

52nd Annual Report of the California Horse Racing Board

A Department of the Business,
Consumer Services and Housing Agency

A Summary of
Fiscal Year 2021–22 Revenue and
Calendar Year 2022 Racing in California

California Horse Racing Board

Dr. Gregory Ferraro, Chair
Oscar Gonzales, Vice Chair
Dennis Alfieri, Member
Damascus Castellanos, Member
Brenda Washington Davis, Member
Thomas Hudnut, Member
Wendy Mitchell, Member
Alex Solis, Former Member
Scott Chaney, Executive Director
Cynthia Alameda, Deputy Executive Director

This report covers the fiscal year (July 1, 2021, through June 30, 2022) for revenue purposes, including pari-mutuel handle, fines, taxes, license fees, and the distribution of funds, as well as the report of the Postmortem Program. This report covers the 2022 calendar year for reports on race meets and CHRB meetings, as well as a handle report for the racing year.

The CHRB general office is located at 1010 Hurley Way, Suite 300, Sacramento, CA 95825. Field offices are located at all operating racetracks. Annual report pdfs are available at: www.chrb.ca.gov (Media Room).

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Message from the Secretary



Thanks to CHRB's steadfast focus on fostering a safer environment for horses, riders, workers, and spectators, 2022 saw a further reduction in the number of equine fatalities and injuries. These were down more than 50 percent from 2019 and

more than 73 percent from a decade ago. Even more work is underway, with several more safety regulations that the board has approved scheduled to take effect this year. They include regulations requiring mandatory examinations of horses returning to race or train after extended time off, and a rule for horses receiving multiple intra-articular injections.

Throughout 2022, CHRB moved quickly and thoughtfully to assist the federal Horseracing Integrity and Safety Authority (HISA) as it moved to implement nationwide safety rules, even advising HISA on specific regulations, many of which were modeled on California's regulations. In fact, CHRB has done more than any other horse rac-

ing authority in the country to come into compliance with HISA rules and was well positioned to integrate smoothly into the HISA regulatory framework when it took effect on July 1, 2022.

On behalf of Governor Gavin Newsom, I want to thank Board Chair Dr. Gregory Ferraro, CHRB Board Members, Executive Director Scott Chaney, Deputy Executive Director Cynthia Alameda, and the entire CHRB staff. I also want to acknowledge CHRB's licensees, stakeholders and other people who have joined in these efforts to carry out reforms and improve safety.

I look forward to the additional progress I know they will make in the new year.

Lourdes M. Castro Ramírez, MA
Secretary
Business, Consumer Services and Housing
Agency

Report from the Chair



Horse racing turned a page in history when the federal government assumed authority over the sport by steps, first by assuming control over safety matters on July 1, 2022, with the intention that anti-doping and medication control regulations will go

into effect in mid-March 2023,

Cooperation Proving Best for California

Preceding these developments, the California Horse Racing Board was concerned that the regulations and policies being developed under the Horseracing Integrity and Safety Act/Authority (HISA) might be aimed at reaching the lowest common denominator among the states, which would have weakened oversight in California, where we have had the strongest programs in the country.

Whereas some racing interests in other jurisdictions have been resistant to change, the CHRБ decided early on that the best approach was to be fully cooperative and helpful to the HISA team as they drafted and adopted various regulations and policies. Largely through Executive Director Scott Chaney and Deputy Executive Director Cynthia Alameda, the CHRБ offered advice and recommendations to HISA, and the result has been federal regulations that reflect, in large part, that which is already in place here in California. Therefore, the transition to federal regulation of safety matters since July 1 has been virtually seamless here in California.

At this writing, the introduction of federal regulations governing anti-doping and medication control is too new to fully evaluate, as they have not yet been approved by the Federal Trade Commission. However, we have every expectation that

this phase also will be smooth here in California. We are particularly gratified that HISA has honored our insistence that the Maddy Laboratory at University of California, Davis, continue to be an integral part of our drug-testing and research program. Again, high marks for cooperation and reason.

As a practical matter, under its agreement with HISA, the CHRБ continues to enforce federal safety and medication regulations as if they were our own. We have kept our licensees and the public advised of progress every step of the way, and our website has a link for all things HISA if there are any concerns or questions. Federal oversight does not apply to quarter horses, standardbreds, mixed breed, or any other breed except thoroughbreds, at least for the foreseeable future. Additional details on HISA can be found on page 13 of this report.

Protecting Horses and Riders

In the midst of this seminal change in the regulation of horse racing, the CHRБ has continued its efforts in the area of animal welfare. Our efforts to reduce catastrophic injuries to horses had resulted in significant results. In the last three years alone, fatalities have been reduced 54 percent, from 144 in fiscal year 2018-19 down to 66 for the last fiscal year. The CHRБ website lists dozens of safety initiatives implemented over the years with the cooperation of racetracks, horse owners and trainers, jockeys, and practicing veterinarians. These efforts accelerated in recent years with important assistance from the California Legislature and the Governor.

As we deal effectively with individual issues that lead to catastrophic injuries, the challenge to further prevent equine fatalities becomes more difficult, but the CHRБ and California horse racing industry are committed to this continuing effort. A number of new regulations for that purpose are either already in process or under consider-

ation. The Board is moving to establish a rule for those horses receiving multiple intra-articular injections. A separate rule will require mandatory examinations and greater scrutiny of horses returning to race or train after extended time off. And a third rule will require owners and trainers to inform the CHRB when their horse dies or is euthanized within 72 hours of leaving a facility regulated by the CHRB.

Two additional proposed safety measures are more ambitious and difficult to accomplish but nonetheless are being supported by the Board. Other racetracks are being asked to consider installing extensive video surveillance systems in their stable areas similar to the one already in place at Santa Anita. And given indisputable research findings that a horse's risk of serious injury increases in proportion to the miles of high-speed exercise the horse performs, whether in racing or training, the Board is considering a rule to limit the accumulation of high-speed exercises.

Building a Stronger Team

While we regretted seeing Alex Solis leave the Board after completing his term, we have been fortunate to welcome Thomas Hudnut in that seat. Commissioner Hudnut is proving to be a knowledgeable and confident leader in the difficult role of regulating horse racing. We also were glad to see the reappointment of Damascus Castellanos, an important member of our team.

The Board's equine medical director is an integral part of the CHRB's program to protect horses and riders. Much of the Board's work in this regard is based on advice and guidance from the EMD. Our work was made more difficult while Dr. Jeff Blea was on administrative leave for more than nine months, so we are grateful that a person with his knowledge, respect, and caliber was able to return to work in September and fill this

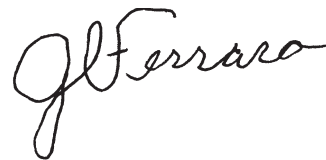
critical role.

There was a significant turnover of executives in the Thoroughbred Owners of California (TOC). The TOC Board did an excellent job in recruitment and named Bill Nader as the new president and chief executive officer. Nader has more than 20 years of experience in senior executive roles in horse racing. The TOC also appointed Jordyn Egan its executive director, another person with considerable experience.

We congratulate Rick Pickering for his well-deserved retirement after a decades-long career in California's fair industry, most recently as chief executive officer of the State Fair at Cal Expo. Chief Deputy General Manager Tom Martinez is the interim CEO for the State Fair.

California horse racing is proud to have played a role in the historic campaign of Flightline, the 2022 Horse of the Year, who retired undefeated following his triumph over some of the country's best horses in the Breeders' Cup Classic. The Hronis Family of Delano, CA, is a major owner of this champion, trained by California-based John Sadler, and Stephanie Hronis is a member of the Board of Directors of the Thoroughbred Owners of California.

We anticipate a good year in California racing, highlighted by the return to Santa Anita Park of the Breeders' Cup, which will be conducted November 3-4, 2023.



Dr. Gregory Ferraro, Chair
California Horse Racing Board

Names and Locations of Racing and Training Facilities Regulated by the California Horse Racing Board

All of these locations except San Luis Rey Downs, which is an approved training center, and the Humboldt County Fair are open to the public during their off seasons for simulcast wagering.



Privately Operated Race Tracks

- 1-Del Mar, Del Mar
- 2-Golden Gate Fields, Albany
- 3-Los Alamitos, Cypress
- 4-Santa Anita, Arcadia

Racing Fairs

- 5-Alameda County Fair, Pleasanton
- 6-California Exposition, Sacramento
- 7-Big Fresno Fair, Fresno
- 8-Humboldt County Fair, Ferndale
- 9-Sonoma County Fair, Santa Rosa

Training Facilities

- 10-San Luis Rey Downs, Bonsall

Names and Locations of Simulcast-Only Facilities Regulated by the California Horse Racing Board

(See adjacent "Race Tracks" map for other wagering locations.)



Simulcast-only Facilities

- 1–Antelope Valley Fair, Lancaster
- 2–Commerce Casino, Commerce*
- 3–Derby Room, Sports Grill & Turf Club, Norco*
- 4–Fantasy Springs Casino, Indio
- 5–Firehouse Restaurant, Bakersfield*
- 6–Glen Arden Club, Glendale*
- 7–Hollywood Park Casino, Inglewood
- 8–Lake Elsinore Hotel & Casino, Lake Elsinore*
- 9–Lake Perris Sports Pavilion, Perris
- 10–Los Angeles County Fair, Pomona
- 11–Monterey County Fair, Monterey
- 12–National Orange Show, San Bernardino
- 13–OC Tavern, San Clemente*
- 14–Sammy’s Restaurant and Bar, Lake Forest*
- 15–San Bernardino County Fair, Victorville
- 16–San Joaquin County Fair, Stockton
- 17–San Mateo Events Center, San Mateo
- 18–Santa Clara County Fair, San Jose
- 19–Santa Clarita Lanes, Santa Clarita*
- 20–Solano County Fair, Vallejo
- 21–Tilted Kilt, Thousand Oaks*
- 22–Ventura County Fair, Ventura
- 23–Viejas Casino and Turf Club, Alpine

* Mini-satellite locations

The California Horse Racing Board

History and Mission Statement

Horse racing has been taking place in California since the 1800s, but horse racing as we now know it — under the pari-mutuel wagering system — was not made possible until the electorate passed a constitutional amendment in 1933. The Horse Racing Law has since been regularly modified, amended, and enhanced to provide for regulation of live racing, off-track wagering, interstate and international wagering, and online account wagering, known as Advance Deposit Wagering, or ADW.

The expressed intent of the Horse Racing Law is to allow pari-mutuel wagering on horse races and:

- ◆ Assure protection of the public.
- ◆ Encourage agriculture and the breeding of horses in this state.
- ◆ Provide uniformity of regulation for each type of horse racing.
- ◆ Provide for maximum expansion of horse racing opportunities in the public interest.

To accomplish these objectives, the constitutional amendment authorized pari-mutuel wagering on the results of horse races at licensed race meets and created the California Horse Racing Board (CHRB/Board) to oversee the industry's activities in this state. In addition, the CHRB exchanges information on licensees and disciplinary proceedings with other commissions through the National State Racing Information System.

The CHRB is a seven-member commission appointed by the Governor. It directs a statewide staff in the licensure and oversight of all race meets in the state where pari-mutuel wagering

is conducted, as well as off-site simulcast wagering locations and ADW companies.

Mission Statement

The mission of the CHRB is to ensure the integrity, viability, and safety of the California horse racing industry by regulating pari-mutuel wagering for the protection of the public, promoting horse racing, breeding, and wagering opportunities, and fostering safe racing through the development and enforcement of track safety standards and regulations for the health and welfare of all participants.

Principal activities of the CHRB include:

- ◆ Adopting rules and regulations to protect the public and ensure the safety of the human and equine participants.
- ◆ Licensing racing associations and racing-industry participants and officials.
- ◆ Allocating racing days and charity days conducted by racing associations and fairs.

- ◆ Encouraging innovative expansion of wagering opportunities, such as mini-satellites.
- ◆ Monitoring and auditing pari-mutuel handle and takeout, and the appropriate use of takeout distributions.
- ◆ Assessing racing surfaces to determine safety standards for the benefit of the participants.
- ◆ Enforcing laws, rules, and regulations pertaining to horse racing in California.
- ◆ Acting as a quasi-judicial body in matters pertaining to horse racing meets.
- ◆ Collecting the state's lawful share of revenue derived from horse racing meets.
- ◆ Enforcing regulations and policies required by the Horseracing Integrity and Safety Authority/Agency (HISA).

The following pages explore some of these programs and functions in more depth.

Members of the California Horse Racing Board

The Board consists of seven members appointed by the Governor, generally to four-year terms, who are subject to Senate confirmation. Members are eligible for reappointment at the discretion of the Governor. The terms are specific; no more than two of the terms expire in any calendar year.

At least four members of the CHRB must concur in the taking of any official action or in the exercise of any of the Board's duties, powers, or functions. The member commissioners elect their chairperson, who presides over meetings of the Board. The members also elect a vice chairperson or when necessary a first vice chair and a second vice chair to preside in the absence of the chairperson.

Commissioners receive \$100 for each day spent in attendance at meetings and are reimbursed for travel and other expenses necessarily incurred in the performance of their official duties.

Committees of the Board

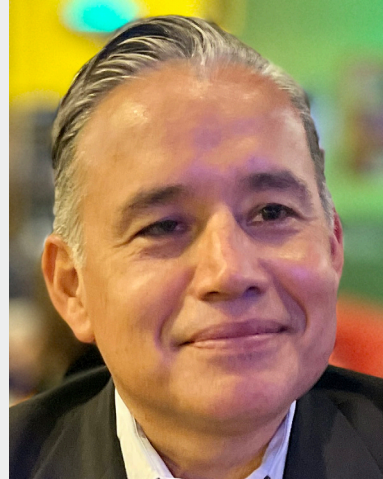
The executive director is directed to provide public notice of committee meetings in accordance with the Bag-

ley-Keene Open Meeting Act. Whenever a Board quorum is expected at any meeting of a committee, the executive director shall give notice that the meeting is a Special Meeting of the California Horse Racing Board limited to the agenda with the items to be discussed at the meeting and the expected commissioners in attendance, so that legal notice may be published.



**Dr. Gregory Ferraro,
Chair**

Retired Director of the Center for Equine Health at the University of California, Davis. Appointed to the CHRB by Governor Gavin Newsom on June 25, 2019, through January 1, 2023. Reappointed by Governor Newsom through January 1, 2027.



**Oscar Gonzales,
Vice Chair**

Assistant Secretary for Administration at the U.S. Department of Agriculture. Appointed to the CHRB by Governor Gavin Newsom on September 9, 2019, through July 26, 2023.

