

# 50th Annual Report of the California Horse Racing Board

A Department of the Business,  
Consumer Services and Housing Agency

## A Summary of Fiscal Year 2019–20 Revenue and Calendar Year 2020 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  
Wendy Mitchell, Member  
Alex Solis, Member  
Scott Chaney, Executive Director  
Cynthia Alameda, Assistant Executive Director

This report covers the fiscal year (July 1, 2019, through June 30, 2020) 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 2020 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 reports are available at:  
[www.chrb.ca.gov](http://www.chrb.ca.gov) (Media Room).

# Report from the Chair



COVID-19 transformed California horse racing into a non-spectator sport in 2020 and in some cases stopped racing altogether.

Governor Gavin Newsom issued a series of health-related orders that were necessary to protect the public.

The CHRB began conducting all Board and committee meetings by teleconference.

In addition to the health benefit, those teleconferences provided more convenient access to the public. The public participated in those meetings either by dialing into the teleconference line or listening through a link on the CHRB website. As many as 85 non-CHRB individuals dialed into some teleconference meetings, more than double the attendance at most in-person meetings.

Throughout the year, during the time of an extraordinary public health crisis and global pandemic, the CHRB deferred to state, county and local health authorities' expertise and guidance to determine when it was safe and appropriate to race. The CHRB assisted health authorities in enforcing their orders.

In the early spring, health officials in Los Angeles, Sacramento, and Alameda Counties sought to limit the public's exposure to COVID-19 by ordering a halt to horse racing at Santa Anita Park in Arcadia, Cal Expo in Sacramento, and Golden Gate Fields in Albany. Later in the year, after Golden Gate had re-opened, health authorities again shut down racing at that location due to a COVID-19 outbreak that affected hundreds of workers. Racing did not r

Orange County health officials permitted Los Alamitos Racecourse to continue racing under strict protocols that included exclusion of the public from attending the races, temperature checks for individuals entering the premises, social distancing, and wearing face masks. Those became the minimum standard for racing in California.

Health authorities permitted workers to continue caring for thousands of horses stabled at all locations on condition that non-essential personnel were prohibited from entering the areas. All 35 simulcast facilities and racetracks in the state were temporarily closed to wagering.

Stakeholders in California racing reasoned that racing programs are essential businesses because they provide the revenue that pays for the health and welfare of horses stabled on their grounds. Racing executives urged health authorities to permit racing to resume at all locations.

Racetrack operators worked with health authorities in Alameda and Los Angeles Counties to permit racing to resume in mid-spring at Golden Gate and Santa Anita after shutdowns of five and six weeks, respectively. Cal Expo had only four weeks remaining in its licensed meet when racing was shut down, so harness racing in Sacramento did not resume.

In addition to the standard protocols, Santa Anita took extraordinary steps to protect racing participants with the following restrictions:

- ◆ Established a restricted zone that housed jockeys, valets, and essential personnel. They lived there from the time they arrived Friday until they left after the weekend. There was weekly PCR COVID-19 testing and they passed health screening upon check-in.
- ◆ While wearing face coverings and practicing social distancing, all trainers, employees, and essential racing personnel wore a race-day wristband while on site, signifying they passed the daily health screening.
- ◆ Grooms with appropriate race-day wristbands brought horses to the receiving barn.
- ◆ Trainers saddled their horses in the receiving barn and were not allowed in the walking ring. They were assigned specific areas in the grandstand to watch the race.
- ◆ After grooms walked their horses from the receiving barn to the walking ring, jockeys were given a leg-up by a restricted valet.
- ◆ Winning horses with their jockeys did not enter the winner's circle but instead had their photographs taken before exiting the track.

Despite these restrictions, Los Angeles County health authorities identified 38 COVID-19 cases from the thousands who listed Santa Anita as their primary place of employment. However, because of reduced and furloughed schedules, not all of those 38 cases had been working on-site. It is significant that by creating what Santa Anita called a sports bubble, no jockeys, valets, or Santa Anita management living inside the restricted zone tested positive for COVID-19 during the six weeks.

Following the conclusion of the meet at Santa Anita, the Del Mar Thoroughbred Club opened its summer meet on July 10. Del Mar adopted similar protocols to Santa Anita except for the "sports bubble," added a Health and Safety Liaison, and worked closely with the San Diego County Department of Health and Human Services and with medical experts from Scripps Health. When several jockeys and jockey room personnel tested positive for COVID-19

during and following Del Mar's opening, Del Mar officials canceled racing July 17-19 and implemented mandatory testing for riders and jockey's room personnel in conjunction with San Diego County. Racing at Del Mar resumed without further incident.

