners, back-stretch employees, breeders, farms, suppliers, jockeys and trainers without allowing as much time and effort as possible is wrong. We strongly advise allowing time for the current plans and initiatives to reinvigorate the racing ecosystem in the North,

Sincerely,

Johnny Taboada, TOC Director, NorCal Racing Committee Chair

Ed Moger, TOC Director, NorCal Racing Committee

Lindsay LaRoche, TOC Director, NorCal Racing Committee

January 12, 2024

Board of Directors
Thoroughbred Owners of California
285 W. Huntington Dr.,
Arcadia, CA 91007

Dear Board of Directors,

We, Lindsay LaRoche, Johnny Taboada and Ed Moger, submit this letter as official notification of our intent to resign from our positions as Directors of the Thoroughbred Owners of California. The resignation will be effective immediately.

It has become clear that the TOC under its current leadership does not represent the interest of Northern California owners. Recently, the Northern California Racing Committee unanimously voted to oppose the purse agreement proposal from 1st Racing for the final Golden Gate Fields race meets. The result of this vote was not deemed important enough by TOC leadership to effect the TOC's approval of the cuts or even to be presented to the TOC Board as a whole for a vote.

On January 5th a letter from the TOC and the Southern California racetrack operators was sent to the CHRB requesting the allocation of race dates for late 2024 and 2025. Of course, these race date allocations would pre-empt the opportunity for a racing circuit in the North. The key point here is that this letter was written without our knowledge and despite the fact the entire board met two days prior.

By no means are these the only times the interests of Northern California members been ignored or subjugated by TOC leadership. It is clear to us that the current leadership is not being transparent and not working to represent the entire state of California.

In essence, our participation on the Board is no longer conducive to advancing the interests of Northern California thoroughbred owners or, so it seems the interests of TOC leadership.

Sincerely,


Ed Moger


Lindsay LaRoche


Johnny Taboada

- **CARF Introduction**
- **I want to make it clear that it has always been our intent to be strategic about using our reliable resources, collaborative with our horse racing partners, respectful of all voices and absolutely committed to strong, healthy, entertaining and prosperous Northern California Horse Racing**
- **We are here today because the Stronach Group abruptly ended their historic commitment to Northern California horse Racing with the scheduled close of Golden Gate Fields.**
- **While there was little warning regarding the closing of GGF, the decision does not signal an end to Northern California Racing. In fact a dynamic group of owners, breeders, backstretch workers, jockeys, Fair employees, and community members are working against the clock to put together a viable program than can maintain a vibrant racing schedule and encourage a strong purse structure. And I am sure you will hear from them today.**
- **I'd like to give you a summary with as much detail as to what has already been accomplished, what's in the planning stages and what are potential outcome will be**
- **Upon GGF's announcement of closure last year CARF immediately formed to Horsemen's Groups. One group contains approximately 50 stakeholders throughout the state including TOC, CTT, Breeders etc. This Group is provided updates when they have been documented.**
- **The second group is a working group consisting of 9 members representing, breeders, owners, labor and CARF. This group meeting weekly to discuss on going actions and provides guidance on efforts required to complete the goal of maintaining thoroughbred and harness horse racing in Northern California. Justin Oldfield is the chairman.**
- **In the past six months continual discussions ensued in regards to completing the project. The first dual priorities were to pass legislation (AB 1074) which provides clarity as to the distribution of commissions generated in the North. Second was to identify the site for continued TB racing.**
- **Three fair were considered – SR, Pln and Sac**
- **At this point SR does not meet the criteria of an optimum site for continued racing in NC**
- **Pln and Sac are the two sites being considered; Both have contractual obligations – golf and harness racing which**
- **The preferred site at this point is Sac**
- **CARF has had numerous discussions with harness as to what approach was reasonable to maintain continued operation of both sports**
- **The preferred option is to both race at Sac**
- **This requires the design and construction of a new 7/8th mile track in side the current main oval which would be used for Tb racing.**

- **CARF has moved forward and established the following team for the project:**
- **Hired a consultant to oversee the project. Mr. Dan Coon recommended by Chris Schick and Mike Tanner, Exec VP/CEO of the United States Trotting Association**
- **Hired an Engineer firm – Roderick Saylor – GRW Racetrack and Equine Design Facilities Design**
- **Identified on site surveyor and engineers to assist the firm – Dean Johnson and Brad Foulk**
- **Brought on Tess Dunham – Water Quality Attorney at KSC with 30 years of experience in working with the Central Valley Water Board**
- **Roderick will provide a Due diligence package by the end of next week which will identify the design requirement and cost**

I am working on the proposal for the first phase of the design effort. As discussed, I would recommend beginning with a Due Diligence type of effort. Included in a Due Diligence package is a minimum the following:

- Survey of the Tracks to be used for accurate site and grading plans. As well as help understand what infrastructure needs to be relocated.
- Geotechnical investigation to understand the underline soils and how to remediate the subgrade of the ponds.
- Environmental investigation to understand the wetland and habitat impacts.
- A more thorough design of the tracks that begins to account for:
 - Adjustment of the existing track and its starts
 - Relocation of the tote board
 - Relocation of the track lighting
 - Setting new grades for the tracks
- Opinion of probable cost. All data from above will be utilized to estimate the total construction cost for the new track. The purpose of the estimate is to give your team the tools necessary to budget for the project.
- **Tess will identify all permits, the processes necessary to procure them – Areas which will be addresses are as follows: Water Discharge; Army Corp of Engineer permit; Go Tech Survey; environmental impact; state and fish wildlife; industrial storm water and storm sewers**
- **CARF has also completed a pro forma identifying the projected cost and revenues and has a marketing budget of 500k for start up.**
- **CARF has complete a revenue sharing of net commissions for all live racing and simulcast fairs**
- **Revenue will be used for increased purses and upgrading simulcast facilities**
- **CARF has a verbal agreement with Travis Boersma, Dutch Brothers to purchase 310 stalls which were originally designed for the Grants Pass Racino Project**
- **Stalls at Sac will have to be upgraded due to non - use**
- **CARF continues with plans to field Calypso with a projected date of 1 Aug of this year**

- **CARF has also set up a 5013C for funding support as well as a committee to procure funds. We are looking at funding from horsemen, CARF and potential grants**
- **Briefing will be given to the Cal Expo Board on Friday, Dec 26 seeking conceptual approval to move forward with the installation of the track and finalize the lease agreement with Capitol Racing.**
- **If the board declines to approve racing will be moved to Pln. Stalls will be installed and the contract with Jetter golf will be renegotiated.**
- **March 21 CHRB meeting CARF will seek approval of date for 2024 Sep through Dec 26**
- **License application will be developed in draft**
- **We have work to do. We have negotiations moving forward. Horse racing at GGF has a proud history that ran its course. We have the opportunity here. We have a chance to create a jewel of horse racing that allow Northern California to reignite a fan base, give owners greater reason to compete, provide breeders a stronger market and make our site profitable.**
- **Folks the concerns are surmountable – Let's work together**
- **Thank You**