Members of the California Horse Racing Board



**Dennis Alfieri,
Member**

Managing Member of Mission Real Estate Group, LLC. Appointed to the CHRB by Governor Edmund G. Brown Jr. on December 17, 2018, through July 26, 2021. Reappointed by Governor Gavin Newsom through July 26, 2025.



**Damascus Castellanos,
Member**

Secretary-Treasurer for Teamsters Local No. 495. Appointed to the CHRB by Governor Gavin Newsom on March 10, 2020, through January 1, 2022. Reappointed through January 1, 2026.



**Brenda Washington Davis,
Member**

Principal in the Brenda Davis Law Group. Appointed to the CHRB by Governor Gavin Newsom on August 26, 2020, through January 1, 2024.



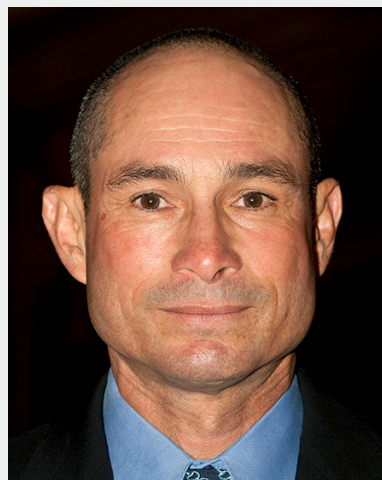
**Thomas Hudnut
Member**

Search Consultant, Resource Group 175. Appointed to the CHRB by Governor Gavin Newsom on February 28, 2022, through January 1, 2026.



**Wendy Mitchell,
Member**

Principal of WM Consulting Inc. since 2006. Appointed to the CHRB by Governor Gavin Newsom on September 9, 2019. Reappointed by Governor Newsom through July 26, 2024.



**Alex Solis,
Former Member**

Retired Jockey. Appointed to the CHRB by Governor Edmund G. Brown Jr. on April 30, 2015, through January 1, 2018. Reappointed by Governor Brown through January 1, 2022. Completed his term on January 1, 2022.

2022 Board and Committee Meetings

Racing commissioners convened 11 public Board meetings and four public committee meetings in 2022. Noticed meetings are open to the public and include a published agenda.

The following 11 Board meetings were held in 2022:

January 20 — Teleconference (February 17 — Cancelled)	June 16 — Pleasanton July 14 — Del Mar	November 22 — Cal Expo December 15 — Cal Expo
March 17 — Teleconference	August 17 — Del Mar	
April 21 — Cal Expo	September 15 — Cal Expo	
May 19 — Cal Expo	October 20 — Cal Expo	

Committee Public Meeting Dates

The following five committee meetings were held:

Pari-Mutuel and Wagering March 16 — Teleconference	Medication, Safety and Welfare July 13 — Del Mar	Race Dates September 14 — Cal Expo
Jockey and Driver Welfare May 18 — Cal Expo		Jockey and Driver Welfare December 14 — Cal Expo

CHRB Operating Budget

July 1, 2021 – June 30, 2022

Appropriations	Item	Total
Personal Services	\$6,740,000	
Operating Expenses	9,773,000	
Total Appropriation		\$16,513,000
Expenditures — Personal Services		
Salaries and Wages	\$4,304,846	
Staff Benefits	2,187,813	
Total Personal Services		\$6,492,659
Operating Expenses and Equipment		
General Expense	\$149,736	
Printing	15,652	
Communications	83,906	
Travel-in-State	229,244	
Travel-out-of-State	883	
Training	3,973	
Facilities Operations	205,258	
Contractual & Professional Services–Interdepartmental	5,275,818	
Contractual & Professional Services–External	2,997,968	
Consolidated Data Center	256,258	
Information Technology	14,022	
Equipment	40,442	
Legal: Attorney General	354,821	
Total Operating Expenses and Equipment		\$9,627,981
Total Expenditures		* \$16,120,640

* Includes year-end accruals

Horseracing Integrity and Safety Act

Established when the Horseracing Integrity and Safety Act was signed into federal law in 2020, the Horseracing Integrity and Safety Authority (HISA) is responsible for drafting and enforcing uniform safety and integrity rules in thoroughbred racing in the United States. HISA was created to implement, for the first time, a national, uniform set of rules applicable to every thoroughbred racing participant and racetrack facility.

CHRB Executive Director Scott Chaney and Deputy Executive Director Cynthia Alameda worked closely with HISA in the development of rules and procedures, including reliance on the Kenneth L. Maddy Equine Analytical Chemistry Laboratory at University of California, Davis, for drug testing and research. By agreement, the CHRB accepts and enforces HISA rules and procedures.

Two Programs

HISA is comprised of two programs: the Racetrack Safety Program, which went into effect July 1, 2022, and the Anti-Doping and Medication Control (ADMC) Program, which is scheduled to go into effect in mid-March 2023.

All racing participants (covered persons) are required to register themselves and any horses in their care. Covered persons include those licensed by a state racing commission, those involved with thoroughbred covered horses or thoroughbred covered horse races, and those with access to restricted areas of a racetrack in the ordinary course of their work.

The Racetrack Safety Program includes operational safety rules and national racetrack accreditation standards that seek to enhance equine welfare and minimize equine and jockey injury. The Program expands veterinary oversight, imposes surface maintenance and testing requirements, enhances jockey safety, regulates riding crop use, and implements voided claim rules, among other important measures.

The ADMC Program will create a centralized testing and results management process and apply uniform penalties for integrity violations efficiently and consistently across the United States. These rules and enforcement mecha-

nisms will be administered by a new independent agency, the Horseracing Integrity and Welfare Unit (HIWU), established by Drug Free Sport International (DFS). HIWU will oversee testing, educate stakeholders on the new system, accredit laboratories, investigate potential integrity violations, and prosecute rule breaches.

Horseracing Integrity and Safety Authority Leaders

HISA's Chief Executive Officer Lisa Lazarus oversees the Authority's full operations. Lazarus works with stakeholders inside and outside the racing industry to evaluate and improve programs on an ongoing basis.

HISA hired Dr. James Hester, an orthopedic surgeon, to be its national medical director, focusing on jockey health and welfare. Hester, who specializes in sports medicine and works at the Lexington Clinic in Kentucky, is responsible for the standards that HISA develops to protect jockeys, including its concussion protocols. Hester also will focus on improving health care services to jockeys and sourcing affordable medical insurance for jockeys and their families.

California has been well represented in the process and continuing leadership, particularly the Del Mar Thoroughbred Club, whose President Josh Rubinstein and Vice President for Racing Tom Robbins have provided invaluable advice. Other major contributors to the effort have been Rick Gold, a director of the Thoroughbred Owners of California; Dr. Sue Stover, director of the J.D. Wheat Veterinary Orthopedic Research Laboratory at University of California, Davis; Craig Fravel, executive vice chair of 1st Racing and Gaming (Stronach Group); and two additional representatives of the CHRB, former Chief of Enforcement Shawn Loehr and Equine Medical Director Dr. Jeff Blea.

Dr. Stover is a member of HISA's Board of Directors. Dr. Blea sits on HISA's Anti-Doping and Medication Control Standing Committee. Both Robbins and Gold are members of HISA's Horsemen's Advisory Group, Robbins offering input on racing office matters and Gold presenting the owners' point of view.

State Operations

The CHRB is in the Business, Consumer Services, and Housing Agency.

Horse racing's specialized and complex regulatory requirements drive the CHRB's organizational structure and determine the responsibilities for its operational divisions.

The Board appoints an executive director to carry out its objectives. Executive Director Scott Chaney is responsible for the Board's operations and regulation of the horse racing industry.

The executive and management team plans and oversees the CHRB's budget and directs the department's operational divisions: Administrative Services, Legislation and Regulations, Audits, Licensing, Information Technology, and Enforcement.

Horse racing's dynamics, complexity, and broad geographical base place a tremendous responsibility on the Board's staff. To assist in this day-to-day oversight, the CHRB contracts with stewards and veterinarians for on-track activities, and with the Uni-

versity of California, Davis, for drug testing and safety-related services.

The horse racing industry operates seven days a week, 365 days a year. Even when there is no live racing, the stable areas and training facilities remain active. To meet the demands associated with this schedule, the executives and key managers remain available at any hour of the day.



**Scott Chaney,
Executive Director**

A member of the State Bar of California, served as a steward in California from 2005 until he assumed duties as Executive Director on April 16, 2020.



**Cynthia Alameda,
Deputy Executive Director**

Nineteen-year career in fiscal and administrative oversight for the State prior to joining the CHRB as Deputy Executive Director on February 12, 2020.

Regulatory Changes

The following regulations/rules were amended, repealed, or added during FY 2021-22:

Regulation/Rule 1845

Name: Authorized Bleeder Medication

Summary: Amendment to eliminate the requirement to retain syringes utilized for furosemide.

Status: Approved by the Office of Administrative Law (OAL) July 1, 2021, and effective May 20, 2021.

Regulation/Rule 1866

Name: Veterinarian's List

Summary: Amendment to allow the official veterinarian to require diagnostic imaging prior to a horse being removed from the Veterinarian's List.

Status: Approved by the Office of Administrative Law (OAL) July 1, 2021, and effective May 27, 2021.

Regulation/Rule 1843.2

Name: Classification of Drug Substances

Summary: Amendment to update the Alphabetical Substances List to align with the Association of Racing Commissioners International Uniform Classification Guidelines for Foreign Substances.

Status: Approved by the Office of Administrative Law (OAL) July 26, 2021, and effective July 26, 2021.

Regulation/Rule 1891.1

Name: Penalty for Possession of Electrical Device

Summary: Amendment to require that a complaint against a licensee for violation of, or conspiring to violate, Rule 1890(c) shall be referred to the Stewards for hearing and adjudication.

Status: Approved by the Office of Administrative Law (OAL) on October 1, 2021, and effective August 12, 2021.

Regulation/Rule 1688

Name: Use of Riding Crop

Summary: Amendment to provide clarity regarding the use of crops in stake races and to set minimum fines for crop violations.

Status: Approved by the Office of Administrative Law (OAL) on August 30, 2021, and effective August 30, 2021.

Regulation/Rule 1433

Name: Application for License to Conduct a Horse Racing Meeting

Summary: Section 100 change without regulatory effect. Amendment to make grammatical and technical edits to CHRB Forms 17 and 18.

Status: Approved by the Office of Administrative Law (OAL) on September 7, 2021, and effective September 7, 2021.

Regulation/Rule 1845

Name: Authorized Bleeder Medication

Summary: Amendment to clarify the parameters of Lasix in specific races to eliminate the on-and-off-again usage of Lasix.

Status: Approved by the Office of Administrative Law (OAL) on September 20, 2021, and effective September 20, 2021.

Regulations/Rules 1588 and 1866.3

Name: Horse Ineligible to Start in a Race

Name: Intra-articular Injections Restricted

Summary: Amendments to stipulate that a horse receiving a cortisone injection in a fetlock joint is unable to compete in a race 30 days prior to the start of the race or 10 days before a timed workout.

Status: Both approved by the Office of Administrative Law (OAL) on October 19, 2021, and effective October 19, 2021.

Regulation/Rule 1632

Name: Jockey's Riding Fee

Summary: Section 100 change without regulatory effect. Pursuant to BPC section 19501 which requires the Board to amend Rule 1632 to increase the minimum jockey riding fees for losing mounts whenever California's minimum wage is increased. California's minimum wage increases January 1 annually pursuant to SB 3.

Status: Approved by the Office of Administrative Law (OAL) on September 3, 2021, and effective January 1, 2022

Regulation/Rule 1866.4

Name: Thyroxine Restricted

Summary: Adoption to restrict the usage of thyroxine within a CHRB inclosure.

Status: Approved by the Office of Administrative Law (OAL) on September 23, 2021, and effective January 1, 2022.

Regulation/Rule 1581.1 and 1878

Name: Entries

Name: Workouts

Summary: Amendment to prohibit a horse from working out or entering a race unless a veterinarian has determined the horse is sound.

Status: Approved by the Office of Administrative Law (OAL) on November 10, 2021, and effective January 1, 2022.

Regulation/Rule 2066

Name: Application for License to Operate a Minisatellite Wagering Facility

Summary: A Section 100 change without regulatory effect to amend the Minisatellite application to incorporate changes from BPC section 19605.25 and make minor grammatical amendments.

Status: Approved by the Office of Administrative Law (OAL) on June 16, 2022, and effective June 16, 2022.

Regulation/Rule 1652

Name: Prohibited Actions with Respect to Claims

Summary: Amendment to prohibit a licensee from depositing more than one claim for a single horse.

Status: Approved by the Office of Administrative Law (OAL) on March 15, 2022, and effective July 1, 2022.

Regulation/Rule 1415

Name: Public Participation At Meetings

Summary: Addition to define the rules regarding public participation during meetings of the Board and committee meetings.

Status: Approved by the Office of Administrative Law (OAL) on April 7, 2022, and effective July 1, 2022.

Enacted Legislation

The following horse racing bill was chaptered in 2022:

**AB 2969 – Committee
on Governmental
Organization;
Chapter 503**

This bill adds the Blue Grass Stakes to the group of out-of-state horse races that are exempt from the 50-race per day limit on imported races in California and makes clarifying changes to the backstretch personnel pension plan to codify that documented administrative expenses may be paid from the designated fund.

**SB 189 – State
Government; Chapter 48**

Among other statutory changes necessary to implement the Budget Act of 2022, this bill authorizes the Board to enter into agreements with the federal Horseracing Integrity and Safety Authority and any other entity that is responsible for administering the Federal Horseracing Integrity and Safety Act of 2020. Additionally, the bill authorizes Board employees and contractors to provide services contracted for under any agreement. Finally, the bill clarifies that the Board is authorized to collect and remit fees assessed by the Authority.

Recommendations

California Business and Professions Code (B&P Code) section 19441 requires the CHRB to make recommendations deemed needed for improved functioning of the horse racing laws. Additionally, section 19441.2 requires a tabulation of injuries, catastrophic injuries, and comparative accident rates for all racing and training venues. The section 19441.2 requirements are listed on pages 29-32 of this annual report.

Track Maintenance and Protocols

Tracks should monitor the speed of surfaces, race by race, adjusting surfaces for class levels.

Tracks should use weather-based algorithms for track maintenance and closures.

Tracks should make surface changes accessible to horsemen via a digital record-keeping system.

Racing Office

The racing secretary should write condition books (proposed races) based on the current horse population.

Security

Tracks should consider expanding video surveillance at all locations, including racing ovals to monitor training.

Training Practices

Trainers should rest horses based on their rate of accumulation of high-speed furlongs, time in training, or number of high-speed events.

Research and Strategies

Industry should support stratagems to increase the use of special imaging techniques.