At this same time, some jockeys at Los Alamitos tested positive. Those individuals were quarantined. Racing continued without interruption.

The pandemic was especially disruptive to fairs across the state. With the cancellation of normal fair activities and ongoing restrictions, some fairs entered into agreements with other locations to stage their meets, again without the public in attendance. With CHRB approval, the State Fair moved its meet to Pleasanton, which ran after the conclusion of the Alameda County Fair meet. The Sonoma County Fair meet was run at Golden Gate. The Humboldt County Fair vacated its dates and did not run a meet. The Big Fresno Fair also vacated its dates, which were then run at Golden Gate Fields.

With racetracks and other outlets closed to wagering for extended periods, not only in California but throughout the country, there were no wagers placed at any physical locations (brick-and-mortar facilities). Therefore, all wagering was done through account wagering, termed Account Deposit Wagering (ADW) in California.

Total handle for calendar year 2020 declined by 7 percent as compared to 2019. Purses generated for all breeds dropped by 15 percent to \$110 million, partly because racetrack commissions and purses for horsemen are funded by percentages of handle. Their share of ADW handle is less than their share of brick & mortar wagering.

COVID-19-related reductions in the number of live race cards conducted in California, along with restrictions on California brick-and-mortar wagering facilities, significantly impacted a number of industry funds derived directly from parimutuel handle. Funds impacted include the Southern California Stabling & Vanning Fund (facing an estimated 2020 shortfall of \$3.6 million), the Workers' Compensation Fund (revenue is projected to be down by \$1.35 million, or 21 percent compared to 2019), and CHRB support (fiscal year 2019-20 required additional industry payments of \$4.188 million). It is too early to predict how these numbers might rebound going forward.

Like most of the world, the California horse-racing industry has proven resilient during the pandemic, overcoming obstacles and setbacks. Stakeholders continued to provide racing programs at all major venues until the aforementioned re-closure of Golden Gate in November. Working closely with the City of Berkeley, management at Golden Gate had all personnel on the grounds tested. More than 350 workers were quarantined. Racing did not resume at Golden Gate in 2020.

Many off-track wagering locations within private businesses

and elsewhere resumed modified operations – all complying with health department protocols -- until late in the year when a resurgence of the pandemic forced them to close again. All of the affected industry funds continue to provide protection and services as called for. Especially noteworthy, free health care for backstretch workers and others, which is funded by a percentage of handle and donations, has continued uninterrupted at all three clinics at Santa Anita, Golden Gate, and Los Alamitos.

Turning briefly to other matters, the CHRB appreciated the passage and signing into law of SB 800 and AB 1974. Both bills (see page 16 of this report) strengthened the State of California's commitment to equine and jockey welfare and safety. To that end, the CHRB remains committed to reducing equine fatalities. The total number of fatalities (all categories) in the most recent fiscal year declined by 15 percent. Training and racing fatalities declined by 18 percent. The number of racing starts during the fiscal year declined by just under 6 percent due to COVID-related, temporary closures of some racetracks. The short fair meets typically experience few fatalities, so the relocation of some of those meets was not a factor. The CHRB passed numerous regulations this past year, as outlined on pages 13-15 of this report, most of which focused on safety and medication.

We were saddened by the serious injury to jockey Vinnie Bednar. We wish him much success in his rehabilitation efforts.

We amended a rule that greatly restricts the use of the riding crop in racing and training in California. This change has garnered support but also has been met with resistance by some jockeys and fans. We understood there would be opposition, but from our perspective, this was a necessary change. The Jockey Club President and COO James Gagliano was quoted as saying on behalf of his organization, "We see a future where hitting an animal with a stick will not be acceptable, certainly not for urging. We recognize that these are difficult things to change, and it's going to take a while." California accepts the responsibility and burden of being a leader in that change.

We welcomed Damascus Castellanos and Brenda Washington Davis to the Board. And newly appointed Executive Director Scott Chaney has proven himself more than capable of leading the staff and dealing with complicated matters with valuable assistance from Assistant Executive Director Cynthia Alameda. We are grateful they all agreed to help lead the CHRB and racing industry during these challenging times, and we hope for the best in 2021.

Dr. Gregory Ferraro, Chair  
California Horse Racing Board

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## 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.



# 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.

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



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 licen-

sure 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.

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, 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.



**Oscar Gonzales,  
Vice Chair**

Vice President, Government Relations on West Coast, Goldman Sachs. 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. Founder of Bantry Property Services, LLC. Appointed to the CHRB by Governor Edmund G. Brown Jr. on December 17, 2018, through July 26, 2021.