CAL EXPO
SACRAMENTO CA
29/DEC/23

Legend

**PROPOSED 90' WIDE
HARNESS RACE TRACK**

Cal Expo Lot D

BMDCA Specialty
Foothills Christmas Trees at Cal Expo

Imaginarium Sacramento

Cal Expo Race Track

Cal Expo

Horsemen's RV Lot

Cal Expo Gate 10

Rock & Brews

Nordstrom Rack

Kura Revolving Sushi Bar

Cinemark Century

Hallmark Dr

Devon Sel

Hurle

Ethan Way

Ethan Way

Exposition Blvd

Exposition Blvd

Exposition Blvd

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Agenda Item 4

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST TO CONTINUE THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCED DEPOSIT WAGERING FOR WAGERING CONDUCTED BY THOROUGHBRED ASSOCIATIONS IN THE CENTRAL AND SOUTHERN ZONES FOR 2024 TO INCLUDE DISTRIBUTIONS TO SOUTHERN CALIFORNIA OFF-TRACK WAGERING, INC.

Regular Board Meeting
January 18, 2024

ISSUE:

Southern California Off Track Wagering, Inc. (SCOTWINC) is requesting approval of an agreement under [Business and Professions Code \(BPC\) section 19604\(f\)\(5\)\(E\)](#) for calendar year 2024 which will continue the modification of market access fee distributions from advance deposit wagering (ADW) wagers placed in the Central and Southern zones on races hosted by the signatory host tracks. The parties to the agreement include Thoroughbred Owners of California (TOC), California Thoroughbred Breeders Association (CTBA), and all Southern California thoroughbred host tracks scheduled to conduct racing in 2024. SCOTWINC provides that any funding in excess of simulcast costs would be split between track and purse commissions.

ANALYSIS:

Since December 2018, has Board approved ADW Expense Fund Agreements covering the calendar year. The last approval occurred in December 2022 which covered the calendar year 2023 which provided for a distribution to SCOTWINC from market access fees in the amount of 2.4% of Southern California ADW wagering for meets hosted by Del Mar Thoroughbred Club and Los Alamitos Racing Association, 2.0% for the Autumn meets hosted by Los Angeles Turf Club and 1.70% for the Winter/Spring meet hosted by the Los Angeles Turf Club. The parties to the agreement, which include TOC, CTBA and all Southern California thoroughbred host tracks, now seek approval for a 2024 agreement.

BACKGROUND:

Business and Professions Code section 19604(f)(5)(E) provides that notwithstanding any provision of this section to the contrary, the distribution of market access fees pursuant to this subparagraph may be altered upon the approval of the Board, in accordance with an agreement signed by all parties whose distributions would be affected.

RECOMMENDATION:

This item is presented for Board discussion and action. Staff recommends the Board hear from a SCOTWINC representative.

2024 Expense Fund Agreement

This Agreement is entered into as of this 29th day of November, 2023 by and between the undersigned racing associations ("the Signatory Racing Associations") the Thoroughbred Owners of California ("TOC") and the California Thoroughbred Breeders Association ("CTBA").

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, ("ADW") placed on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom based upon a percentage of handle in the Central and Southern Zones that would otherwise be payable as thoroughbred purses and commissions, and such deduction from ADW in the Central and Southern Zones shall be payable to SCOTWINC. The percentage applicable to Thoroughbred meets conducted by the Del Mar Thoroughbred Club and Los Alamitos Racing Association shall be 2.40%, the percentage applicable to the Autumn meet conducted by the Los Angeles Turf Club shall be 2.00%, and the percentage applicable to the Winter/Spring meet conducted by the Los Angeles Turf Club shall be 1.70%.
2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deduction contemplated from market access fees placed on races hosted by the Signatory Racing Associations.
3. Subject to the requisite approval of the CHRB, the deduction from ADW set forth in #1 above shall be effective January 1, 2024 through December 31, 2024.
4. For purposes of matching the applicable revenue and expenses of SCOTWINC, the Summer and Fall Thoroughbred meets of Los Alamitos shall be considered a single meet, as shall be the case with respect to the Summer and Fall meets of Del Mar and the Fall and Winter meets of Santa Anita.
5. Notwithstanding the distributions from the ADW Deduction set forth hereinabove, the distribution to the Incentive fund administered by the CTBA shall be calculated at the rate of 0.463% of ADW handle in California on races hosted by the Signatory Racing Associations. In addition to the distributions set forth above, there shall be a distribution from the ADW Deduction in order to pay administrative expenses that would otherwise have been distributed to TOC, CTT, and the Backstretch Workers Pension Plan.
6. The Signatory Racing Associations and TOC agree to jointly continue to work toward improving the productivity and efficiency of the off-track satellites and SCOTWINC.

Thoroughbred Owners of California

Los Alamitos Racing Association

By: _____

By: _____

Del Mar Thoroughbred Club

Los Angeles Turf Club

By: Josh Rubinstein

By: _____

California Thoroughbred Breeders Association

By: _____

2024 Expense Fund Agreement

This Agreement is entered into as of this 29th day of November, 2023 by and between the undersigned racing associations ("the Signatory Racing Associations") the Thoroughbred Owners of California ("TOC") and the California Thoroughbred Breeders Association ("CTBA").

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, ("ADW") placed on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom based upon a percentage of handle in the Central and Southern Zones that would otherwise be payable as thoroughbred purses and commissions, and such deduction from ADW in the Central and Southern Zones shall be payable to SCOTWINC. The percentage applicable to Thoroughbred meets conducted by the Del Mar Thoroughbred Club and Los Alamitos Racing Association shall be 2.40%, the percentage applicable to the Autumn meet conducted by the Los Angeles Turf Club shall be 2.00%, and the percentage applicable to the Winter/Spring meet conducted by the Los Angeles Turf Club shall be 1.70%.
2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deduction contemplated from market access fees placed on races hosted by the Signatory Racing Associations.
3. Subject to the requisite approval of the CHRB, the deduction from ADW set forth in #1 above shall be effective January 1, 2024 through December 31, 2024.
4. For purposes of matching the applicable revenue and expenses of SCOTWINC, the Summer and Fall Thoroughbred meets of Los Alamitos shall be considered a single meet, as shall be the case with respect to the Summer and Fall meets of Del Mar and the Fall and Winter meets of Santa Anita.
5. Notwithstanding the distributions from the ADW Deduction set forth hereinabove, the distribution to the Incentive fund administered by the CTBA shall be calculated at the rate of 0.463% of ADW handle in California on races hosted by the Signatory Racing Associations. In addition to the distributions set forth above, there shall be a distribution from the ADW Deduction in order to pay administrative expenses that would otherwise have been distributed to TOC, CTT, and the Backstretch Workers Pension Plan.
6. The Signatory Racing Associations and TOC agree to jointly continue to work toward improving the productivity and efficiency of the off-track satellites and SCOTWINC.