Facilities

Racetracks should consider adding a small, paddock turnout where horses can be outdoors with more space.

CHRB

Track Veterinarian emergency procedures should be formalized, including requiring filing CHRB Form 24 reports, and obtaining post-injury samples from all horses treated in on-track emergency incidents.

The CHRB should establish policies on physical therapy treatments by identifying allowable times for physical therapy relative to racing or training, and determining which treatments require a veterinary prescription.

The CHRB should require compulsory diagnostic imaging for known risk factors for proximal sesamoid bone (PSB) fractures.

Progress

The CHRB has completed almost all of the recommendations that arose from the extensive investigation at Santa Anita in 2019 and from the Executive Director's letter to the Governor. Together they outlined the measures we are taking to make horse racing safer for its equine and human athletes. The industry has been working together to make changes to policy and business practices, making health and welfare paramount for all participants. Changes to the rules and regulations take time, but as each one becomes effective the results are seen immediately. Of the 63 recommendations, only a few remain to be completed. Results of the completed recommendations in the last year are:

- (1) Effective January 1, 2022, amended Rule 1878, now requires attending veterinarian examinations 72 hours prior to a workout to determine soundness.
- (2) Veterinarians have increased the number of physical examinations done on horses to confirm their fitness for racing and training.
- (3) Veterinarians recommend diagnostic procedures prior to intra-articular therapy.
- (4) The CHRB continued to define and expand its list of prohibited substances and practices.

In addition to the recommendations above, future concepts are to require a horse to be examined to determine fitness 72 hours upon arriving on the grounds in order to address large-bone injuries after extended periods of inactivity and use the completed research on metacarpal disease and the etiology of proximal sesamoid bones to present to trainers as a part of their continuing education.

As the few remaining recommendations proceed to completion, the CHRB will encourage the industry to continue to cooperate and communicate toward the goal of a safer, healthier industry.

Licensing

The CHRB licensing unit is comprised of one racing license supervisor and seven racing license technicians assigned to the thoroughbred, quarter horse, and harness venues. During a licensed racing meet at any of the racetracks in the state, a licensing field office of the CHRB is established at the operating facility.

In FY 2021-22, the Licensing Unit issued 7,752 new, renewal, or duplicate licenses. The issued licenses included 2,826 owner licenses, 1,682 stable worker and groom licenses, 430 pari-mutuel clerk licenses, 265 trainer or assistant trainer licenses, 253 exercise rider licenses, and 98 jockey or apprentice jockey licenses. The issuance of these licenses generated \$797,590 in licensing fee revenue for the CHRB Jockey and Horse Safety Fund.

The Live Scan fingerprint technology continues to streamline the licensing process. All new applicants and renewals expired more than three years are required to provide fingerprints through the Live Scan system. After being Live Scanned, the applicant's fingerprints are submitted to the California Department of Justice and the Federal Bureau of Investigation. All local, state, and federal criminal history

records for the applicant are provided to the CHRB to review for license suitability.

The CHRB Licensing staff verifies that all licensed trainers have the required workers' compensation insurance. They also check the racing programs daily to ensure that all participants are properly licensed. CHRB Licensing Technicians are trained on the complex circumstances of multiple partnerships, racing syndications, stable names, and various types of corporations, so they are able to explain the requirements to applicants and assist them in selecting the type of license that best meets their needs. As part of the verification process, the CHRB License Technicians utilize computer databases, consult with other racing jurisdictions, and work closely with CHRB Enforcement personnel.

Appointed CHRB Officials — FY 2021-22

STEWARDS

Paul Atkinson

Grant Baker

Ronald Church

James Dreyer

John Herbuveaux

Luis Jauregui

Richard Lewis

Thomas McCarthy

Darrel McHargue (Chief Steward)

William Meyers

Dennis Nevin

Rodney Newhart

David Nuesch

Calvin J. Rainey

Kim Sawyer

Thomas Ward

Richard Williams

John Yinger

George Yniguez

OFFICIAL VETERINARIANS

Dr. Gary Beck

Dr. Laurie Bohannon

Dr. Mark Christin

Dr. Eduardo De La Cruz-Ballard

Dr. William Farmer

Dr. Rebecca Fitzgerald De Alba

Dr. Forrest Franklin

Dr. Timothy Grande (Chief Official Veterinarian)

Dr. Kathy Jones

Dr. Nolton Pattio

Dr. Alina Vale

Racing Supervision

Racing officials appointed or approved by the CHRB are responsible for on-site supervision of race meets. The racing officials are the stewards, safety stewards, paddock judges, patrol judges, starters, clerks of scales, official veterinarians, racing veterinarians, horse identifiers, horseshoe inspectors, and timers.

The stewards have overall responsibility for the conduct of race meets and are strictly responsible to the Board for the conduct of the meet in every particular. Each panel of three stewards has been delegated the powers and duties necessary to ensure the integrity of racing and to oversee compliance with laws and rules.

CHRB Chief Steward Darrel McHargue meets regularly with stewards to discuss and evaluate decisions, rulings, and other actions.

The CHRB directly appoints all stewards and official veterinarians. Other racing officials are nominated by the racing associations subject to CHRB approval. The Legislature provides an annual appropriation to meet the costs of direct racing supervision. The CHRB paid \$2,584,600 for steward and official veterinarian services in FY 2021-22; racing associations pay other officials in the manner prescribed and agreed to by the CHRB.

Acting for the CHRB in matters relating to the race meets assigned to them, the stewards use their delegated authority for the following:

- ◆ Oversee entries, declarations, and the placing of horses for the official order of finish.
- ◆ Preside over examinations required for certain classes of licenses.

- ◆ Conduct administrative hearings on matters involving CHRB rule violations and racing infractions.
- ◆ Issue rulings based on hearings, such as suspensions and fines.
- ◆ Make recommendations to the CHRB regarding the qualifications and fitness for licensure of applicants referred to them by the Board's licensing staff.
- ◆ Maintain minutes of all such proceedings for review by the Board and the public.
- ◆ Participate in panel review of horses entered to race.
- ◆ Participate in postmortem examination reviews.
- ◆ Oversee safety concerns for the race meetings.

The stewards attend quarterly Stewards' Committee meetings to receive information and to discuss issues, rule changes, and interpretations of policy. They share views and experiences relating to race reviews, veterinary practices, administrative hearing procedures, and other important work-related matters. The meetings help them remain current on laws, regulations, and policies, helping ensure that all stewards' decisions are made in a fair and consistent manner throughout the state.

Safety stewards enforce compliance with safety standards. They also:

- ◆ Monitor training to ensure exercise riders, outriders, and pony riders observe all rules, including wearing safety vests and helmets.
- ◆ Follow the horse ambulance protocol for quick response during training and racing.
- ◆ Oversee continuing education for trainers.

- ◆ Assist testing for provisional exercise riders and apprentice jockeys.
- ◆ File official reports for all serious racing and training incidents.
- ◆ Attend postmortem reviews and assist with the investigation of horse catastrophic injuries.
- ◆ Assist the stewards in the licensing of jockeys and exercise riders.
- ◆ Take weekly measurements and field samples at all racing association surfaces, training facility surfaces, and fair surfaces.
- ◆ Monitor and observe daily backside activities.
- ◆ Perform pre-meet track safety inspections.
- ◆ Assist official veterinarians in out-of-competition drug testing.

The official veterinarians, overseen by the Equine Medical Director (EMD), Dr. Jeff Blea, and the CHRB Chief Official Veterinarian (COV), Dr. Timothy Grande, enforce regulations relating to veterinary practices, medication, and the health and welfare of the horse. They supervise licensed veterinarians, operations of the receiving barn, the collection of equine samples for testing, and the preparation and documentation of the samples to be transported to the laboratory.

The official veterinarians consult with the EMD, COV, and track veterinarians; examine horses for fitness; maintain a health and racing soundness record for each racehorse eligible to compete at a race meet; review confidential reports of veterinary treatments of horses under their general supervision; maintain records of infirm horses, accidents, and injuries; approve prescribed therapeutic treatment regimens; and otherwise act as the Board's veterinary advisors.

CHRIMS

California is the only state with a statewide pari-mutuel database providing services to racetracks, horsemen, and government entities. Originally named the California Horse Racing Information Management System, now known solely as CHRIMS, Services provided by CHRIMS include data collection, calculation of takeout distributions, database management, software development, pari-mutuel accounting and settlements, money-room balancing, customer resource management, and statistical analysis.

CHRIMS is a not-for-profit, mutual-benefits corporation whose members include Northern California Off-Track Wagering Inc. and Southern California Off-Track Wagering Inc. An eight-member board of directors, which includes representatives from racing associations and horsemen, oversees the CHRIMS operation. The CHRIMS databases contain California wagering and attendance data dating back to 1985.

CHRIMS has been instrumental in helping the California racing industry cope with the demands associated with the changing landscape of pari-mutuel wagering during the past 37 years. Specialized applications enable data technicians to electronically collect wagering data and calculate the distribution of takeout based upon California pari-mutuel horse racing law and contractual business rules.

Each day, CHRIMS downloads pari-mutuel data from various totalisator systems. The data include wagering pools, takeout commissions, breakage, minus pools, runner pay, refunds, uncashed tickets, and voucher information. The raw data collected from totalisator systems are compiled and translated into the CHRIMS database parameters, which conform to California racing law. CHRIMS data can be sorted by a myriad of criteria, including by date, race, pool, host track, location of bet, location type, breed, geo-

graphic zone, zip code, state, and race type. CHRIMS connects to and downloads data from AmTote, United Tote, and Sportech, and receives data from the seven licensed California ADW companies, which include Game Play, Lien Games, NYRAbets, TwinSpires, TVG, XpressBet, and Watch & Wager.

CHRIMS manages the intrastate tote wagering telecommunications network and provides data relating to the specifics of races (runners, distance, surface, age, class, etc.) via downloads from Equibase.

CHRIMS also provides services to racetracks, ADW companies, and racing commissions outside California. Contracts include Amtote, Aqueduct, Arizona Downs, Belmont, Breeders' Cup, Buffalo Raceway, Corbin at Red Mile, eBet, Ellis Park, Elite Turf Club, Emerald Downs, Global Wagering Group, Gulfstream Park, Keeneland, Kentucky Downs, Laurel Park, Lone Star Park, Meadowlands, Monmouth Park, Paribet, Pimlico, Racing UK, Remington Park, Rillito, Sam Houston, Saratoga, Tampa Bay Downs, The Red Mile, and Watchandwager.com. Racing commissions and horsemen's organizations include the North Dakota Racing Commission and the Ohio HBPA. CHRIMS Inc. received \$247,962 from unredeemed vouchers during calendar year 2021.

Laboratory Services

To protect horses and jockeys and the integrity of racing, the CHRB requires analysis of samples from horses in competition. The Kenneth L. Maddy Equine Analytical Chemistry Laboratory (Maddy Lab) at the University of California, Davis, is the authorized laboratory for California horse racing, funded by wagering revenues.

The Maddy Lab analyzed 17,226 post-race urine and blood samples, including in-depth testing of 10,558 samples for anabolic steroids, 16,320 bicarbonate (TCO₂) loading blood samples, 2,137 cobalt blood samples, 2,064 out-of-competition (OOC) blood samples, 503 OOC and post-race hair samples, 12 evidence submissions, and 720 other samples for various purposes in FY 2021-2022 at a cost of \$4,548,250.

Collection of Samples

Urine and blood samples are obtained post-race from the winner of every race, horses finishing second and third in certain stakes races, and from any other horses selected at random from each program. Additionally, other horses may be designated for post-race sampling by the stewards. Post-race testing includes in-depth testing for compounds ranging from controlled therapeutic medications to emerging threats to racing integrity and equine welfare and safety. Special testing for cobalt was added early in 2014 and is continually monitored. Other testing includes necropsy tissue samples and toxicology.

Special Testing

Total carbon dioxide (TCO₂) is conducted on thoroughbreds and harness horses to prevent the prohibited administration of bicarbonate. Thoroughbred TCO₂ testing is done pre-race; harness horse TCO₂ testing is primarily done pre-race, but some sampling is done 90 minutes post-race on winners. The CHRB thoroughbred and pre-race harness TCO₂ programs are in compliance with the Racing Medication and Testing Consortium (RMTC) best practices recommendations and the Association of Racing Commissioners International model rule for TCO₂ testing.

Scrutiny of All Horses

OOC testing is critical and necessary to detect certain prohibited drugs in horse racing. OOC testing targets blood-doping agents, anabolic steroids, beta-2 (β₂) agonists, and other biopharmaceutical agents. The OOC program monitors compliance with reporting procedures for anabolic agents and for surveillance of other drugs of interest. The OOC program also utilizes hair testing to ensure compliance with regulations providing an alternative sampling matrix with extended detection windows for certain compounds.

Samples Retained

The Maddy Lab maintains a portion of every urine sample for retrospective testing in the event new testing methods become available. Samples may undergo retrospective testing for drugs of abuse or emerging threats. The CHRB is prepared for the next generation of performance-enhancing drugs. Dr. Ben Moeller, chief chemist at the Maddy Lab's analytical chemistry division, joined the Maddy Lab in 2016 and has overseen laboratory operations since 2018. Dr. Moeller received his PhD at University of California, Davis, is an active member of the Association of Racing Chemists, and serves on scientific committees for the RMTC and the International Federation of Horseracing Authorities (IFHA).

Full Accreditation

The Maddy Lab is accredited by the American Association for Laboratory Accreditation (A2LA) to ISO17025 international standards and was the first laboratory in the country accredited by the RMTC accreditation program. It is one of only six racing laboratories certified as a reference laboratory by the IFHA and the only racing laboratory so certified in the western hemisphere. The Maddy Lab utilizes state-of-the-art scientific instrumentation, including liquid chromatography-mass spectrometry (LC-MS) screen-

ing processes. The combined testing panel is designed to address the abuse of doping agents as well as the regulated use of therapeutic medications. The Maddy Lab routinely adds new drugs and updates its procedures as new information becomes available.

The equine pharmacology/method development section is under the direction of Dr. Heather Knych, a University of California, Davis, School of Veterinary Medicine faculty member and the Maddy Lab's Veterinary Pharmacologist who joined the Maddy Lab in 2008. Dr. Knych received her Veterinary degree and PhD from University of California, Davis, and is a board-certified veterinary pharmacologist. Dr. Knych's dissertation research focused on characterizing drug metabolism in horses. In addition to CHRB support, under the leadership of Dr Knych, the Maddy Lab Pharmacology section has received funding from numerous outside sources, including the Center for Equine Health, RMTTC, Grayson/ Jockey Club Research Foundation, The Jockey Club, and California Department of Food and Agriculture.