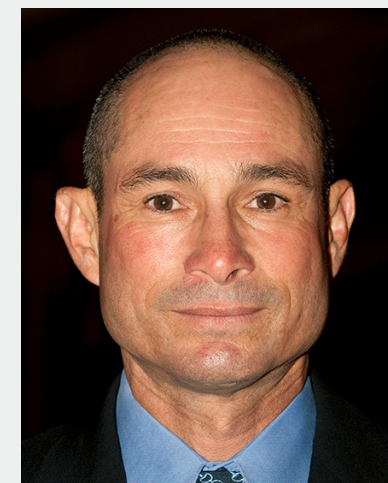
**Wendy Mitchell,  
Member**

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.



**Damascus Castellanos,  
Member**

President/Business representative for Teamsters Local No. 495. Appointed to the CHRB by Governor Gavin Newsom on March 10, 2020, through January 1, 2022.



**Alex Solis,  
Member**

Retired jockey, who rode in the United States from 1982 through 2017, and member of National Museum of Racing's Hall of Fame. 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.



**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.

# 2020 Board and Committee Meetings

Racing commissioners convened 19 public Board and Committee meetings in 2020. Noticed meetings are open to the public and include a published agenda.

The following 15 Board meetings were held:

January 22 Department of Consumer Affairs Sacramento	June 11 Teleconference	September 24 Teleconference
February 20 Cal Expo	July 10 Emergency meeting, teleconference	October 12 Teleconference
March 26 Teleconference	July 16 Teleconference	October 22 Teleconference
March 26 Special meeting, teleconference	July 20 Teleconference	November 19 Teleconference
April 22 Teleconference	August 20 Teleconference	December 17 Teleconference

## Committee Public Meeting Dates

Medication, Safety and Welfare February 12 U.C. Davis	Race Dates May 27 Teleconference	Medication, Safety and Welfare October 21 Teleconference
	Race Dates August 19 Teleconference	

# CHRB Operating Budget

July 1, 2019 – June 30, 2020

Appropriations	Item	Total
Personal Services	\$5,976,000	
Operating Expenses	8,312,000	
<b>Total Appropriation</b>		<b>\$14,288,000</b>
<b>Expenditures — Personal Services</b>		
Salaries and Wages	\$4,290,593	
Staff Benefits	2,282,165	
<b>Total Personal Services</b>		<b>\$6,572,758</b>
<b>Operating Expenses and Equipment</b>		
General Expense	\$209,471	
Printing	35,363	
Communications	84,395	
Postage	10,008	
Travel-in-State	298,496	
Travel-out-of-State	0	
Training	4,228	
Facilities Operations	200,007	
Contractual & Professional Services—Interdepartmental	3,833,209	
Contractual & Professional Services—External	2,549,467	
Consolidated Data Center	124,761	
Information Technology	52,861	
Equipment	75,370	
Legal: Attorney General	237,606	
<b>Total Operating Expenses and Equipment</b>		<b>\$7,715,242</b>
<b>Total Expenditures</b>		<b>* \$14,288,000</b>

\* Includes year-end accruals

# 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,**  
Assistant Executive Director

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

# Regulatory Changes

The following rules were amended, repealed, or added during 2020:

**Rule 1481**  
(amended)

*Occupational Licenses and Fees:* Amended to require that an officer, director, partner, or any individual holding 5 percent or more of the outstanding shares of an advance deposit wagering, mini-satellite wagering, or exchange wagering provider, to obtain the appropriate CHRB license. The amendment also requires administrative or managerial personnel to obtain the appropriate CHRB license.

**Rule 1503**  
(amended)

*Qualifications for License as Trainer or Assistant Trainer:* Amended to require that individuals hold a CHRB Assistant Trainer license in good standing for at least one year as a prerequisite before applying to and obtaining a CHRB Trainer license. Additional amendments include modifying that a failure of any part of the assistant trainer or trainer exam would require the application to re-take the exam in its entirety, and not just the failed portion, modifying timelines for the assistant and trainer examinations, and requiring that a recommendation card be submitted prior to obtaining a CHRB trainer license.

**Rule 1632**  
(amended)

*Jockey's Riding Fee:* Amended to increase the jockey riding fees for losing mounts by the same percentage as the increase in the California minimum wage, as directed by Business and Professions Code section 19501.

**Rule 1660.1**  
(added)

*Claimed Horse Health Record:* Added to require the Official Veterinarian or designee to provide the new form CHRB-245, Claimed Horse Health Record, to the horse's previous Board-licensed attending veterinarian upon a horse being claimed in a claiming race; require the horse's previous Board-licensed attending veterinarian to complete the form and submit it electronically to the horse's new Board-licensed veterinarian within five days of the claim; and require Board-licensed veterinarians attending a horse for the first time after it is claimed to review the form prior to performing any intra-articular injections, other treatments, or extracorporeal shock wave therapy.