Thoroughbred Owners of California

By: _____

Los Alamitos Racing Association

By: 

Del Mar Thoroughbred Club

By: _____

Los Angeles Turf Club

By: _____

California Thoroughbred Breeders Association

By: _____

2024 Expense Fund Agreement

This Agreement is entered into as of this 24th day of November, 2023 by and between the undersigned racing associations ("the Signatory Racing Associations") the Thoroughbred Owners of California ("TOC") and the California Thoroughbred Breeders Association ("CTBA").

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, ("ADW") placed on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom based upon a percentage of handle in the Central and Southern Zones that would otherwise be payable as thoroughbred purses and commissions, and such deduction from ADW in the Central and Southern Zones shall be payable to SCOTWINC. The percentage applicable to Thoroughbred meets conducted by the Del Mar Thoroughbred Club and Los Alamitos Racing Association shall be 2.40%, the percentage applicable to the Autumn meet conducted by the Los Angeles Turf Club shall be 2.00%, and the percentage applicable to the Winter/Spring meet conducted by the Los Angeles Turf Club shall be 1.70%.
2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deduction contemplated from market access fees placed on races hosted by the Signatory Racing Associations.
3. Subject to the requisite approval of the CHRB, the deduction from ADW set forth in #1 above shall be effective January 1, 2024 through December 31, 2024.
4. For purposes of matching the applicable revenue and expenses of SCOTWINC, the Summer and Fall Thoroughbred meets of Los Alamitos shall be considered a single meet, as shall be the case with respect to the Summer and Fall meets of Del Mar and the Fall and Winter meets of Santa Anita.
5. Notwithstanding the distributions from the ADW Deduction set forth hereinabove, the distribution to the Incentive fund administered by the CTBA shall be calculated at the rate of 0.463% of ADW handle in California on races hosted by the Signatory Racing Associations. In addition to the distributions set forth above, there shall be a distribution from the ADW Deduction in order to pay administrative expenses that would otherwise have been distributed to TOC, CTT, and the Backstretch Workers Pension Plan.
6. The Signatory Racing Associations and TOC agree to jointly continue to work toward improving the productivity and efficiency of the off-track satellites and SCOTWINC.

Thoroughbred Owners of California

Los Alamitos Racing Association

By: _____

By: _____

Del Mar Thoroughbred Club

Los Angeles Turf Club

By: _____

By: Robert Mendel CFU

California Thoroughbred Breeders Association

By: _____

2024 Expense Fund Agreement

This Agreement is entered into as of this 29th day of November, 2023 by and between the undersigned racing associations ("the Signatory Racing Associations") the Thoroughbred Owners of California ("TOC") and the California Thoroughbred Breeders Association ("CTBA").

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, ("ADW") placed on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom based upon a percentage of handle in the Central and Southern Zones that would otherwise be payable as thoroughbred purses and commissions, and such deduction from ADW in the Central and Southern Zones shall be payable to SCOTWINC. The percentage applicable to Thoroughbred meets conducted by the Del Mar Thoroughbred Club and Los Alamitos Racing Association shall be 2.40%, the percentage applicable to the Autumn meet conducted by the Los Angeles Turf Club shall be 2.00%, and the percentage applicable to the Winter/Spring meet conducted by the Los Angeles Turf Club shall be 1.70%.
2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deduction contemplated from market access fees placed on races hosted by the Signatory Racing Associations.
3. Subject to the requisite approval of the CHRB, the deduction from ADW set forth in #1 above shall be effective January 1, 2024 through December 31, 2024.
4. For purposes of matching the applicable revenue and expenses of SCOTWINC, the Summer and Fall Thoroughbred meets of Los Alamitos shall be considered a single meet, as shall be the case with respect to the Summer and Fall meets of Del Mar and the Fall and Winter meets of Santa Anita.
5. Notwithstanding the distributions from the ADW Deduction set forth hereinabove, the distribution to the Incentive fund administered by the CTBA shall be calculated at the rate of 0.463% of ADW handle in California on races hosted by the Signatory Racing Associations. In addition to the distributions set forth above, there shall be a distribution from the ADW Deduction in order to pay administrative expenses that would otherwise have been distributed to TOC, CTT, and the Backstretch Workers Pension Plan.
6. The Signatory Racing Associations and TOC agree to jointly continue to work toward improving the productivity and efficiency of the off-track satellites and SCOTWINC.

Thoroughbred Owners of California

Los Alamitos Racing Association

By: William Rader

By: _____

Del Mar Thoroughbred Club

Los Angeles Turf Club

By: _____

By: _____

California Thoroughbred Breeders Association

By: _____

2024 Expense Fund Agreement

This Agreement is entered into as of this 29th day of November, 2023 by and between the undersigned racing associations ("the Signatory Racing Associations") the Thoroughbred Owners of California ("TOC") and the California Thoroughbred Breeders Association ("CTBA").

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, ("ADW") placed on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom based upon a percentage of handle in the Central and Southern Zones that would otherwise be payable as thoroughbred purses and commissions, and such deduction from ADW in the Central and Southern Zones shall be payable to SCOTWINC. The percentage applicable to Thoroughbred meets conducted by the Del Mar Thoroughbred Club and Los Alamitos Racing Association shall be 2.40%, the percentage applicable to the Autumn meet conducted by the Los Angeles Turf Club shall be 2.00%, and the percentage applicable to the Winter/Spring meet conducted by the Los Angeles Turf Club shall be 1.70%.
2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deduction contemplated from market access fees placed on races hosted by the Signatory Racing Associations.
3. Subject to the requisite approval of the CHRB, the deduction from ADW set forth in #1 above shall be effective January 1, 2024 through December 31, 2024.
4. For purposes of matching the applicable revenue and expenses of SCOTWINC, the Summer and Fall Thoroughbred meets of Los Alamitos shall be considered a single meet, as shall be the case with respect to the Summer and Fall meets of Del Mar and the Fall and Winter meets of Santa Anita.
5. Notwithstanding the distributions from the ADW Deduction set forth hereinabove, the distribution to the Incentive fund administered by the CTBA shall be calculated at the rate of 0.463% of ADW handle in California on races hosted by the Signatory Racing Associations. In addition to the distributions set forth above, there shall be a distribution from the ADW Deduction in order to pay administrative expenses that would otherwise have been distributed to TOC, CTT, and the Backstretch Workers Pension Plan.
6. The Signatory Racing Associations and TOC agree to jointly continue to work toward improving the productivity and efficiency of the off-track satellites and SCOTWINC.