Emphasis on Research

The Maddy Lab pharmacology section conducts ongoing research to improve testing capabilities for potential drugs of abuse and understand the pharmacokinetics and phar-

macologic effect of both therapeutic drugs and potential drugs of abuse. The lab seeks to provide horsemen and veterinarians with information to better treat their horses and remain in compliance with horse racing rules. Research is an integral, ongoing part of the CHRB's drug-testing program at the Maddy Lab. Research efforts have improved testing capabilities and understanding of the effects of numerous drugs, including bisphosphonates, corticosteroids, NSAIDS, EPO, growth hormone, stimulants, peptide-based drugs, selective androgen receptor modulators, and cannabinoids for example. Maddy laboratory faculty have published more than 250 peer-reviewed research papers, including over 15 manuscripts in the past year on veterinary pharmacology and pharmacokinetics, toxicology, equine anti-doping methods, and other related topics.

Partnering with HISA

In the past year, several members of the Maddy Lab team have worked with HISA in the development of equine drug-testing protocols, as well as equine standards for laboratories and accreditation that will be implemented on the first quarter of 2023. The Maddy Lab is looking forward to continuing providing services for California horse racing when the HISA Anti-Doping and Medication Control Programs are implemented in 2023.

Racing Safety Program

California Business and Professions Code (B&P Code) section 19481 requires the CHRB to establish safety standards to improve the safety of horses, riders, and workers at the racetrack. Section 19481.3 requires stewards to prepare a report identifying circumstances and likely causes for on-track accidents. The B&P Code establishes the qualifications for licensing and the duties of trainers and veterinarians.

The CHRB Racing Safety Program addresses requirements of the B&P Code and is credited with proactively creating programs that continue to significantly reduce injuries to horses and riders.

The Racing Safety Program's efforts have yielded:

1. Entry review panels at all association and fair meets;
2. Postmortem examination review reports and their summaries;
3. Equine catastrophic injury reporting and charts;
4. Equine injury reporting;
5. Jockey/driver/exercise rider accident and injury reporting;
6. The University of California, Davis, California Animal Health and Food Safety Laboratory System (CAHFS) Postmortem Program;
7. Track safety, measurements, monitoring, and testing on all surfaces in California;
8. Racing reform recommendations;
9. Continuing education requirement for trainers and assistant trainers;
10. Rules 1581.1 and 1878 requiring veterinarian examinations prior to work out or entry; and
11. The Horseracing Integrity and Safety Act (HISA).

In Greater Detail

1. The entry review panel now evaluates every horse entered to race at all thoroughbred and quarter horse associations and fairs in California. The panel has been given the authority to prevent a horse from running or require an enhanced examination to race. Each day following entries a report is generated to flag horses that are at-risk. Eligibility to race or train may not be granted until the horse has performed satisfactorily in a timed workout for a CHRB Official Veterinarian, or diagnostic imaging may be ordered to determine fitness. Regulatory veterinarians will monitor every starter from the time the horses arrive in the receiving barn until they leave the track to ensure all horses are fit to race.

2. Postmortem examination reviews are conducted at all tracks and training facilities for all equine fatalities. Conducting the reviews are a safety steward and the Equine Medical Director or the Official Veterinarian. The trainer attends and provides the horse's records, medication history, diagnostic images, shoeing records, and other requested relevant documents. Upon completion of this review, the panel provides a report of the findings to the owner, trainer, and the Board. The CHRB posts each of these as an anonymous summary on its website with the goal of providing greater understanding for future prevention.
3. Two searchable, user-friendly charts have been created, one for musculoskeletal catastrophic injuries and one for non-musculoskeletal or other equine fatalities. The charts list fatalities that occurred from January 1, 2020, to the present and are located under the Veterinary tab of the CHRB website. Listed are all the catastrophic injuries by the year, date, track, activity, horse's name, breed, trainer, and any important notes. Information is added as soon as the CHRB is notified.
4. Equine injury reporting in California has been in place for over 12 years. The numbers are again trending significantly lower. This is due in part to stricter medication rules and regulations, limiting use of the riding crop, more consistent track surfaces, and from the evaluations conducted by the entry panels.
5. Accident/injury reporting for jockeys, drivers, and exercise riders has been ongoing. The CHRB promptly notifies the stakeholders when an incident occurs. The CHRB is currently working with track management to ensure the health and welfare of each of these licensees. Together we are implementing safeguards, addressing issues, and enacting measures that will make racing and training safer for all of our human athletes.
6. The Postmortem Program identifies the pathology related to the death of each horse and provides a scientific understanding of why the catastrophic injury occurred. Postmortem reports by fiscal year are available on the CHRB website under the Veterinary tab.
7. Track safety addresses the development of standards, racing-surface performance measurement tools as well as surface-material performance testing. Safety stew-

ards take Clegg readings weekly on both turf and dirt surfaces at their assigned racetrack. Data for the past three years indicate these surfaces have been consistent in their level of compaction during this time period. The CHRB continues to work with track management at all the associations and training facilities to encourage real-time surface monitoring for track maintenance and closures. Future goals include the creation of safe parameters for track metrics.

8. More than 60 racing reform recommendations resulted from the Santa Anita Catastrophic Injury report released in March of 2020. Since then, the CHRB has been working with track management and the industry to enact specific safeguards that address each. As a result, several rules or regulations have been created or amended, while others have been enacted immediately with a house rule by track management. A small percentage are complex and may take more time to complete; however, they are currently moving forward or are in discussion. The majority of the recommendations have been implemented, contributing to more than a 50-percent decrease in catastrophic injuries over three fiscal years.
9. Trainers and assistant trainers are now required to show proof of having completed 12 hours of approved continuing education (CE) coursework during the preceding 36-month period in order to apply for a license or to renew a license. The majority of trainers completed their CE courses. The CHRB website is their primary CE resource. It lists with links to all CE courses and webinars. The site also has the forms needed to list completed courses and has waivers for those who qualify. This coursework is currently available on the following websites: The Welfare and Safety of the Racehorse Summit at <https://courses.grayson-jockeyclub.org/course-index>; California Thoroughbred Trainers website at <https://horsemenu.mclms.net/en/package/list>; and CHRB website at http://www.chrb.ca.gov/CE_webinars.html.
10. CHRB Rules 1581.1 and 1878 require veterinarian examinations prior to work out or entry, and require the following criteria be met: A horse must be examined by a veterinarian during the seventy-two (72) hours immediately preceding a workout or entry to race to evaluate the horse's fitness. An evaluation will be conducted and recorded by the veterinarian, and a determination made of the horse's fitness to work or race. The examination shall include, but not be limited to, close inspection of the eyes, examination of the legs, and observation of the horse at rest and while in motion. The veterinarian and trainer shall inform the Official Veterinarian of any changes in the horse's fitness after examination or entry and before a workout or race.
11. The Horseracing Integrity and Safety Act (HISA) was signed into law and became effective on July 1, 2022. This is ushering in a new, safer era for the sport and its athletes. HISA will supplement and enhance all the safety regulations that California has forged over the past several years. Below is the link to the HISA website and Rule 2000 series Racetrack Safety Program: <https://bit.ly/3zFjFNj>

Equine Postmortem Program

California horse racing continued to experience a reduction in fatalities in FY 2021-22 with 66 recorded fatalities, the lowest number of total fatalities since 1990. This is an 8-percent reduction in fatalities from the previous year and the lowest recorded number since the beginning of the CHRB Postmortem Program. Under the guidance and leadership of the CHRB, the reduction of equine fatalities in racing, training, and other causes was the culmination of years of effort by horsemen, veterinarians, and all horse racing industry stakeholders.

The State of California monitors all equine fatalities within CHRB racing and authorized training facilities. This is accomplished through the efforts of official veterinarians, safety stewards, the Equine Medical Director, and the California Animal Health and Food Safety (CAHFS) diagnostic laboratories. CAHFS, under the direction of Dr. Ashley Hill, is part of the School of Veterinary Medicine at University of California, Davis, with laboratories at University of California (Davis), Tulare, and San Bernardino. The goal of the Postmortem Program is to determine the causes and reasons for horse injuries and fatalities to reduce serious non-fatal injuries and prevent catastrophic fatalities on the track. The overarching focus of the program is to study the nature of injuries occurring in racehorses, to determine the reasons for these injuries, and to develop strategies to improve the health, safety, and welfare of racehorses.

Necropsy Required

All horse fatalities occurring within a CHRB facility (and in some cases offsite, in hospitals or clinics) will undergo a comprehensive necropsy at a CAHFS lab as required by CHRB rule. CAHFS veterinary pathologists perform the necropsy and prepare a report for the CHRB. Additional testing, such as toxicology, drug testing, microbiology, histology, and virology, may be necessary before a final report is issued. The program is world-renowned and considered an international model. The CHRB funds the postmortem examinations; racing associations provide transportation to the CAHFS laboratories; specific studies are funded by research grants from private and public sources, including the Center for Equine Health at University of California, Davis. Dr. Carlos Schild is a post-doctoral fellow under the supervision of Dr. Francisco Uzal, a professor of pathology and head of the program for CAHFS. Dr. Schild's work focuses primarily on musculoskeletal breakdowns, elucidating more information on cause and prevention.

Most Common Causes

Musculoskeletal injuries in racing and training are the most common cause of fatalities at CHRB facilities, making up 59 percent of the total. Musculoskeletal specimens of special interest or for research studies are forwarded to the J.D. Wheat Veterinary Orthopedic Research Laboratory (VORL) at the School of Veterinary Medicine at University of California, Davis, for in-depth analysis. The uniquely equipped VORL is under the direction of Dr. Sue Stover. In-depth analysis of necropsy specimens at VORL has shown the role of undiagnosed stress fractures contributing to catastrophic fractures of the pelvis, femur, humerus, scapula, tibia, third metacarpal (shin), and other bones. Dr. Stover, her research team, and CAHFS/University of California, Davis, pathologists have focused on proximal sesamoid bone fractures for several years. Proximal sesamoid bone fractures and associated fetlock (ankle) injuries are the single major cause of fatal racehorse injuries, both racing and training, accounting for nearly 50 percent of all musculoskeletal fatalities.

Pre-existing pathology at the site of the fatal injury is a re-occurring finding at enhanced necropsy. Much of the pre-existing pathology is not clinically apparent and only detectable using specialized laboratory instrumentation on bench-top specimens. Nevertheless, these pre-existing changes suggest there is an opportunity to incorporate early clinical detection techniques to prevent serious injury. For example, proximal sesamoid bone fractures frequently have pre-existing changes in the bone that are often undetectable with standard diagnostic imaging.

Advanced Diagnostic Equipment

Working with Santa Anita and the Southern California Equine Foundation, University of California, Davis, veterinary radiologist Dr. Mathieu Spriet developed an innovative, first-of-its-kind, standing positron emission tomography (PET) for horses. Several PET studies have recently been published or are being reviewed for publication based

on the work of Dr. Spriet in conjunction with California racing stakeholders. The PET and a standing magnetic resonance imaging (MRI) unit at Santa Anita have advanced diagnostic capabilities for veterinarians. These diagnostic imaging modalities, in addition to the nuclear scintigraphy unit, have advanced injury detection, prevention, and management capabilities, thereby enhancing racehorse safety. The PET is also currently available to horsemen at Golden Gate Fields.

Causes of Sudden Deaths Being Researched

Sudden deaths continue to be a frustrating cause of fatalities, accounting for approximately 24 percent of all fatalities in FY 21-22. The CAHFS lab is working earnestly, in collaboration with other investigators, to identify the causes of these fatalities. Morbidity related to cardiovascular failure is often suspected but difficult to determine as an actual cause.

Accidents and disease are unfortunately an issue in horses, and when these occur within CHRB inclosures, prevention is always at the forefront. Accidents occurred in 11 percent and disease occurred in 5 percent of fatalities.

Generally speaking, non-musculoskeletal and other (sudden deaths, accidents, and disease) make up 41 percent of the fatalities.

Extensive Review

The postmortem examination review (CHRB 1846.6) began in July 2020 with a focus on education and prevention of fatalities. Trainer participation is mandatory, and the review is conducted by an Official CHRB Veterinarian, a member of the board of stewards, a safety steward, and the Equine Medical Director. Other licensees may be requested to participate in these reviews. The purpose is to maximize the educational opportunity from each equine necropsy, consistent with the overriding goal of the CHRB and the racing industry to reduce fatalities. This process, in conjunction with recently implemented CHRB Rule 1503.5 requiring trainers to fulfill continuing education requirements, will further support the goal of not only reducing fatalities, but prevention.

Catastrophic Injuries at CHRB Facilities by Track and Surface July 1, 2021 — June 30, 2022

Track	Racing*			Training**			Other***	Total
	Dirt	Synthetic	Turf	Dirt	Synthetic	Turf		
Cal Expo (Harness)	0			0			1	1
CA State Fair	0			2			0	2
Del Mar	0		1	4		0	1	6
Ferndale	0			0			0	0
Fresno	0			0			0	0
Golden Gate Fields		3	1		9	0	8	21
Los Alamitos	9			1			3	13
Pleasanton	1			0			0	1
San Luis Rey Downs				4			0	4
Santa Anita	2		3	11		0	2	18
TOTAL	12	3	5	22	9	0	15	66

* Racing includes any catastrophic injury associated with racing.

** Training includes any catastrophic injury associated with training.

*** Other includes any non-exercise related catastrophic injury, including stable area accidents. The most common cause of death in the Other group is gastro-intestinal diseases, such as colic, colitis, and enteritis, followed by respiratory disease, primarily pneumonia and pleuropneumonia, and neurological diseases, including West Nile Virus and equine protozoal myeloencephalitis (EPM).

Starts for All Breeds: July 1, 2021 — June 30, 2022

Track	Racing Surface		
	Dirt	Synthetic	Turf
Cal Expo Harness	3,130		
Del Mar	1,777		1,787
+ Golden Gate Fields		6,655	1,319
Ferndale	232		
Fresno	279		
L.A. County Fair at Los Alamitos	1,272		
Los Alamitos	6,307		
+ +Pleasanton	727		
Santa Anita	2,635		3,431
TOTAL	16,359	6,655	6,537

+ California State Fair 2021 dates were reallocated to Golden Gate Fields (PRA II 7/21/2021-8/3/2021) starts included.

+ + California State Fair dates 7/14/2021-7/18/2021 were run at Pleasanton, those starts are included.

The Sonoma County Fair did not run.