**Rule 1688**  
(amended)

*Use of Riding Crop:* Amended to add further restrictions to the use of the riding crop, limits use of the crop to six times during a race and a maximum of two times in succession without giving the horse a chance to respond, excluding showing or waving the crop or tapping the horse in a specified manner; prohibits overhand strikes with the crop; describes the correct uses of the riding crop; establishes a maximum fine of \$1,000 and a minimum suspension of three days; and provides an exception to the penalty if the stewards determine the use of the crop was necessary for the safety of the horse or rider.

**Rule 1842**  
(amended)

*Veterinarian Report:* Amended to remove the requirement that veterinarian reports be submitted in writing and modify to require veterinarian reports be submitted electronically.

**Rule 1842.5**  
(added)

*Additional Reporting for Intra-Articular Treatments:* Added to require every trainer to maintain a record of all treatments administered to a horse under their care that are within the inclosure and specify the information each record shall include; require the records to be made available for inspection upon request by the Official Veterinarian, Board of Stewards, or Board investigators; and provide that treatments administered by Board-licensed veterinarians that are required to be reported under Board Rule 1842 are exempt from the requirements of this regulation.

**Rule 1843.3**  
(amended)

*Penalties for Medication Violations:* Amended to add penalties, under Category C Penalties, for a fourth and any subsequent violation within a 365-day period; remove penalties for violations due to overages for permitted non-steroidal and anti-inflammatory drug substances; and limit what is considered a subsequent violation to those that occur within 365 days of the previous violation when applying penalties for multiple offenses.

**Rule 1843.5**  
(amended)

*Medication, Drugs and Other Substances Permitted After Entry in a Race:* Amended to provide that horses entered to race may be given only water, hay, and grain until post time; no drugs, medications, or substances shall be administered to a horse after it is deemed entered to race; and only water may be used to wash the horse's mouth on race day. The only exception is furosemide for horses registered to receive authorized bleeder medication.

**Rule 1844**  
(amended)

*Authorized Medication:* Amended to disallow the use of nonsteroidal anti-inflammatory drugs in horses entered to race. The amendment also removes certain drugs substances and their metabolites and analogs from the list of substances allowed in official blood test samples.

**Rule 1845**  
(amended)

*Authorized Bleeder Medication:* Amended to lower the maximum allowed dosage of furosemide administered to a horse on the authorized bleeder medication list from 500 mg to 250 mg and to prohibit the use of furosemide in two-year-olds entered to race.

**Rule 1846.1**  
(added)

*Veterinary Records for Horses Shipping into an Inclosure to Race:* Added to require that if a horse has not been stabled at a facility under the jurisdiction of the Board for 14 days prior to a race, or for 14 days prior to working off the Veterinarian's List, the trainer shall submit to the Official Veterinarian or racing veterinarian the previous 14-day veterinary treatment record.

**Rule 1846.6**  
(added)

*Postmortem Examination Review:* Added to require the Board to conduct a post-mortem examination review to determine the circumstances of each equine fatality within a Board inclosure; require the trainer of the expired horse to appear before the review panel and make available the training records of the expired horse; require Board-licensed veterinarians attending or training a horse having died within a Board inclosure to make available a summary medical record covering a minimum of 60 days prior to the horse's death; and require the review panel to file a written report with the Board's Executive Director and the owner and trainer of the expired horse.

**Rule 1867.1**  
(added)

*Use of Bisphosphonates Prohibited:* Added to prohibit the administration of bisphosphonates to a horse within a Board inclosure; prohibit licensees from bringing horses in a Board inclosure within six months of being administered a bisphosphonate; and prohibit any horse that tests positive for a bisphosphonate from entering a Board inclosure until an approved official laboratory determines there is no longer a bisphosphonate in the horse's system. The rule allows for an exception with respect to nuclear imaging.

**Rule 1868**  
(added)

*Authorized Medication During Workouts:* Added to restrict the use of local anesthetics and narcotic analgesics in horses participating in timed workouts; limit the amount, type, and number of nonsteroidal anti-inflammatory drug (NSAID) substances detected in an official test sample taken after a timed workout, with specified courses of action to be taken by the Official Veterinarian in cases where an NSAID is in excess of the limit; provide that the penalty provisions of Rule 1843.3, Penalties for Medication Violations, shall apply to violations of the rule; and define "timed workout."

**Rule 1869**  
(added)

*Prohibited Drug Substances in out-of-competition Testing:* Added to specify certain drugs, substances, doping agents, and medications that are prohibited from being present in an official out-of-competition test sample.