Thoroughbred Owners of California

Los Alamitos Racing Association

By: _____

By: _____

Del Mar Thoroughbred Club

Los Angeles Turf Club

By: _____

By: _____

California Thoroughbred Breeders Association

By:  _____

Agenda Item 5

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST TO MODIFY THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCED DEPOSIT WAGERING WHICH OTHERWISE WOULD HAVE FUNDED PURSES AND COMMISSIONS TO COVER THE ASSESSMENTS AS ALLOCATED TO EACH SIGNATORY RACING ASSOCIATION PURSUANT TO THE HORSE RACING INTEGRITY AND SAFETY ACT OF 2020 (“HISA”) FOR CALENDAR YEAR 2024

Regular Board Meeting
January 18, 2024

ISSUE:

The Thoroughbred Owners of California (TOC) and the signatory racing associations are seeking approval of an agreement under Business and Professions Code (BPC) section [19604\(f\)\(5\)\(E\)](#) for the period of January 1, 2024 through December 31, 2024, for a distribution that would otherwise be payable as purses and commissions, to cover the 2024 calendar year assessment for California’s proportionate share of the Horseracing Integrity and Safety Authority (HISA) operating budget.

ANALYSIS:

HISA created the “Authority”, a federal entity under the Federal Trade Commission (FTC), to oversee horse racing activities nationwide through two regulatory programs: the Anti-Doping Medication Control Program and the Racetrack Safety Program. The Authority is funded per the methodology assessment regulations that determine each state’s proportionate share of the Authority’s operating budget based on the number of projected starts and projected purse starts. California’s proportionate share of the total 2024 Authority budget amount of \$77,522,500 is \$7,665,054. Of the proportionate share California has received \$5,975,000 in credits against the assessment for race day test sample collection services, laboratory testing services (California samples, samples from other states, and research), out of competition sample collection and investigations.

The 2024 HISA assessments and related ADW deduction percentages are as follows:

Alameda County Fair	\$31,212	0.19%
California State Fair	\$12,420	0.10%
Del Mar Thoroughbred Club	\$426,398	0.23%
The Big Fresno Fair	\$15,634	0.22%
Humboldt County Fair	\$4,725	0.05%
Los Alamitos Quarter Horse Racing Association	\$17,820	0.03%
Los Alamitos Thoroughbred Racing Association & Los Angeles County Fair (Combined)	\$92,244	0.16%
Los Angeles Turf Club (Santa Anita)	\$744,638	0.23%

Pacific Racing Association (Golden Gate)	\$329,665	0.34%
Sonoma County Fair	\$15,298	0.12%
Total:	\$1,690,054	

BACKGROUND:

BPC section 19604(f)(5)(E) provides that notwithstanding any provision of this section to the contrary, the distribution of market access fees pursuant to this subparagraph may be altered upon the approval of the Board, in accordance with an agreement signed by all parties whose distributions would be affected.

RECOMMENDATION:

This item is presented for Board discussion and action. Staff recommends the Board approve the request as proposed.

2024 Horse Racing Integrity and Safety Act Funding Agreement

This Agreement is entered into as of this 10th day of January, 2024 by and between the undersigned racing associations ("the Signatory Racing Associations"), and the Thoroughbred Owners of California.

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from Advanced Deposit Wagering, ("ADW") placed by California residents on all live and imported races hosted by the Signatory Racing Associations shall be altered by the creation of an additional deduction for a distribution therefrom that would otherwise be payable as purses and commissions, and such deduction shall be utilized to cover the net assessments allocated to each Signatory Racing Association pursuant to the Horse Racing Integrity and Safety Act of 2020 ("HISA") for calendar year 2024. The assessment charges will be equally borne by Signatory Racing Associations and their respective purse accounts.
2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deduction contemplated from market access fees placed on races hosted by the Signatory Racing Associations.
3. Subject to the requisite approval of the CHRB, the deductions from ADW set forth in #1 above shall become effective January 19th, 2024. The deductions shall continue through the balance of the calendar year until each Signatory Racing Association has generated enough to cover its 2024 HISA assessment. Should the total 2024 deduction generated pursuant to the ADW percentage listed below for any Signatory Racing Association fall short of the assessment required by HISA, the Signatory Racing Association shall provide the supplemental funding necessary to cover the shortfall, with fifty percent of the supplemental funding applied to its respective purse account.
4. The 2024 HISA assessments and related ADW deduction percentages are as follows:

<u>Signatory Racing Association</u>	<u>Net HISA Assessment</u>	<u>HISA ADW Deduction Percentage</u>
Alameda County Fair	31,212	0.19%
California State Fair	12,420	0.10%
Del Mar Thoroughbred Club	426,398	0.23%
The Big Fresno Fair	15,634	0.22%
Humboldt County Fair	4,725	0.05%
Los Alamitos Quarter Horse Racing Assn.	17,820	0.03%
Los Alamitos Thoroughbred Racing Assn. &		
Los Angeles County Fair (combined)	92,244	0.16%
Los Angeles Turf Club (Santa Anita)	744,638	0.23%
Pacific Racing Assn.(Golden Gate)	329,665	0.34%
Sonoma County Fair	15,298	0.12%
Total	\$1,690,054	

5. The Signatory Racing Associations will remit the respective amounts they owe within ten business days of the receipt of market access fees. It is agreed that the CHRB shall evaluate payments received during the time frame of this Agreement, and if deemed necessary by the CHRB, will require that it receive pre-payments in order to ensure that the Agreement is timely and sufficiently funded. The Signatory Racing Associations will fund such pre-payments within ten business days of notification.

2024 Horse Racing Integrity and Safety Act Funding Agreement

Agreed:

Los Angeles Turf Club (Santa Anita)

By: Ribecca Mermont CFO

Del Mar Thoroughbred Club

By: _____

Pacific Racing Associations (Golden Gate)

By: Ribecca Mermont CFO

Los Alamitos Racing Association

By: _____

Los Angeles County Fair

By: _____

Los Alamitos Quarter Horse Racing Assn.