Jockey, Driver, Exercise Rider Injury/Accidents: July 1, 2021 — June 30, 2022

Track	Racing	Training		Other		Total
	Jockey/ Driver	Jockey/ Driver	Exercise Rider	Jockey/ Driver	Exercise Rider	
Cal Expo Harness	0	0	0	0	0	0
Del Mar	4	0	3	0	0	7
Fairs	2	0	0	0	0	2
Golden Gate Fields	5	0	2	2	0	9
Los Alamitos	4	0	3	0	0	7
San Luis Rey Downs		0	0	0	0	0
Santa Anita	2	0	6	1	0	9
TOTAL	17	0	14	3	0	34

Equine Injuries: July 1, 2021 — June 30, 2022

Track	Injuries	# of Starts
Del Mar	71	3,564
Ferndale	1	232
Fresno	4	279
Golden Gate Fields	104	7,974
Los Alamitos QH	80	6,307
Los Alamitos TB	10	1,272
Pleasanton	4	727
Santa Anita*	90	6,066
Totals	364	26,421

Injuries categorized in this chart are based upon horses that were identified by the Official Vet or reported by the trainer to have sustained a musculoskeletal injury preventing them from racing or training at a particular time.

Catastrophic Injuries by Trainer: July 1, 2021 — June 30, 2022

Trainer		Fatalities				Breed		Starts
Last	First	Racing	Training	Other	Total	TB	QH	Total
Baltas	Richard	1	2		3	3		372
Miller	Peter	1	2		3	3		310
Glenn Jr.	James	2			2		2	168
Sadler	John		1	1	2	2		393
Steiner	Jack			2	2	2		189
Alvarado	Ruben		1		1	1		154
Alvarez	Edwin			1	1	1		56
Anderson	Dennis			1	1	1		Pony Rider
Andrade	Elena	1			1		1	38
Arrossa	Monty	1			1		1	182
Badilla	Manuel		1		1	1		186
Baffert	Robert		1		1	1		235
Baker	D. Wayne			1	1	1		231
Callaghan	Simon		1		1	1		120
Cerin	Vladimir		1		1	1		140
Cisco	Rick			1	1	Harness	Horse	23
DeLima	Clifford		1		1	1		142
Ennis	John			1	1	1		1
Farias	Adan	1			1	1		308
Flores	Jose			1	1		1	366
Gaines	Carla		1		1	1		148
Garcia	Victor	1			1	1		37
Glatt	Mark	1			1	1		339
Gomez	Jaime		1		1		1	256
Guillen	Ricardo			1	1	1		103
Hernandez	Jose	1			1		1	41
Hess, Jr.	Robert		1		1	1		267
Jackson	Ellen		1		1	1		113
Johnson	Terry	1			1	1		32
Knapp	Steve		1		1	1		265
Lenzini	Mike		1		1	1		102
Lewis	Craig		1		1	1		133
Markle	Dan		1		1	1		52
Mathis	Andy		1		1	1		234
McLean	William	1			1	1		250
Meier	Monty			1	1	1		55
Mendez	Luis		1		1	1		87
Metz	Jeffery	1			1	1		98
Moger	Ed		1		1	1		289

Catastrophic Injuries by Trainer: July 1, 2021 — June 30, 2022

Trainer		Fatalities				Breed		Starts
Last	First	Racing	Training	Other	Total	TB	QH	Total
Monroe	Sherrie		1		1	1		118
Nunez	Jesus	1			1	1		337
Offield	Duane		1		1	1		97
Ordonez	Aggie			1	1	1		59
Pederson	Dean		1		1	1		43
Puype	Mike		1		1	1		158
Ramirez	Miguel	1			1	1		73
Rivera	Tirso		1		1	1		26
Rondan	Felix			1	1	1		180
Rosales	Richard	1			1	1		32
Shirreffs	John	1			1	1		96
Spawr	William		1		1	1		75
Stute	Gary		1		1	1		49
Thomas	Jamey	1			1	1		185
Trujillo	Marcelino			1	1	1		102
Vallejo	Adriana			1	1	1		69
Wong	Jonathan	1			1	1		917
Wright	Blaine		1		1	1		246
Yakteen	Tim		1		1	1		155
Zamudio	Valentin	1			1		1	214
Total		20	31	15	66	57	8	9,746

Horse Racing in California

California Horse Racing Meets During 2022 Racing Season

Thoroughbred Race Meets — Central & Southern Zones		
Santa Anita Park	12/26/21 – 6/19/22	
Del Mar	7/22/22 – 9/11/22	
Los Alamitos Racing Assn	9/16/22 – 9/25/22	
Santa Anita Park	9/30/22 – 11/6/22	
Del Mar	11/11/22 – 12/4/22	
Los Alamitos Racing Assn.	12/9/22 – 12/18/22	
Thoroughbred (and Relocated Fair) Race Meets — Northern Zone		
Golden Gate Fields	12/26/21 – 6/12/22	
Golden Gate Fields	8/26/22 – 10/2/22	
Golden Gate Fields	10/21/22 – 12/11/22	
Quarter-Horse Race Meets — Statewide		
Los Alamitos	12/26/21 – 12/18/22	
Harness Race Meets — Statewide		
Cal Expo	12/26/21 – 5/1/22	
Cal Expo	11/18/22 – 12/30/22	
Fair Meets — Statewide		
Pleasanton	Alameda County Fair	6/17/22 – 7/10/22
Los Alamitos*	Los Angeles County Fair	6/25/22 – 7/10/22
Sacramento	State Fair	7/15/22 – 7/31/22
Santa Rosa	Sonoma County Fair	8/4/22 – 8/14/22
Ferndale	Humboldt County Fair	8/19/22– 8/28/22
Fresno	Big Fresno Fair	10/07/22 – 10/16/22

* LA County Fair race meet relocated from Fairplex in Pomona to Los Alamitos Race Course in 2014.

Wagers From All Sources (Handle) 2022

Statistics in this report may differ slightly from those released by the racing associations and fairs shortly after their race meets concluded due to updated information on Advance Deposit Wagering (ADW) and non-commingled handle.

Annual Report - Racing Year 2022 (Wednesday, 12/22/2021 through Tuesday, 12/20/2022)																		
Host	Thoroughbred Racing Associations								Racing Fairs							Night Meets		Total
	Del Mar Summer	Del Mar Fall	Golden Gate	Los Alamitos Sept TB	Los Alamitos Winter TB	LATC Winter-Spring	LATC Autumn	Alameda County	State Fair	Big Fresno Fair	Humboldt County Fair	Los Angeles County Fair	Sonoma County Fair	Watch & Wager	Los Alamitos Quarter Horse			
Cards	31	13	120	7	6	76	18	13	9	7	6	9	7	44	100	466		
Starters	2,687	902	7,110	419	398	4,913	1,347	628	376	390	211	499	289	3,076	6,008	29,253		
Number of Live Races	294	114	1,064	63	54	693	172	102	69	62	42	79	55	442	946	4,251		
Average field size per race	9.14	7.91	6.68	6.65	7.37	7.09	7.83	6.16	5.45	6.29	5.02	6.32	5.25	6.96	6.35	6.88		
Brick and Mortar Bets in California																		
<u>On Track:</u>																		
Live Races	42,717,309	6,442,760	10,825,882	835,846	851,522	41,067,135	9,589,134	2,814,732	912,279	2,120,970	453,910	1,455,619	1,377,431	509,100	7,764,733	129,738,363		
Other California Tracks (Intrastate)	432,358	365,069	6,175,480	215,951	145,047	8,108,810	1,578,748	412,210	249,187	202,615	31,359	324,263	237,498	-	-	16,478,626		
Races run outside California	3,853,194	777,600	12,730,780	1,060,227	874,818	21,802,965	5,649,142	559,287	521,043	214,750	17,016	1,953,436	109,778	363,639	3,817,961	54,305,035		
Total	47,002,861	7,585,449	29,732,142	2,112,034	1,871,387	70,978,310	16,817,024	3,786,229	1,682,509	2,538,335	502,285	3,733,318	1,724,707	872,739	11,582,694	202,522,024		
<u>Off Track in Host's Zone:</u>																		
Live Races	22,054,250	7,561,753	10,125,461	1,743,323	1,786,563	34,407,671	8,134,575	922,738	518,921	437,607	162,189	2,685,005	390,390	2,692,203	14,257,711	107,880,361		
Other California Tracks (Intrastate)	3,564,209	2,885,117	14,333,266	980,947	559,725	14,976,139	2,692,938	1,280,361	1,313,824	991,964	782,796	1,291,894	1,318,491	-	-	46,971,672		
Races run outside California	33,948,899	11,006,782	45,680,943	5,935,526	4,871,529	84,351,583	20,539,181	5,489,307	4,426,699	2,826,015	1,897,841	9,841,451	3,182,095	6,132,416	20,533,431	260,663,697		
Total	59,567,357	21,453,653	70,139,671	8,659,796	7,217,817	133,735,393	31,366,694	7,692,406	6,259,444	4,255,586	2,842,827	13,818,350	4,890,976	8,824,619	34,791,141	415,515,731		
<u>Off Track Outside Host's Zone</u>																		
	6,505,713	2,262,138	33,333,323	590,485	614,536	12,848,773	3,416,298	1,930,492	964,032	934,391	236,787	1,091,111	722,221	n/a	n/a			
ADW in California:																		
Live Races	55,447,915	14,909,350	15,367,065	2,821,725	2,995,453	82,715,732	19,254,848	1,236,717	547,034	500,441	97,380	5,202,486	381,270	3,100,710	31,037,112	235,615,240		
Other California Tracks	2,546,936	2,329,450	31,204,846	940,027	655,422	17,400,415	2,875,654	2,265,154	3,350,918	1,639,989	2,187,177	1,097,446	3,032,997	-	-	71,526,431		
Races run outside California	88,254,474	29,189,432	153,394,059	16,950,945	13,776,652	250,921,835	57,467,667	16,307,473	12,902,698	7,310,854	5,782,599	29,705,263	7,944,477	36,174,971	84,406,199	810,489,598		
Total	146,249,325	46,428,233	199,965,970	20,712,698	17,427,527	351,037,982	79,598,169	19,809,344	16,800,650	9,451,284	8,067,156	36,005,194	11,358,744	39,275,681	115,443,311	1,117,631,269		
Outside Host's zone	12,645,697	3,253,994	25,135,906	629,305	700,760	20,221,811	4,823,116	1,230,376	531,770	540,013	199,520	1,253,718	360,445	n/a	n/a			
TOTAL GENERATED IN CALIFORNIA	252,819,543	75,467,334	299,837,783	31,484,528	26,516,731	555,751,685	127,781,887	31,287,979	24,742,604	16,245,205	11,412,268	53,556,862	17,974,428	48,973,039	161,817,146	1,735,669,024		
Exports to Out of State																		
Commingled	300,312,967	80,839,107	214,663,749	10,638,464	11,283,751	454,799,180	105,792,687	8,784,368	3,595,327	4,745,887	1,169,391	19,243,557	2,629,123	19,655,320	79,138,466	1,317,291,344		
Non Merged	7,545,043	2,766,454	9,660,881	889,000	755,650	10,690,278	2,659,200	-	-	-	-	1,526,000	420,695	-	5,750,000	42,663,201		
TOTAL GENERATED OUTSIDE CALIFORNIA	307,858,010	83,605,561	224,324,629	11,527,464	12,039,401	465,489,458	108,451,887	8,784,368	3,595,327	4,745,887	1,169,391	20,769,557	3,049,819	19,655,320	84,888,466	1,359,954,546		
TOTAL ON RACES RUN AT HOST TRACK PLUS RACES RUN AT OTHER TRACKS	579,828,964	164,589,027	582,631,642	44,231,783	39,871,427	1,054,311,727	244,473,188	43,233,215	29,833,733	22,465,497	13,017,966	76,671,248	22,106,912	68,628,359	246,705,613			
TOTAL DISTRIBUTED BY HOST*	560,677,554	159,072,895	524,162,413	43,011,993	38,556,132	1,021,241,143	236,233,774	40,072,347	28,337,931	20,991,093	12,581,659	74,326,420	21,024,246	68,628,359	246,705,613	3,095,623,570		

*Excludes CA bets placed outside host's CA zone

Simulcast Facilities by Location

California Simulcast Facility	Total Handle FY 2021–22	Number of Attendees
Cabazon	\$7,869,176.55	28,230
Commerce Casino	15,520,694.95	40,790
Del Mar	72,169,493.44	318,884
Ferndale	581,075.20	10,598
Firehouse Restaurant-Bakersfield	4,824,689.34	15,650
Fresno	9,225,676.94	46,179
Glen Arden	15,409,568.68	29,179
Golden Gate	34,667,526.83	81,881
Hollywood Park	47,671,225.41	108,127
Lake Elsinore Hotel	4,991,108.43	16,169
Lake Perris	10,829,345.86	28,354
Lancaster	8,502,506.48	24,710
Los Alamitos	68,045,635.47	219,144
Monterey	3,439,212.34	8,959
OC Tavern	6,055,151.21	24,660
Pleasanton	18,999,923.36	60,373
Pomona	21,307,611.98	73,658
Sacramento	13,015,288.10	34,496
Sammy's Restaurant and Bar	18,985,346.35	42,732
San Bernardino	11,315,098.29	27,762
San Jose	17,959,622.39	41,618
San Mateo County	28,447,501.33	55,660
Santa Anita	112,735,224.69	622,713
Santa Clarita Lanes	9,804,553.08	29,944
Sports Grill & Turf Club Norco	8,757,861.43	17,821
Stockton	10,748,408.16	20,874
Surfside Race Palace	8,322,132.84	17,059
Tilted Kilt Thousand Oaks	6,652,883.86	10,770
Vallejo	10,933,879.91	25,784
Ventura	6,338,339.89	12,579
Victorville	4,971,396.21	14,262
Viejas	10,088,474.39	25,548
Total	\$629,185,633.39	2,135,167

Notes: Racetracks that offer simulcast wagering include combined pari-mutuel handle for live racing and simulcast wagering.
Some wagering locations experienced reduced patronage and handle due to the pandemic.

California Racetracks

The vast horse racing industry in California includes racetracks that stretch from the Humboldt County Fair near the Oregon border down to Del Mar just north of San Diego and the Mexico border. The racetracks, together with simulcast outlets and Advance Deposit Wagering (telephone and Internet), make horse racing accessible to all of California and the world.

SANTA ANITA PARK

Santa Anita emphasized safety during the 2022 racing season. This was evident from the onset when management ordered races off the turf and moved them to the main track when rain made the grass surface slippery. Then Santa Anita management cancelled the scheduled third day of racing out of an abundance of caution based on forecasts of substantial rain that could have made racing unsafe. Additionally, Santa Anita took a one-week break from racing in the middle of the meet to give horses a needed rest and horsemen a break.

