

STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST TO MODIFY THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCED DEPOSIT WAGERING FOR WAGERING CONDUCTED BY DEL MAR THOROUGHBRED CLUB FOR 2026 TO INCLUDE A DISTRIBUTION TO BE UTILIZED TO FUND A CALIFORNIA CO-OP MARKETING PROGRAM

Board Meeting
May 13, 2026

ISSUE:

The Thoroughbred Owners of California (TOC) and Del Mar Thoroughbred Club (DMTC) are seeking an approval of an agreement under Business and Professions Code (BPC) section 19604(f)(5)(E) for the period from July 8, 2026, through September 8, 2026, and November 4, 2026, through December 1, 2026, to continue the previously modified distributions from advance deposit wagering (ADW) market access fees for wagers placed on live and imported races hosted by DMTC, subject to conditions.

ANALYSIS:

The TOC and DMTC wish to continue certain California Marketing Committee (CMC) programs following the January 1, 2019, sunset of BPC section 19605.73, which authorized the CMC and its programs. The proposed alteration creates an additional deduction based upon a percentage of handle in the applicable California zones that would otherwise be payable as thoroughbred purses and track commissions. The deduction from ADW market access fees would be utilized to fund a co-op marketing program. The deduction percentage of ADW handle in the applicable zones would be 0.50%.

APPLICABLE LAW:

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.

Coop Marketing Funding Agreement

This Agreement is entered into as of this 1st day of May 2026 by and between the undersigned racing association (“the Signatory Racing Association”) the Thoroughbred Owners of California (“TOC”).

IT IS HEREBY AGREED AS FOLLOWS:

1. The distribution of Market Access fees from California resident Advanced Deposit Wagering, (“ADW”) placed on all live and imported races hosted by the Signatory Racing Associations, excluding ADW on races conducted at racetracks whose blended takeout is less than 15% for any calendar month, shall be altered by the creation of an additional deduction for a distribution therefrom, based upon a percentage of handle in the applicable California zones that would otherwise be payable as thoroughbred purses and track commissions. The deduction from ADW market access fees shall be utilized to fund a coop marketing program. The deduction percentage of ADW handle in the applicable zones for each host shall be:

Del Mar Thoroughbred Club race meets 0.50%

2. The parties shall immediately file this Agreement with the CHRB for the purposes of securing its approval of the deductions contemplated from market access fees placed on races hosted by the Signatory Racing Associations which is permitted pursuant to Business and Professions Code Section 19604 (f)(5)(E).
3. Subject to the requisite approval of the CHRB, the deduction from ADW set forth in for Del Mar Thoroughbred Club shall be effective July 8, 2026, through September 8, 2026; and November 4, 2026 through December 1, 2026.
4. 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.

Thoroughbred Owners of California

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William A. Nader

Del Mar Thoroughbred Club

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Josh Rubinstein
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