By: _____

Alameda County Fair

By: _____

California State Fair

By: _____

The Big Fresno Fair

By: _____

Humboldt County Fair

By: _____

Sonoma County Fair

By: _____

Thoroughbred Owners of California

By: _____

2024 Horse Racing Integrity and Safety Act Funding Agreement

Agreed:

Los Angeles Turf Club (Santa Anita)

By: _____

Del Mar Thoroughbred Club

By: _____

Pacific Racing Associations (Golden Gate)

By: _____

Los Alamitos Racing Association

By: *Ronald M. Ehl*

Los Angeles County Fair

By: *Ronald M. Ehl*

Los Alamitos Quarter Horse Racing Assn.

By: *Ronald M. Ehl*

Alameda County Fair

By: _____

California State Fair

By: _____

The Big Fresno Fair

By: _____

Humboldt County Fair

By: _____

Sonoma County Fair

By: _____

Thoroughbred Owners of California

By: _____

2024 Horse Racing Integrity and Safety Act Funding Agreement

Agreed:

Los Angeles Turf Club (Santa Anita)

Del Mar Thoroughbred Club

By: _____

By: _____

Pacific Racing Associations (Golden Gate)

Los Alamitos Racing Association

By: _____

By: _____

Los Angeles County Fair

Los Alamitos Quarter Horse Racing Assn.

By: _____

By: _____

Alameda County Fair

California State Fair

By: Sam A. Setzer

By: Sam A. Setzer

The Big Fresno Fair

Humboldt County Fair

By: Sam A. Setzer

By: Sam A. Setzer

Sonoma County Fair

Thoroughbred Owners of California

By: _____

By: _____

2024 Horse Racing Integrity and Safety Act Funding Agreement

Agreed:

Los Angeles Turf Club (Santa Anita)

Del Mar Thoroughbred Club

By: _____

By: _____

Pacific Racing Associations (Golden Gate)

Los Alamitos Racing Association

By: _____

By: _____

Los Angeles County Fair

Los Alamitos Quarter Horse Racing Assn.

By: _____

By: _____

Alameda County Fair

California State Fair

By: _____

By: _____

The Big Fresno Fair

Humboldt County Fair

By: _____

By: _____

Sonoma County Fair

Thoroughbred Owners of California

By:  _____

By: _____

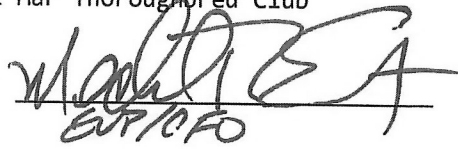
2024 Horse Racing Integrity and Safety Act Funding Agreement

Agreed:

Los Angeles Turf Club (Santa Anita)

By: _____

Del Mar Thoroughbred Club

By: 
EUP/OFO

Pacific Racing Associations (Golden Gate)

By: _____

Los Alamitos Racing Association

By: _____

Los Angeles County Fair

By: _____

Los Alamitos Quarter Horse Racing Assn.

By: _____

Alameda County Fair

By: _____

California State Fair

By: _____

The Big Fresno Fair

By: _____

Humboldt County Fair

By: _____

Sonoma County Fair

By: _____

Thoroughbred Owners of California

By: _____

2024 Horse Racing Integrity and Safety Act Funding Agreement

Agreed:

Los Angeles Turf Club (Santa Anita)

Del Mar Thoroughbred Club

By: _____

By: _____

Pacific Racing Associations (Golden Gate)

Los Alamitos Racing Association

By: _____

By: _____

Los Angeles County Fair

Los Alamitos Quarter Horse Racing Assn.

By: _____

By: _____

Alameda County Fair

California State Fair

By: _____

By: _____

The Big Fresno Fair

Humboldt County Fair

By: _____

By: _____

Sonoma County Fair

Thoroughbred Owners of California

By: _____

By: William A. Nader
William A. Nader

Agenda Item 6

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT OF CHRB RULE 1927, FIRE PREVENTION; RULE 1928, FIRE REGULATIONS; RULE 2101, DEFINITIONS; AND RULE 2103, HABITABLE ROOMS; TO ALIGN THE BOARD'S REGULATIONS WITH FEDERAL REGULATIONS REGARDING FIRE SAFETY WITHIN THE HORSERACING INDUSTRY

Board Meeting
January 18, 2024

ISSUE:

The recent implementation of the Horseracing Integrity and Safety Authority's (HISA) federal regulations requires that the California Horse Racing Board's (Board) rules regarding fire safety be amended. Additionally, the Board's rules pertaining to fire safety were originally conceived without consultation with a fire authority and, consequently, do not form a logical set of fire safety provisions. Furthermore, said rules are inconsistent with the realities of performing fire inspections, as local fire authorities have limited resources and must deal with the impact of unpredictable events on workload and availability. Therefore, the Board seeks to revise its fire safety regulations to conform to federal regulations and to provide for consistency with day-to-day fire authority activities, with the effect of improving overall fire safety.

ANALYSIS:

The proposed regulatory action will amend Board Rule 1927, Fire Prevention, to align with HISA Rule 2163, Fire Safety, by requiring that protocols be in place for instances of fire within the inclosure and stipulating that the written fire clearance state that the inspection was performed in accordance with the local authority and the California Building Standards Code (California Code of Regulations, Title 24), ensuring conformity with federal regulations. The amendment will also eliminate those provisions that have proven to be arbitrary and inconsistent with actual fire authority practice.

The proposed amendment to Board Rule 1928, Fire Regulations, will replace the provision that every association post in its stable and backstretch worker housing areas the fire regulations applicable on its grounds with language clarifying that every association, fair, or approved training facility must post the emergency evacuation plan, which must include specific information that is crucial in the instance of a fire. These changes will clarify that such fire safety provisions apply not only to associations, but to fairs and approved training facilities as well, and set forth minimum requirements for the emergency evacuation plan, which will help ensure safety in the event of a fire.

Board Rule 2101, Definitions, and Board Rule 2103, Habitable Rooms, will be amended to remove the references to Board Rule 1927, as the references will no longer be appropriate considering the changes to Board Rule 1927.

UPDATE:

Subsequent to submission of the rulemaking file, the Office of Administrative Law (OAL) advised that the Board's rulemaking file needed, by statute, to include the State Fire Marshal's approval of the proposed regulation. Because said approval could not be obtained prior to OAL's deadline to file with the Secretary of State, the Board withdrew the rulemaking file to avoid a disapproval. Thereafter, the Board consulted with the Fire Marshal's office and incorporated suggested changes into the proposed regulation. The Fire Marshal's office, in principle, approved the revised version of the proposed regulation, and, as of the time of this writing, an official approval letter is pending.