Santa Anita completed its winter-spring meet with two racing fatalities, both on the turf course. There were five fatalities during training. An eighth fatality was due to a stall accident, while a ninth was a sudden death. Those numbers, while still unfortunate, marked a hugely significant decrease from the winter of 2019 when during only the first three months of the meet there were 23 equine fatalities, bringing worldwide scrutiny to Santa Anita. That marked the turning point as Santa Anita management joined with the CHRB and other stakeholders to redefine safety in California horse racing with the adoption of dozens of rules, procedures, and policies that have resulted in a continuing downward trend in fatalities – not just at Santa Anita but throughout the state.

In addition to hosting some of the most prestigious races in the nation, Santa Anita is home to one of the largest training facilities in the country, operating nearly year-round with over 375,000 training sessions per year.

“These results highlight the efforts of the entire racing community to put the safety of the horse above all else,” said Nate Newby, vice president and general manager of Santa

Anita. “The diligence and dedication of the owners, trainers, jockeys, veterinarians, and the hard-working men and women who care for the horses each day are truly revolutionizing the sport. We are especially indebted to our Santa Anita Park track crew, led by veteran Dennis Moore, whose tireless efforts have been instrumental in this success story. None of the protocols, however, work without our horse-players, who have backed this transformation, and we are grateful for their continued support.”

“Santa Anita Park Veterinarians performed over 5,000 examinations prior to horses working at Santa Anita this past year,” said Dionne Benson, Chief Veterinary Officer for 1/ST Racing. “We appreciate that this involves extra effort for our stakeholders, but this heightened scrutiny has allowed for additional opportunities to work with everyone for the best interest of the horse.”

In addition to managing the horses on the track, the stakeholders worked together by looking at advance weather forecasts to proactively adjust the racing calendar when necessary. The CHRB race meeting licenses for 2022 allowed for this collaborative decision.

On the business front for the winter-spring meet, total handle of \$1,021,241,143 for 76 days of racing was virtually even on a daily average basis with the previous year’s total of \$1,068,318,582 with 78 racing days.

The fall meet handled \$236,233,774 from 18 programs, again virtually even with \$200,063,429 on 16 racing days the previous year.

DEL MAR

There were no racing fatalities in 2022 at Del Mar. An excellent safety record, lucrative purses for competitors, large financial incentives to attract interests from other states, and exceptionally big fields to interest bettors resulted in a highly successful summer meet for Del Mar in 2022.

The 31-day summer meet featured nearly 300 live races. There were three fatalities during morning training hours in

the summer, which were identified as sudden deaths (presumed respiratory/cardiovascular events, not involving injuries). A fourth horse suffered a fatal accident in the stall. This safety record reflected Del Mar’s long-term commitment to protecting horses and riders.

Years ago, Del Mar introduced the “Ship & Win” program, offering financial incentives to attract horses from other ju-

risdictions. That program grows every year, and 2022 was its best season yet when 222 new runners arrived to race at the seaside oval. The majority of those horses, which are primarily owned and trained by California stables, remained after Del Mar closed and have gone on to compete at Los Alamitos, Santa Anita, and Golden Gate Fields, boosting field size throughout the state.

The influx of horses from other states, coupled with record California gross purse distributions of over \$800,000 per day, led to field sizes that averaged 9.77 for turf races and 8.67 for main-track events. Together they combined for a Del Mar record 9.14 horses per contest, well above the previous year's average of 8.45. The 9.14 mark placed Del Mar at the pinnacle of all tracks in the country and served as a great lure for bettors nationwide.

Total attendance of 278,702 resulted in a gain of 16.1 percent from the 2021 total of 240,030. In addition to its world-class racing, 2022 saw the return of Del Mar's popular lifestyle promotions, such as craft beer events and local food festivals.

The highlight of the meeting was Flightline's tour-de-force

performance in the TVG Pacific Classic when the undefeated 4-year-old dominated the \$1-million race, the track's signature event, by nearly 20 lengths in an awe-inspiring display that led to a standing ovation by the fans on hand and accolades from the racing community throughout the country. This was a major step towards Flightline eventually being named Horse of the Year.

"Just an incredible meet on all levels," said Joe Harper, Del Mar's Chief Executive Officer. "All season long the racing was ultra-competitive and extremely safe. Our racing office, led by Tom Robbins and David Jerkens, was phenomenal. We're also very appreciative of the support we received from our fans and our players, both here on track and all across the country."

As for business, Del Mar handled \$560,677,554 for its 31 programs, an increase of nearly 2 percent over the previous year.

The fall meet at Del Mar handled \$159,072,895 during 13 days of racing. Comparisons with the previous year are not valid because Del Mar hosted the Breeders' Cup in 2021.

GOLDEN GATE FIELDS

Golden Gate Fields (GGF), the cornerstone for horse racing in Northern California, closed its barn area during the summer of 2022 to all residents and horses for the first time in 15 years while contractors engaged by GGF undertook an extensive effort to test, evaluate, repair, and replace certain sanitary sewer infrastructures serving the stable area and other areas of the facility. This work was performed in order for GGF to comply with certain legal requirements imposed under the East Bay Municipal Utility District Regional Private Sewer Lateral Ordinance. The work included significant excavation and backfilling of trenched areas following completion of sewer infrastructure inspection, repair, and replacement, and will enable GGF to take the next steps to comply with the EBMUD Regional Ordinance.

It was very apparent from an early stage that the need to close the stable area for such extensive work was imperative. The work was substantial. In the midst of this, GGF also undertook barn refurbishments, working with a team of eight carpenters. During this time, the team implemented a

full cleaning of the dorm areas and extensive refurbishments in the bathrooms and common living quarters.

With the track not in use, track superintendent Juan Meza was able to conduct a full evaluation of the racing surfaces. This involved peeling the main track's surface back to clean the base and ensure that the track will be able to accommodate any rain that may fall during the winter season. The turf course also was refurbished and remains in very good condition.

Following the return of the backstretch personnel and horses on August 8, another round of construction work began in areas around the stable area. This work is being undertaken by Caltrans in consultation with GGF to reconfigure the frontage road and accommodate the two roundabouts that are going to be installed at the Gilman Street interchange.

Handle at Golden Gate for 120 programs totaled \$524,162,413, only \$7 million below 2021, which hosted 13 more programs.

THE NORTHERN CALIFORNIA FAIRS

After Governor Newsom designated the State Fairgrounds as a mega vaccination and testing site, and while Cal Expo hosted COVID testing for nearly two years, Cal Expo took this time to invest more than \$15 million into deferred maintenance and capital improvements, including various water management projects to increase the efficiency of water usage and drainage in the stable area. For example, stretches of water lines were replaced and fire hydrants were

repaired to prevent leaking, along with a quick system shut-off in the event of leaks, and a storm-water-lift station was installed to help handle any flooding. These projects reflect Cal Expo's efforts to eliminate waste water in the midst of a severe drought.

With the temporary closure of stabling at GGF during the summer, the California Authority of Racing Fairs (CARF),

which represents most of the racing fairs in Northern California, successfully arranged for alternative stabling for horses displaced from GGF. Arrangements were made extended stabling at the Sonoma County Fairgrounds, the Alameda County Fairgrounds, and Cal Expo from mid-June to mid-August. While some horsemen prefer to stable year-round at Golden Gate, the temporary move to other locations reportedly went off without any problem, providing an added level of confidence that the northern circuit can deal with any stabling matter that might materialize.

With the pandemic situation much improved, Northern California returned to a full slate of racing fairs in their normal locations and with open attendance in 2022. The California State Fair ran its three-week meet in Sacramento at Cal Expo, and the Sonoma County Fair returned with its two-week meet in Santa Rosa. This meant a continuous circuit of fair racing beginning in Pleasanton, followed by racing in Sacramento, Santa Rosa, Ferndale (Humboldt County Fair) and Fresno (Big Fresno Fair).

CARF increased overnight purses by close to \$400,000 for all fairs. CARF continued with its incentive programs offering \$300 for the first and second start for all out-of-state horses, \$2,000 to owners with at least five starts, and a stepped program that awarded \$500 to trainers with at least five starts and \$1,000 to trainers with 10 or more starts. Incentives for all the fairs totaled \$564,000.

Business remained stable at fair locations beginning with the Alameda County Fair total handle of \$40,072,347 for

13 days marked a 5-percent increase over the previous year.

The California State Fair returned with nine days of racing that generated \$28,337,931 in handle, on a par with the average daily handle at the other major racing fairs.

Racing fully returned to Santa Rosa in the summer, but the simulcast facility remained committed to other important, alternative uses. After the simulcast facility closed to wagering in March 2020 due to the pandemic, it was initially used by Sonoma County agencies as a COVID 19 testing site and vaccination center. More recently it served as an alternative location for jury selection to allow for adequate social distancing. Therefore, the simulcast facility remained closed during the annual fair and race meet. Upon completion of deferred maintenance projects, the facility re-opened for wagering later in the year, restoring a sense of normalcy to fair operations.

The Sonoma County Fair offered seven racing programs and handled \$21,024,246.

The Humboldt County Fair in Ferndale conducted its second race meet since the COVID closures with strong attendance and support and participation from nearby Oregon horsemen. Handle for the six days of racing totaled \$12,581,659, comparable to the previous year.

The Big Fresno Fair also returned for its second post-COVID meet with seven days of racing, one more than the previous year, and handle of \$20,991,093, comparable to the other major fairs.

LOS ALAMITOS

Los Alamitos Race Course is the only track in California that operates continuously year-around, and it is unique in that it conducts a quarter-horse meet, thoroughbred meets, and a fair meet, sometimes back-to-back on the same day and night. As such, Los Alamitos offers more races with more total horses than any other track in California. Furthermore, Los Alamitos serves as an auxiliary training center for horses racing at Santa Anita and Del Mar.

Led by Ed Allred, owner and CEO of Los Alamitos Race Course, the track continued its commitment to safe racing in 2022, as the track added several components to its Equine and Rider Safety Enhancement Plan. The new safety guidelines included eliminating the breaking bar in quarter-horse races and eliminating high toe grabs on hind shoes.

In addition, Dennis Moore, a highly respected trackman, remained the track surface consultant. Moore was part of the first group of racetrack professionals to be recognized by the National Thoroughbred Racing Association (NTRA) with the Racetrack Maintenance Innovation Awards for their outstanding work in the day-to-day responsibilities for the maintenance, protection, and safety of horses and riders at tracks across the United States.

Los Alamitos experienced 10 racing and training fatalities in the last fiscal year, plus three equine fatalities due to other causes. Those compared to 24 the previous year.

Acknowledging the construction of new home and retail developments on parking lots that were previously part of Los Alamitos Race Course property, Allred commented, "It's unbelievable to me what's going on here. It means that we can afford to continue to stay here and operate (as a track) from sales of the land. It's extraordinary and it gives me the encouragement and will to go on. We still have plenty of land to continue unaffected."



After capturing thousands of thrilling finishes and winner's circle celebrations, Scott Martinez, the track photographer at Los Alamitos Race Course going back to 1987, retired in 2022.

Los Alamitos Race Course, with additional financial support of the Quarter Horse Benevolent Foundation and the Pacific Coast Quarter Horse Racing Association, sponsors important fellowship programs for those who work on the backstretch at Los Alamitos. These events include free meals on Tuesday and Wednesday evenings at the track's chaplaincy room and breakfast treats every Thursday morning for everyone on the backstretch. Every other Thursday night, the track also offers a hot dinner with a beverage (water or soda) at the track kitchen for everyone on the backstretch.

Business at Los Alamitos was robust in 2022, particularly

for the long quarter-horse meet that ran from December 26, 2021, through December 18, 2022. Total handle for 100 quarter-horse programs came to \$246,705,613, compared with handle of \$271,649,321 for 126 programs the previous year.

Turning to thoroughbred/fair meets at Los Alamitos, the Los Angeles County Fair meet, which has been held at Los Alamitos since 2014, handled \$74,326,420 for nine programs. Comparisons with the previous year of two additional, short thoroughbred meets with handles of \$43,011,993 and \$38,556,132 were not valid due to shifting dates.

HARNESS AT CAL EXPO

The year 2022 ushered in big changes in the California Standardbred Stakes program. Legislation that was passed in 2017 for foals of 2018 and beyond allowed five states and provinces to compete in California Sire Stakes. Foals from Minnesota, Iowa, Maine, Wisconsin, Michigan, and the province of Alberta are now eligible to be nominated. Early indications are that the new stakes program, aimed mostly at four-year-olds, holds a bright future. This spring

saw four \$20,000 divisions and a \$50,000 final for each sex. Sires nominated in 2022 jumped to 23, up from 11 in 2021. Overnight purses have been raised 7 percent across the board. Overnight stakes are up 25 percent, with two new stakes added.

Handle for the year came to \$68,628,359 from 44 programs, down \$4 million from the previous year.

Horse Racing Revenue

Senate Bill 16 (2009 special session) eliminated the license fees paid to the state by racing associations. In lieu of license fees, the horse racing industry is responsible for providing financial support to the CHRB. The CHRB develops a formula in consultation with the industry to determine the share each racing association should pay toward CHRB funding. During FY 2021–22, the pari-mutuel handle totaled \$3,239,728,525, and \$17,567,000 was remitted to fund CHRB operations.

CHRB support, purses, track commissions, and other distributions are generated from a portion of the wagering handle referred to as the “takeout.”

The takeout is set by law and is a percent taken from each dollar wagered. The takeouts on conventional wagering (win, place, and show pools) are 15.43 percent for thoroughbred race meets, 17.63 percent for quarter-horse race meets, 17.43 percent for harness race meets, and 16.77 percent for fair race meets.

The takeouts on exotic wagering pools (all pools that are not win, place, or show) are, for thoroughbred race meets, 22.68 percent for wagers involving two runners or legs and 23.68 percent for wagers involving three or more horses or legs; for quarter-horse race meets, 22.88 percent; for fair race meets, 24.02 percent; and for harness

race meets, 24.18 percent.

In general, once the state license fees, breeders and owners awards, equine research, and other mandated amounts have been deducted from the takeout, the remaining funds are divided in a prescribed manner between purses and track commissions.

A pari-mutuel auditor located at each live race meet in California prepares a daily audited report of the precise distribution of the wagering handle. The report is submitted to the CHRB, the racing association, and other interested parties.

Breakage is a term used to describe the monies generated by mathematical rounding during the calculation of winning wagers. After a race is run and the results are made official, the

totalizator system calculates the payout for winning wagers.

The payout for each pool is first calculated on a \$1 amount, which is then used as the basis for paying all winning wagers for that pool.