BACKGROUND:

The Horseracing Integrity and Safety Act of the 2021 Consolidated Appropriations Act created HISA as a private self-regulatory organization. HISA must develop rules related to horseracing, including anti-doping, medication control, and racetrack safety rules. The Federal Trade Commission (FTC) is given broad oversight over HISA. The FTC, after providing an opportunity for public comment, must approve or disapprove any rule proposed by HISA. HISA Rule 2163 sets forth general provisions concerning fire safety.

Board Rule 1927 sets forth the provisions pertaining to fire safety, and Board Rule 1928 contains provisions concerning signage for information crucial during the event of a fire, while Board rules 2101 and 2103 both reference Board Rule 1927.

RECOMMENDATION:

This item is presented for Board discussion and action.

CALIFORNIA CODE OF REGULATIONS
TITLE 4. BUSINESS REGULATIONS
DIVISION 4. CALIFORNIA HORSE RACING BOARD
ARTICLE 17. FIRE PREVENTION AND SECURITY
AMENDMENT OF RULE 1927, FIRE PREVENTION

1927. Fire Prevention Safety.

~~Associations shall make adequate provision for fire prevention, protection against fire, and fire suppression within the inclosure. Before any license is granted to any association, each applicant therefor must inform the Board, in detail, of the fire prevention facilities at or available to its inclosure, and particularly its stable area.~~

~~When a licensee is unable to stable all the horses participating at its meeting on its grounds, such licensee must advise the Board of the facilities for fire prevention at the additional location where such excess number of horses will be stabled.~~

~~A racing association, fair, or approved training facility shall plan for and have protocols in place for instances of fire within their inclosures. Fire and life safety inspections shall be performed in accordance with the local authority and ~~appropriate National Fire Protection Association standards~~ the California Building Standards Code (California Code of Regulations, Title 24).~~

~~A written clearance from the fire authority having jurisdiction, stating that an inspection has been made of the inclosure and any additional location where any excess number of horses will be stalled and that the facilities conform with a reasonable standard of fire safety, shall be filed with the Board prior to the commencement of a race meeting. Such inspection shall have been made within 45 days prior to the commencement of the meeting.~~

~~Licensees shall document to the Board adherence to the applicable local fire protection authority by providing the following to the Board:~~

~~(a) A written clearance from the fire authority having jurisdiction over the inclosure. This written clearance shall be filed with the Board on an as-needed basis such that the written clearance is continuously in effect during the period horses or licensees are present at the inclosure.~~

~~(b) The protocols in place for instances of fire within the inclosure.~~

~~For the purposes of this regulation, a reasonable standard of fire safety shall require that each building, barn or structure which is used by an association for the stabling of horses or human habitation, be equipped with an automatic sprinkler system and an automatic fire alarm system, and that the stable area grounds, including any additional location where any excess number of horses will be stabled, be patrolled by a watchman during the hours of darkness. The type and installation of automatic sprinkler and automatic fire~~

CALIFORNIA CODE OF REGULATIONS
TITLE 4. BUSINESS REGULATIONS
DIVISION 4. CALIFORNIA HORSE RACING BOARD
ARTICLE 17. FIRE PREVENTION AND SECURITY
AMENDMENT OF RULE 1928, FIRE REGULATIONS

1928. ~~Fire Regulations~~ Evacuation Plan.

(a) Every association, ~~fair, or approved training facility~~ shall post in its stable and backstretch worker housing areas ~~the fire regulations applicable on its grounds. The association shall also post:~~ emergency evacuation plan, which shall state the following:

(1) ~~its emergency evacuation plan, which shall state the~~ The nearest exit in case of fire or other emergency;

(2) ~~the~~ The location of the nearest fire alarm box, ~~and~~

(3) ~~the~~ The telephone number of the fire department or other pertinent instructions as to the method for reporting a fire in the area.

(b) The notices shall be in English and Spanish, and posted no more than 100 feet apart or as approved by the local fire authority.

~~(c) No person shall violate the posted fire regulations.~~

Authority: Section 19440,
Business and Professions Code.

Reference: Sections 19481~~(a)~~ and 19481.5~~(b)(1)~~,
Business and Professions Code.

CALIFORNIA CODE OF REGULATIONS
TITLE 4. BUSINESS REGULATIONS
DIVISION 4. CALIFORNIA HORSE RACING BOARD
ARTICLE 28. BACKSTRETCH WORKER HOUSING
AMENDMENT OF RULE 2101, DEFINITIONS

2101. Definitions.

As used in this article:

(a) "Backstretch worker" means a person required to be licensed under Rule 1481(c) of this division.

(b) "Backstretch worker housing", "habitable room" means any structure or portion of a structure whose primary purpose is for sleeping or living and is located within the restricted area of the inclosure as defined in Rule 1420(v) of this division.

(c) "Damaged" means property in a condition in which its worth or usefulness is impaired. Damage includes, but is not limited to backstretch worker housing whose components are split, buckled, sagging, rotting, broken, or defective.

(d) "Substandard housing" means backstretch worker housing or a habitable room, or any portion thereof, for which, through lack of maintenance or repair, there exists any of the following conditions to an extent that endangers the health, safety, or welfare of the occupants:

(1) Lack of toilet or privy structure, bathtub or shower, or hot and cold running water.

(2) Plumbing fixtures and piping that have become unsanitary or damaged.

(3) Lack of exterior wall or roof covering adequate to protect the occupants from the elements.

(4) Damaged exterior wall or roof coverings.

(5) Damaged windows, exterior window coverings, or doors.

(6) Lack of natural light and ventilation.

(7) Damaged interior walls, ceilings, or floors.

(8) Lack of interior flooring adequate to protect occupants from the elements.

(9) Dampness of habitable rooms.

(10) Lack of garbage and rubbish removal as required under Rule 3010 of this article.

(11) Infestation of insects, rodents, or other vermin.

(12) Lack of smoke detector in working order, ~~or other fire alarm system as required under Rule 1927 of this division.~~

(13) Lack of emergency evacuation plan as required under Rule 1928 of this division.

Authority: Sections 19440 and 19481.5~~(b)~~,
Business and Professions Code.

Reference: Section 19481.5,
Business and Professions Code; and
Section 17920.3,
Health and Safety Code.

CALIFORNIA CODE OF REGULATIONS
TITLE 4. BUSINESS REGULATIONS
DIVISION 4. CALIFORNIA HORSE RACING BOARD
ARTICLE 28. BACKSTRETCH WORKER HOUSING
AMENDMENT OF RULE 2103, HABITABLE ROOMS

2103. Habitable Rooms.

(a) Habitable rooms used for sleeping shall have natural light by means of at least one exterior window that, if it can be opened, has screening with a tight fitting frame. Natural ventilation shall be provided by exterior openings that can be opened, or, in lieu of exterior openings, a mechanical ventilating system.

(b) Habitable room exterior doors shall be tight fitting and outfitted with door sweeps.

(c) Interior walls, ceilings, and floors of habitable rooms may not be damaged or cause exposure to outside elements or exposed earth.

(d) Habitable rooms shall be provided with electrical switches, outlets, and at least one electric light. Electric components in a habitable room shall be installed to state or local building codes and maintained in a manner that does not endanger the health or safety of the occupants.

(e) Habitable rooms used for sleeping shall be provided with battery operated smoke detectors that shall be maintained in working order, ~~or any other approved fire alarm system as provided under Rule 1927 of this division. Fire regulations and an~~ emergency evacuation plan shall be posted in backstretch worker housing areas as provided under Rule 1928 of this division.

(f) The dimensions of a habitable room shall not be less than seven feet in any direction and shall provide not less than 50 square feet of space per person.

Authority: Sections 19440 and 19481.5(b),
Business and Professions Code.

Reference: Section 19481.5,
Business and Professions Code.

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED
AMENDMENTS TO CHRB RULE 1846.5, POSTMORTEM EXAMINATION, AND RULE
1846.6, POSTMORTEM EXAMINATION REVIEW

(NOTE: CONCLUDED 45-DAY PUBLIC COMMENT PERIOD, MAY 30, 2023; CONCLUDED
15-DAY PUBLIC COMMENT PERIOD, SEPTEMBER 16, 2023)

Regular Board Meeting
January 18, 2024

ISSUE:

At the September 15, 2022, California Horse Racing Board (Board) meeting, the Board approved proposed amendments to Board Rules 1846.5 (Postmortem Examination) and 1846.6 (Postmortem Examination Review). The amendments are meant to ensure that every horse that dies or is euthanized in California within 72 hours of leaving a facility under the jurisdiction of the Board undergoes a postmortem examination and review. The Board's existing rules do not expressly extend postmortem requirements to horses that expire shortly after leaving a Board regulated facility.

During the 45-day public comment period for this proposed rule change,¹ the Board received one comment on behalf of Santa Anita Park and Golden Gate Fields. The comment requested that the Board also amend the reporting provisions within these two rules to allow a racing association or training facility where the catastrophic injury occurred to obtain an original copy of the necropsy and postmortem report. Providing the full, unredacted reports in a timely manner is beneficial to industry efforts to reduce future catastrophic injuries. Although these two reports are Board-mandated, current rules do not expressly allow original copies to be shared by the Board to a racing association.

At the August 17, 2023, Board meeting, the Board approved the proposed language change requested on the public comment on behalf of Santa Anita Park and Golden Gate Fields. Specifically, the proposed language change was to Board Rules 1846.5 and 1846.6 subsections (g).

During the review process conducted by the Office of Administrative Law (OAL), OAL was unable to approve the proposed amendments to Board Rules 1846.5 and 1846.6. due to some clarity and necessity concerns. Specifically, concerns identified by OAL pertain to Board Rule 1846.5 subsections (c), (d), (e), (g), and Board Rule 1846.6 subsection (g). To remediate the clarity and necessity issues staff modified the proposed language of Rule 1846.5 subsections (c), (d), (e), (g), and 1846.6 subsection (g). For clarity and consistency, the proposed new language now mirrors language already utilized in the Board's regulations. Included for Board consideration is the newly amended text for the proposed amendments to Board Rules 1846.5 and 1846.6.

ANALYSIS:

To continue with the rulemaking process for the proposed amendments to Board Rules 1846.5 and 1846.6, staff recommend the Board approve the newly amended text. The

¹ The 45-day public comment period ran from April 14 – May 30, 2023.

approval of the newly amended text will re-notice the regulation for a second 15-day public comment period. Note, at the August 17, 2023, regular Board meeting, “Staff recommends this comment be accepted as it would be helpful to provide the Board with this express authority. As of January 1, 2021, amendments to California’s Veterinary Medicine Practice Act allow racing associations to obtain a racehorses’ entire medical record from a veterinarian “upon request.”² However, racing associations report that veterinarians either fail to provide necropsy and postmortem reports when asked or the transmission is severely delayed. It would be more efficient to have the Board send the reports directly to the racing association once they are complete and filed with the required parties. Currently the Board only transmits redacted copies of these reports to racing associations when requested. This conservative approach is meant to ensure that the Board is not waiving the confidentiality of these reports under the Public Records Act by sharing them with outside parties.

BACKGROUND:

Authority:

[Business and Professions Code \(BPC\) section 19420](#) vests in the Board jurisdiction and supervision over meetings in the State where horse races with wagering on their results are held and over all persons or things having to do with the operation of such meetings.

[BPC section 19440](#) states that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of California Horse Racing Law. Responsibilities of the Board include adopting rules and regulations that protect and advance the health, safety, welfare, and aftercare of racehorses and the administration and enforcement of all laws, rules, and regulations affecting horse racing and parimutuel wagering.

[Board Rule 1842 \(Veterinarian Report\)](#) exempts the Board from disclosing privileged veterinary medical records to third parties except in a proceeding before the stewards or the Board, or in an exercise of the Board’s jurisdiction.

RECOMMENDATION:

This item is presented for Board discussion and action. Included for Board consideration is the newly amended text for the proposed amendments to Board Rules 1846.5 and 1846.6. Should the Board approve the amended language, the regulation will be re-noticed for a second 15-day public comment period.

² Bus. & Prof. Code §4857(a)(6), as amended by SB 800 (Dodd, Chapter 252, Statutes of 2020).

AMENDMENTS FOR CONSIDERATION MARKED IN BOLD AND DOUBLE-UNDERLINE

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
DIVISION 4. CALIFORNIA HORSE RACING BOARD
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF RULE 1846.5
POSTMORTEM EXAMINATION

1846.5. Postmortem Examination.

(a) The following shall be required to undergo a postmortem examination at a diagnostic laboratory which is under contract with the Board in order to determine the injury or sickness which resulted in euthanasia or natural death:

(1) Every horse which suffers a fatal injury on the racetrack in training or in competition;

(2) Every horse, or which dies or is euthanized within an area under the jurisdiction of the Board; and

(3) Every horse which dies or is euthanized in California within 72 hours of leaving a facility under the jurisdiction of the Board, shall undergo a postmortem examination at a diagnostic laboratory which is under contract with the Board to determine the injury or sickness which resulted in euthanasia or natural death.