During the calculation of the \$1 payout, amounts for each pool are rounded down (“broken,” thus the term breakage) to the nearest dime. For example, in calculating a win pool, a \$1 payout of \$2.67 would be “broken” to \$2.60. A \$2 wager on that pool would then return \$5.20.

The 7 cents that is broken for each dollar in the calculation then becomes part of the total breakage for that pool, that race, and that day of racing, etc. Breakage in FY 2021–22 totaled \$14,426,128. State statutes require breakage to be split evenly between purses and commissions.

Charity Days

California horse racing associations have distributed many millions of dollars to worthwhile charities over the last 71 years. Their donations in the last fiscal year totaled \$300,845.

Business and Professions (B&P) Code section 19550 requires racing associations to contribute a portion of handle to charity. Associations have the option of selecting a number of racing days determined by the length of their racing meet or two-tenths of one percent of the live handle for the entire race meet. B&P Code section 19556(b) also requires that at least 60 percent of the proceeds be distributed to charitable groups within the horse racing industry. While recognizing the worthwhile nature of all charitable organizations favored by distributing foundations, the CHRB encourages the foundations to

exceed this minimum percentage. On charity racing days, the racing association furnishes the facilities and personnel necessary for the conduct of racing.

The income from all operations of the race meet on charity racing days, less deductions for actual expenses, is dedicated to charitable purposes. The following racing associations distributed funds last year: Del Mar Thoroughbred Club, Los Alamitos Racing Association, Los Alamitos Quarter Horse Racing Association, Pacific Racing Association, Pacific Racing Association II, Watch & Wager.com, Los Angeles Turf Club, and Los Angeles Turf Club II.

Uncashed Pari-mutuel Tickets

Winning pari-mutuel tickets can be cashed until May 15 of the year following the year in which the race meet ends. Racing patrons may mistakenly tear up, lose, or forget about winning tickets. After May 15, any unclaimed monies are distributed as indicated below.

Senate Bill 16 went into effect in July of 2009, eliminating the state's portion of unclaimed tickets pursuant to Business and Professions Code section 19641.

All such unclaimed money resulting from the thoroughbred, harness, or quarter-horse race meets, excluding the race meets of the California Exposition and State Fair, county, district agricultural association, or citrus fruit fair race meets, shall be distributed as follows:

1. Fifty percent of live races unclaimed pari-mutuel tickets shall be paid to a welfare fund established by the horsemen's organization contracting with the association with respect to the conduct of the racing meet for the benefit of the horsemen, and the said organization shall make an accounting to the Board within one calendar year of the receipt of such payment. During FY 2021–22, the distribution to the welfare funds was \$745,740.
2. The other 50 percent of live races unclaimed pari-mutuel tickets shall be divided equally between the association

(as commissions) and horsemen (in the form of purses). Notwithstanding the distribution of live races unclaimed tickets, unclaimed ticket monies generated by wagering on intrastate (north/south) thoroughbred and fair races and interstate imports are split equally between purses and commissions. During FY 2021–22, the tracks and the horsemen each received \$1,073,418.

3. Unclaimed refunds totaled \$513,340 for FY 2021–22. Unclaimed refunds provide health and welfare benefits to California licensed jockeys, former California licensed jockeys, and their dependents. The California Jockey Welfare Corporation is the organization designated by the CHRB to receive these funds.

4. Cash vouchers that are not redeemed within 365 days of the close of the racing meeting at which the voucher was purchased are distributed to a nonprofit organization for the purposes of maintaining a database of horse racing information. CHRIMS is the organization designated by the CHRB to receive these funds. During calendar year 2021 uncashed vouchers totaled \$247,962.

Statement of Distribution by Fund of Horse Racing Revenue

July 1, 2021 through June 30, 2022

	Detail	Total
Revenue To Horse Racing Fund		
CHRB Support from Racing Associations	\$18,200,927	
Miscellaneous Income		
Income from Surplus Money Investment Fund	13,390	
Escheat of Unclaimed Checks, Warrants	86	
Total 3153 Fund		\$18,214,403
Revenue to Horse and Jockey Safety and Welfare Account (3380)		
Occupational Licenses	\$840,450	
Fines & Penalties	145,025	
Miscellaneous Income	2,055	
Total Fund 3380		\$987,530
Revenue to CA Veterinary Diagnostic Laboratory (0881)		
Equine Research License Fees	\$1,899,419	
Total Fund 0881		\$1,899,419
Total Revenue		\$21,101,352

Occupational Licenses and Fees July 1, 2021— June 30, 2022

Type of License	Fees Range	Issued
Stable*	\$100-300	431
Horse Owner-Open Claim	250	11
Officer/Director/Partner*	150-200	91
Horse Owner*	150	2,826
Trainer, Assistant Trainer**	50-150	265
Harness Horse Driver	150	14
Jockey/Apprentice Jockey**	50-150	98
Jockey Agent	150	12
Bloodstock Agent	150	9
Veterinarian	150	44
Association Employee	75	292
Valet/Custodian/Attendant	75	15
Pari-mutuel Employee/Tote*	35-75	430
Horseshoer	75	29
Exercise Rider/Pony Rider	25-75	312
Misc. Employee/Stable Agent Vendor*	35-75	243
Security Guard	35-75	253
Stable Foreman	35-75	75
Authorized Agent	25	528
Replacement License	15	125
Annual Groom/Stable Employee (Original)**	35	373
Annual Groom/Stable Employee* (Renewal)	20-35	1,276
Total licenses issued		7,752

All licenses are issued for three years except those for groom and stable employee licenses, which are annual licenses.

*Variable Fee.

**Includes reduced license fees.

Other Public Revenue

Horse racing contributes to local economies through sales tax from the sale of claimed horses. During FY 2021–22, there were 1,420 horses “claimed” at authorized race meets.

The “claiming” of a racehorse is in effect a sale of the horse at a designated price (as established by the conditions of the race) to a qualified person who submits a “claim” for the horse at least 15 minutes prior to the race in which the owner of the racehorse established the competitive value of the horse.

For example, in a claiming race where the claiming price is established by the racing secretary as \$10,000, an owner of a horse may enter the horse in the race if willing to lose the horse to another owner (or qualified person) for the price of \$10,000.

An owner who over-values the horse will find competition in the race too severe and will not win a purse — but probably retain the horse; the owner who under-values the horse

may well win a purse — but in all probability lose title to the horse to a successful claimant. Thus, it is the owner who establishes the true competitive value of a horse in a claiming race.

Inasmuch as the claim of a horse is in fact a purchase, state sales tax is collected on the amount of the claim. During FY 2021–22, the total amount paid for claiming of horses was \$23,920,100, resulting in sales tax revenue of \$2,264,413.

Business and Professions Code 19610.3 authorizes every racing association or fair to permanently elect to deduct up to 0.33 of one percent from all pari-mutuel pools and to distribute the amounts to the city or county where the racing meet is held if the city or county passes an ordinance to accept such fees in lieu of admission taxes and license fees.

During FY 2021–22, \$2,062,875 was distributed to local governments under this provision.

Track Commissions

Under the system known as pari-mutuel wagering, the racing association acts as the stakeholder for all wagers, deducting from each pari-mutuel wagering pool the statutory “takeout,” which includes the state license fee, the per-

centage deduction for purses, and the track’s commission. Commissions retained by California racing associations during FY 2021–22 totaled \$117,826,286.

Purses

As with track operators’ commissions, the purses for race meets are determined by the rate schedules, or in some cases, by agreement with the racing association.

Purses for California race meets during FY 2021–22 totaled \$135,081,842. In addition, \$9,881,664 was paid out as California-bred incentives.

In order for the individual racing associations to establish their daily purse structure for their race meets, the associations must first make a projection of the amount of pari-mutuel wagers they expect to handle.

The actual purses to be paid for any one race, or for the day’s races, initially are determined by the racing secretary’s projections of handle, and then revised during the course of the race meet based on actual handle. The racing association must also execute an agreement with the respective horsemen’s organization representing the horsemen at each race meet in order to establish the percentage of the total purses that may be used for stakes races.

Statistics For Horses Claimed

July 1, 2021 to June 30, 2022

Track Location	Horses Claimed	Amount Paid	Sales Tax
Thoroughbred Race Meets — Northern			
Golden Gate	486	\$4,776,200	\$486,562
Thoroughbred Race Meets-Central-Southern			
Del Mar	276	\$8,155,500	\$713,606
Los Alamitos	40	549,000	42,548
Santa Anita	307	8,236,000	844,190
Harness Meets-Statewide			
Watch & Wager	13	\$95,800	\$8,383
Quarter-Horse Meets-Statewide			
Los Alamitos	225	\$1,290,150	\$99,987
Fair and Mixed Meets-Statewide			
Alameda County Fair @Pleasanton	23	\$165,500	\$16,963
State Fair @ Pleasanton	5	40,200	4,121
Humboldt County Fair @ Ferndale	7	28,000	2,170
Los Angeles County Fair @ Los Alamitos	25	476,500	36,929
Big Fresno Fair	13	107,250	8,955
Total	1,420	\$23,920,100	\$2,264,413

Authorized Horse Sales

Each year the CHRB authorizes sales for racehorses or breeding stock used in the production of racehorses when such sales are conducted on the premises of a racing association. During FY 2021–22, there were four authorized sales. Prospective purchasers may review the reported medication record of any horse offered for sale, and purchasers of a horse may request a verifying blood test for horses bought.

The following sales were authorized in FY 2021–22:

Fasig-Tipton

California Fall Yearlings and
Horses of All Ages @Fairplex September 28, 2021

Fasig-Tipton sold 182 horses for a total of \$6,966,550, which generated \$507,630 in sales tax.

California Thoroughbred Breeders Association Sales

Nor-Cal Yearling and
Horses of Racing Age Sale August 10, 2021

Winter Mixed Sale February 1, 2022

A total of 205 horses was sold for \$2,246,400, which generated \$133,225 in sales tax.

Quarter-Horse Sales At Los Alamitos

Los Alamitos Equine Sale October 2 & 3, 2021

A total of 206 horses was sold for \$6,285,000, which generated \$109,980 in sales tax.

California Horse Breeding Programs

The Horse Racing Law provides incentives for the breeding and owning of California-bred horses. A principal and explicitly stated intent of the law is to encourage agriculture and the breeding of horses.

Every association licensed to conduct a horse racing meet in California must provide, each racing day, for the running of at least one race limited to California-bred horses, provided those races can attract a sufficient number of qualified entrants.

The breeder of a California-bred horse receives a monetary award based on the order of finish for horses finishing in the first three places. A further incentive to own a California-bred horse is provided by owners premiums. Business and Professions Code section 19611 (d) allows for 0.07 percent of the takeout to be distributed as owners premiums to persons owning California-bred horses.

Additionally, stallion awards are issued to owners of qualified thoroughbred stallions standing in California whose progeny win races in California having a certain qualifying gross purse. A breeders award is also paid for a California-bred thoroughbred when the horse wins a graded stakes race outside the state.

These California breeders programs and distribution of awards and premiums are administered by the recognized California breeders organizations of the various breeds.

Thoroughbred Breeders Program

The California Thoroughbred Breeders Association (CTBA) administers the California-bred awards, owners premiums, and stallion awards for thoroughbreds. In addition, the CTBA supervises the California-bred race fund, which has supplemented the very successful California Cup Program each year since 1990. This fund generated \$401,916 for owners premiums in FY 2021-22 and \$9,398,705 for the breeders program from the wagering handle.

At California thoroughbred race meets, the amount of 0.54 percent on track and 0.54 percent off track of all pari-mutuel pools is deducted as takeout and transferred to the CTBA for distribution. A further amount equal to 0.07 percent of the handle is specified for owners premiums and transferred to the CTBA for distribution. The CTBA is authorized to deduct five percent for administrative overhead and expenses, including education, promotion, and research.

Standardbred Breeders Programs

The California Standardbred Sires Stakes Committee, Inc., a California non-profit public benefit corporation, administers the Standardbred Breeders Program. The Sires Stakes Committee is authorized to deduct expenses (not to exceed four percent of funds generated) for administering the Standardbred Breeders Program. The program is funded from the breakage at harness race meets and an additional one percent takeout on all exotic wagering at harness race meets. In FY 2021-22, the program generated \$177,326.

Quarter-Horse Breeders Program

Pacific Coast Quarter Horse Racing Association, as the recognized breeders organization, received \$302,381 from the pari-mutuel handle to fund its program in FY 2021-22. The source of these funds was 0.48 percent of the on-track and 0.48 percent of the off-track handle on quarter-horse racing at the fair race meets, 0.4 percent of the handle at quarter-horse race meets, and a proportional payment of the monies required by the state, the association, and the horsemen.

Paint Breeders Program

The Paint breeders awards received \$725 for the breeders program in FY 2021-22. No Paints ran in California. This revenue came from ADW wagers.

Arabian Breeders Program

The California Arabian horse breeders awards received \$2,500 for the program during FY 2021-22.

Mule Breeders Program

California did not host any mule breed races during FY 2021-22.