(b) Test samples may be obtained from the carcass upon which the postmortem examination is to be conducted and sent to the diagnostic laboratory for testing for foreign substances or their metabolites, and natural substances at abnormal levels. When practical, test samples shall be procured prior to euthanasia.

(c) The costs associated with transportation to the diagnostic laboratory of any horse which has died under the provisions of subparagraph (a) shall be the responsibility of the **racetrack racing association** conducting the meeting where the death occurred or the training center or racetrack where death occurred when no meeting is in progress. In the case of a horse which dies or is euthanized in California within 72 hours of leaving a facility under the jurisdiction of the Board, the costs associated with transportation to the diagnostic laboratory shall be the responsibility of the **racetrack racing association** or training **facility center** where the horse **was last resided stabled immediately prior to the time of death**. The services of the official veterinarian and the laboratory testing of postmortem samples for standard necropsy and special equine necropsy examinations shall be made available by the Board without charge to the owner. The cost of any additional necropsy examination(s) requested by the owner or trainer are the responsibility of the requesting individual.

(d) Requests for each postmortem shall be filed with the official veterinarian by the owner's or trainer's veterinarian within one hour of the death and shall be submitted on a Necropsy Submission Form, CHRB-72, (Rev. 6/04), hereby incorporated by reference, and which is available at all official veterinarian offices. The trainer is co-responsible to supply all information to complete CHRB-72. In the case of a horse which dies or is euthanized in California within 72 hours of leaving a facility under the jurisdiction of the Board, a request for postmortem shall be filed with the official veterinarian within one hour of the death and the request shall be submitted on CHRB-72 which is available at all official veterinarian offices. The trainer is **the absolute insurer of the horse and** responsible for the timely submission of CHRB-72 to the extent that the trainer

exercised care and control at the time of death. The owner **is co-responsible to supply all information to complete and file CHRB-72 of the horse is the joint absolute insurer and is equally responsible for ensuring CHRB-72 is filed.**

(e) If the official veterinarian is not available, the owner's or trainer's veterinarian must phone the diagnostic laboratory within one hour of the death and fax or email CHRB-72 to the laboratory as notification that the horse is due for necropsy. On the official veterinarian's next scheduled work day, the owner's or trainer's veterinarian shall give the original CHRB-72 to the official veterinarian. In the case of a horse which dies or is euthanized in California within 72 hours of leaving a facility under the jurisdiction of the Board, the owner or trainer must phone the diagnostic laboratory within one hour of death and fax or email CHRB-72 to the laboratory as notification that the horse is due for necropsy. ~~On the official veterinarian's next scheduled work day of the racing association or training facility where the horse was last resided,~~ the owner or trainer shall give the original CHRB-72 to the official veterinarian on the official veterinarian's next scheduled work day at the racetrack or training center that last stabled the horse prior to the time of death.

(f) ~~The racing association,~~ racetrack or training center will notify the transporter within one hour of death to have the horse conveyed to the designated laboratory for necropsy.

(g) Upon completion of the postmortem examination, the diagnostic laboratory shall file a written report with the Executive Director, the Equine Medical Director and the official veterinarian. Upon written request, the Board shall release. ~~Once the report is filed with the listed designees, the Board may release~~ an unredacted copy of the report to the ~~racing association~~ racetrack or training ~~facility~~ center where the horse ~~was last resided~~ stabled immediately prior to the time of death.

(h) Each owner and trainer accepts responsibility for the postmortem examination provided herein as a requisite for maintaining an occupational license.

Authority cited: Section 19440, Business and Professions Code.

Reference: Section 19444(c), Business and Professions Code.

AMENDMENTS FOR CONSIDERATION MARKED IN BOLD AND DOUBLE-UNDERLINE

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
DIVISION 4. CALIFORNIA HORSE RACING BOARD
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF RULE 1846.6
POSTMORTEM EXAMINATION REVIEW

1846.6. Postmortem Examination Review.

(a) The Board shall conduct a postmortem examination review to determine the circumstances of each equine fatality within a California Horse Racing Board (CHRB) inclosure and each equine fatality in California within 72 hours of leaving a CHRB inclosure.

(b) The postmortem examination review shall be conducted by a member of the board of stewards, a safety steward and the Equine Medical Director or an official veterinarian designated by the Executive Director and Equine Medical Director.

(c) The trainer of the expired horse will be required to appear before the postmortem examination review panel. Additional licensees may also be required to appear at the discretion of the postmortem examination review panel.

(d) The trainer shall make available at the postmortem examination review the training records for the expired horse, which shall include exercise, medication and shoeing histories for a minimum of 60 days prior to the date of death of the horse.

(e) All CHRB licensed veterinarians attending or treating a horse having died within a CHRB inclosure or in California within 72 hours of leaving a CHRB inclosure shall make available at the postmortem examination review a summary medical record covering a minimum of 60 days prior to the date of death of the horse, or longer if requested by the postmortem review panel. The summary medical record shall include:

(1) A history or pertinent information as it pertains to the horse's medical status, including an interpretation of all diagnostic imaging and laboratory findings.

(2) Data, including that obtained by instrumentation, from the physical examination.

(3) Treatment and intended treatment plan, including medications, dosage and frequency of use.

(4) All medications and treatments prescribed and dispensed, including strength, dosage, route of administration, quantity, and frequency of use.

(5) Daily progress and disposition of the case.

(6) Copies of laboratory data, if requested by the postmortem review panel.

(7) Copies of diagnostic images including but not limited to radiographs, ultrasounds and nuclear scintigraphies, if requested by the postmortem review panel.

(f) The equine medical records described in (e)(6) and (7) of this regulation are the property of the veterinary facility that originally ordered them to be prepared and require the authorization of the client before the records can be released.

(g) Upon completion of the postmortem examination review, the postmortem examination review panel shall file a written report with the Executive Director and the owner and trainer of the expired horse. Upon written request, the Board shall release ~~Once the report is filed with the listed designees, the Board may release~~ an unredacted copy of the report to the ~~racing association~~ racetrack or training ~~facility~~ center where the horse ~~was last resided~~ was last stabled immediately prior to the time of death.

Authority cited: Section 19440, Business and Professions Code.

Reference: Sections 19435 and 19444, Business and Professions Code.

CALIFORNIA HORSE RACING BOARD

January 18, 2024

REGULAR BOARD MEETING

There is no board package material for Item 8

CALIFORNIA HORSE RACING BOARD

January 18, 2024

REGULAR BOARD MEETING

There is no board package material for Item 9

CALIFORNIA HORSE RACING BOARD

January 18, 2024

REGULAR BOARD MEETING

There is no board package material for Item 10