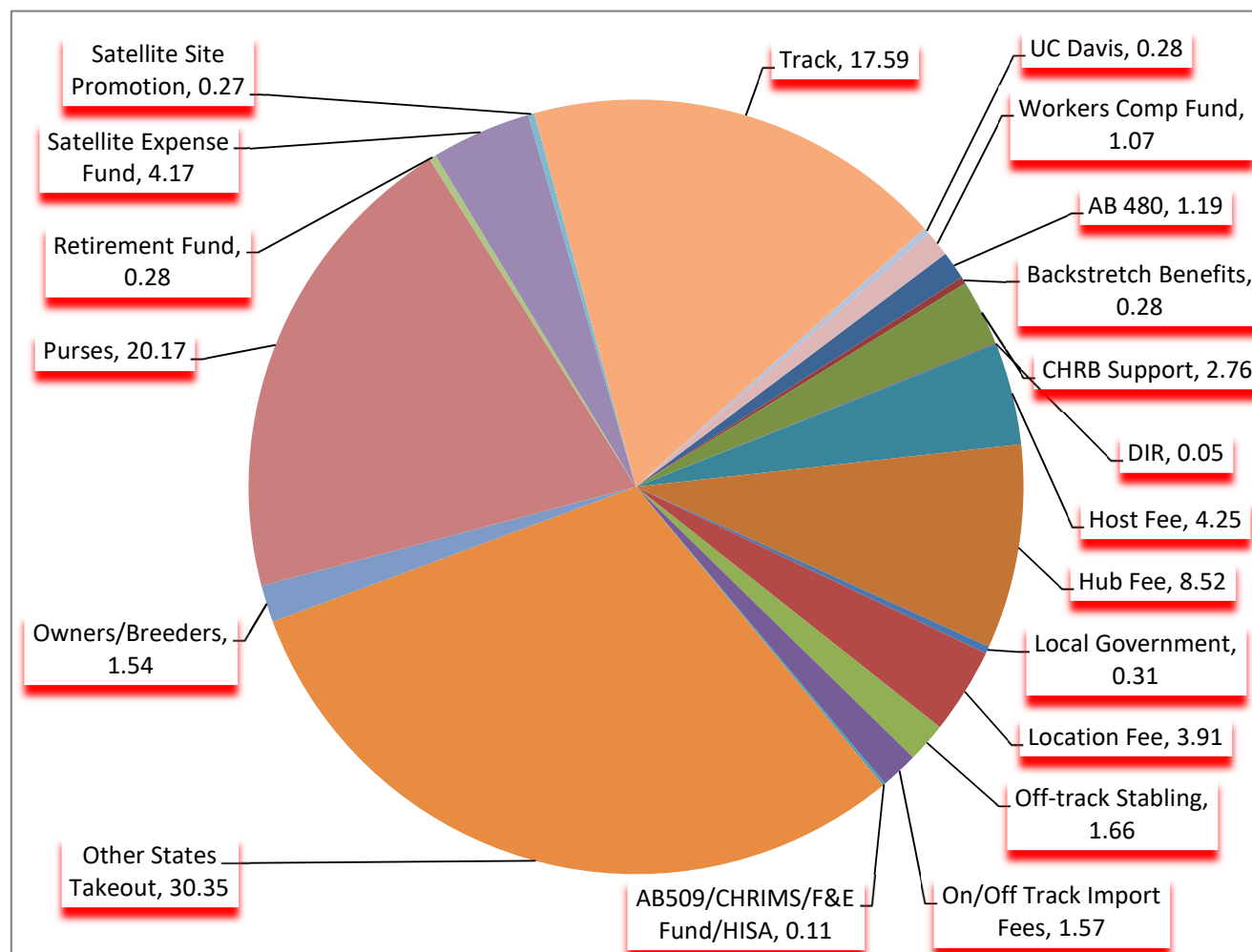
Appaloosa Breeders Program

California did not host Appaloosa breed races during FY 2021-22.

The Revenue Stream

The Takeout Dollar in California: Where It Goes and How It's Used

A total of \$3,239,728,525 was wagered by fans of California racing during FY 2021-2022 and of the money 79.33 percent (\$2,570,036,966) was returned to winning ticket holders. The pie chart below shows the division of each revenue dollar by percentage to the appropriate entities.



Prior to simulcast wagering in 1985, virtually all of the wagering in California races was at the track, but today “on-track” bets make up only 6.67 percent of wagers placed (\$216.05 million). Off-track betting within the state provides 12.75 percent of the handle (\$413.13 million). The balance comes from out-of-state and Advance Deposit Wagers (totaling \$2.61 billion). ADW accounted for \$1,470,295,650 of the handle.

Patron failed to cash \$2,892,577 worth of winning tickets. By law, money from uncashed tickets, except for fairs, is split evenly between a welfare fund for the benefit of the backstretch. Money from uncashed tickets at fairs is turned over to the state’s General Fund.

Money from unredeemed vouchers issued by tracks for use by racing patrons at track self-serve better machines is used to finance the horse rac-

ing revenue database CHRIMS

Breakage, a byproduct of the pari-mutuel calculation, is distributed evenly between purses and the racing associations. This totaled \$14,426,128 in FY 2021-2022.

Of the \$3.24 billion wagered, \$669.69 million, or 20.67 percent, was withheld as the “takeout” for such purposes as horsemen’s purses, racetrack operations, and government taxation, as follows on the next page:

Horsemen's Purses

A total of \$135,081,842 was distributed during FY 2021–22 in the form of purses. This money went to the owners of the horses, the jockeys, the trainers, and, through them, to the backstretch employees.

Portions of the purse money also went to organizations that represent owners and other horsemen.

Track Commissions

The racetracks and fairs that host the racing programs collected a total of \$117,826,286 in commissions. Much of that money went toward the cost of operations, such as rent, mortgages, and labor costs, of which pari-mutuel clerks represent a large part. The racetracks are also responsible for marketing the sport with advertising, promotions, and other forms of publicity.

CHRB Support

The allocation of the CHRB budget comes from the horse racing industry through the yearly budget process conducted by the State Legislature. This allocation is used to fund the CHRB's mission of overseeing the horse racing industry on behalf of the state and the California public.

Incentive Awards

One of the most important uses of horse racing revenue is for incentive awards, which promote the agricultural program in California by encouraging horse breeding. Last year \$9,881,664 in awards were divided between programs for thoroughbreds, standardbreds, quarter horses, paints, and Arabians.

Local Government

For those local municipalities who elect to participate, an additional 0.33 of one percent is withheld from the handle to reimburse communities for costs incurred due to traffic control, security, and other expenditures resulting from horse racing events. Last year \$2,062,875 was withheld for this purpose.

Host Fees

Host fees are negotiated for mandated payments to producers of live horse racing imported by tracks via satellite and offered to the betting public in conjunction with a California track's live racing program. Last year, California tracks paid \$28,457,805 to out-of-state hosts.

Interstate Wagering Fees

Interstate wagering fees are "takeout" deductions from wagers made on California racing by patrons at off-track betting systems outside of California. These deductions in other states amounted to \$203,254,598.

Equine Research

A mandated deduction goes to University of California, Davis, for equine research. Last year the total for equine research was \$1,866,425.

Simulcast Fees

Simulcast fees are deducted from the off-track handle at California simulcast facilities and are distributed in proportion to each facility's handle. This revenue goes to the Stabling and Vanning Fund to offset the cost of off-site stabling and transporting horses to the track, the Promotion Fund to be used for the promotion of horse racing, the Expense Fund for the purpose of offsetting the costs of simulcast broadcasting, and to guest-site commissions. A guest site is the term used for an authorized off-track betting system, or simulcast facility, that is an authorized recipient of a live horse race.

These funds received a total of \$64,822,105 last year:

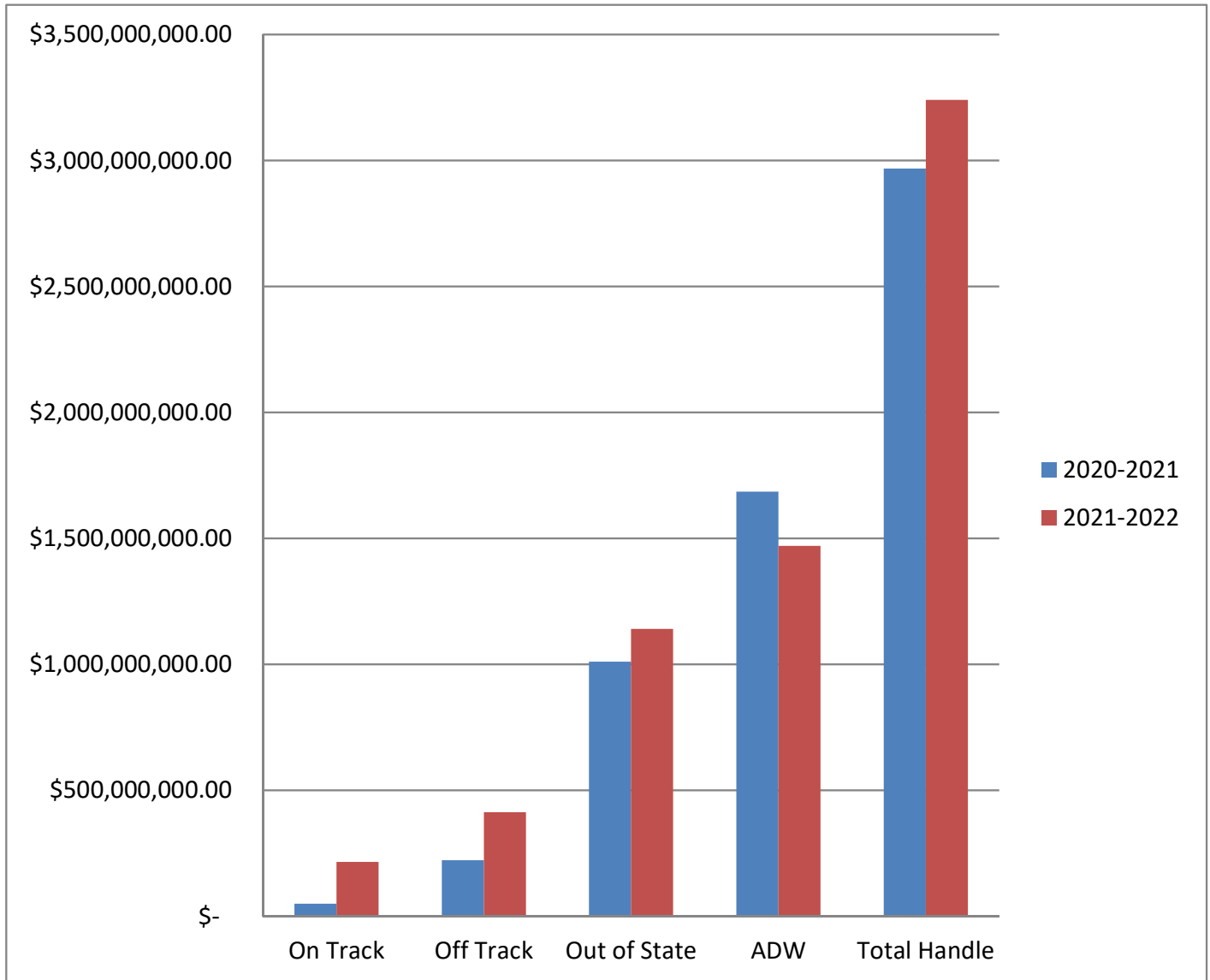
Stable and Vanning Fund:	\$11,094,101
Promotion Fund:	\$ 1,797,465
Expense Fund:	\$27,917,747
Guest Site Fees:	\$24,012,791

Retirement and Welfare

ADW Retirement and Welfare Plans received \$3,739,263 in FY 2021–22. These funds supplement the backstretch personnel pension plan and provide welfare benefits for horsemen and backstretch personnel.

Sources of Handle

Fiscal Years 2020-21 and 2021-22



The on-track handle represents wagers at the host track. For FY 2021-22, on-track wagers accounted for 6.7 percent of the total handle. Off-track handle represents wagering at California simulcast locations and accounted for 12.75 percent of the total. Out-of-state handle represents commingled wagers from other United States and international sites. Out-of-state wagers accounted for 35.20 percent of the total. Advance Deposit Wagers (ADW) represent the handle generated through seven licensed California ADW companies. The ADW handle accounted for 45.38 percent of the total.

The Horsemen's Organizations Welfare Funds

The Horse Racing Law provides that 50 percent of the unclaimed redistributable money in pari-mutuel pools (uncashed pari-mutuel ticket amounts) resulting from thoroughbred, harness, or quarter-horse race meets be paid to the welfare fund established by the horsemen's organization contracting with the association for the conduct of the race meet for the benefit of horsemen. These funds are registered with the Office of the Attorney General, Registry of Charitable Trusts. The three horsemen's organizations have established and maintain the following welfare funds:

The California Thoroughbred Horsemen's Foundation, Inc.

P. O. Box 660129
Arcadia CA 91006
Registry of Charitable Trusts
No. 052861

Quarter Horse Benevolent Charity Foundation

11278 Los Alamitos Blvd., Suite 243
Los Alamitos, CA 90720
Registry of Charitable Trusts No. 018221

California Harness Horsemen's Benevolent Foundation

1600 Exposition Boulevard. Gate 12
Sacramento, CA 95815
Registry of Charitable Trusts No. CT0202834

Each of the foregoing welfare funds have a state tax-exempt status under the provisions of section 23701 of the Revenue and Taxation Code.

The California Horsemen's Organizations

The CHRB determines the organizations to represent California horsemen with respect to each breed.

The following horsemen's organizations were recognized by the Board during FY 2021–22: Thoroughbred Owners of California for thoroughbred owners; California Thoroughbred Trainers for thoroughbred trainers; California

Harness Horsemen's Association for harness horsemen; Pacific Coast Quarter Horse Racing Association for quarter horsemen; and the Arabian Racing Association of California for Arabian horsemen.

Audited Expenses of California Horsemen's Organizations

The information regarding the expenditures of these organizations is only one portion of the total audited financial statements submitted to the CHRB. Persons wishing to

obtain a copy of the complete audited financial statements of a horsemen's organization can do so by contacting the CHRB's headquarters office in Sacramento.

Audited Financial Statements of California Horse Racing Industry

Pursuant to Business and Professions Code Section 19440.5 and requirements outlined in the license application, the CHRB requires recognized industry participants receiving statutory distributions from the takeout to annually file audited financial statements. The table below lists those organizations and their most recent statements received by the CHRB.

Horsemen's Associations	Last Audit Report
Pacific Coast Quarter Horse Racing Association	2021
American Mule Racing Association (did not run in 2020)	2019
California Thoroughbred Horsemen's Foundation, Inc.	2022
California Harness Horsemen's Association	2021
Thoroughbred Owners of California	2020
California Thoroughbred Trainers	2021
California Thoroughbred Breeders Association	2021
Administrative Funds	
CHRIMS	2021
California Thoroughbred Business League	2021
Northern California Off-Track Wagering (NCOTWINC)	2021
Southern California Off-Track Wagering (SCOTWINC)	2021
California Thoroughbred Trainers Inc. Backstretch Employees' Cash Balance Pension Plan	2021
California Jockeys' Welfare Corp	2021
CHRB Defined Contribution Retirement Plan for California Licensed Jockeys	2021
Quarter Horse Benevolent Charity Foundation	2017
California Standardbred Sires Stakes Committee*	2019
California Harness Horsemen's Benevolent Foundation	2021
Northern California Auxiliary Vanning and Stabling Fund	2021
Southern California Stabling and Vanning Fund Trust	2021
Racing Associations	
Golden Gate Fields (Pacific Racing Association)	2021
Del Mar (Del Mar Thoroughbred Club)	2021
California Authority of Racing Fairs (CARF)*	2021
Santa Anita Park (Los Angeles Turf Club, Inc.)	2021
Los Alamitos Quarter Horse Racing Association (Quarter Horse Racing, Inc. & Subsidiaries)	2021
Los Alamitos Racing Association (Quarter Horse Racing, Inc. & Subsidiaries)	2021
Cal Expo (WatchandWager.com, LLC)	2021

*Pursuant to Business and Professions Code section 19613.2 (c) the Board may take disciplinary action against a horsemen's organization that is not in compliance with filing annually with the CHRB its audited financial statements.