**Rule 2049**  
(amended)

*Designation and Approval of Horsemen's Welfare Fund:* Amended to increase the maximum allowable number of directors or trustees appointed to the horsemen's charitable corporation board from nine to eleven; increase the term length for a director or trustee from two years to three years; and eliminate the requirement that if the directors or trustees are also common directors of the horsemen's organization, then at least forty percent of the directors or trustees must have no financial interest in horse racing as a licensed horse owner, trainer, or assistant trainer and not be a current member of the horsemen's organization.

**Rule 2071**  
(amended)

*License to Conduct Advance Deposit Wagering by a California Applicant:* Amended to revise the form CHRB-132, Application for License to Conduct Advance Deposit Wagering by a California Applicant, in accordance with the new requirements in Rule 1481. The amendment also requires an applicant under 2071 to provide certain financial documents.

**Rule 2072**  
(amended)

*Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant:* Amended to revise the form CHRB-133, Application for Approval to Conduct Advance Deposit Wagering by an Out-of-State Applicant, in accordance with the new requirements in Rule 1481. The amendment also requires an applicant under Rule 2072 to provide certain financial documents.

# Enacted Legislation

The following horse-racing bills were chaptered in 2020:

## **SB 800 – Senate Member Bill Dodd; Chapter 252**

This bill makes various changes to Horse-Racing Law, including: 1) authorizes veterinarians to make available the entire medical records of racehorses to specified parties involved in horse racing; 2) requires the California Horse Racing Board (Board) to publish on a weekly basis all horse fatalities that occur within a licensed facility; and 3) requires the Board to post results of nonconfidential official racehorse drug test results within five business days of test confirmation.

## **AB 1974 – Assembly Member Adam Gray; Chapter 251**

This bill makes various changes to Horse-Racing Law to further protect and advance the health, safety, and welfare of racehorses in California. Specifically, this bill redirects penalty revenues and occupational license fees imposed pursuant to current law to horse welfare and safety measures, such as contracting additional veterinarians and safety stewards. The bill also codifies various existing regulations of the California Horse Racing Board (Board) related to horse welfare and safety.

# 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 2019-20, the Licensing Unit issued 7,305 new, renewal, or duplicate licenses. The issued licenses included 2,628 owner licenses, 1,837 stable worker and groom licenses, 510 pari-mutuel clerk licenses, 278 trainer or assistant trainer licenses, 300 exercise rider licenses, and 111 jockey or apprentice jockey licenses. The issuance of these licenses generated \$750,020 in licensing-fee revenue for the State General Fund.

The Live Scan fingerprint technology continues to streamline the licensing process. Due to COVID-19, the CHRB Licensing Unit has transitioned to a new “FLATS on APPS” fingerprint capture method for Live Scanning of applicants. This allows the applicant to submit fingerprints quickly and easily without the need for the CHRB Licensing Technician to make physical contact with the applicant. This also allows for appropriate physical distancing to prevent the spread of COVID-19 or other viruses. FLATS on APPS was rolled out to all Licensing locations in June 2020.

All new applicants and renewals that have been expired for 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 also work closely with CHRB Enforcement personnel.

# Appointed CHRB Officials — FY 2019–20

## STEWARDS

Paul Atkinson	Richard Lewis	Calvin J. Rainey
Grant Baker	Thomas McCarthy	Kim Sawyer
Scott Chaney	Darrel McHargue (Chief Steward)	Renee Sheward
Ronald Church	William Meyers	Thomas Ward
James Dreyer	Dennis Nevin	Jon White
John Herbuveaux	Rodney Newhart	Richard Williams
Luis Jauregui	David Nuesch	

## OFFICIAL VETERINARIANS

Dr. Gary Beck	Dr. Rebecca Fitzgerald	Dr. Nolton Pattio
Dr. Eduardo De La Cruz-Ballard	Dr. Forrest Franklin	Dr. Alina Vale
Dr. Laurie Bohannon	Dr. Timothy Grande	
Dr. Donald Dooley	Dr. Barrie Grant	
Dr. William Farmer	Dr. Kathy Jones	

# Racing Supervision

**R**acing 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. The CHRB selects and contracts with stewards based on their experience and expertise. 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.

The CHRB created the Chief Steward position in 2015 and named steward Darrel McHargue to the position. The Chief Steward 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 \$2,368,643.68 for steward and Official Veterinarian services in FY 2019-20; 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 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.

The Official Veterinarians, overseen by the Equine Medical Director (EMD, Dr. Rick Arthur), 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 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.

The horse identifiers accurately identify all racehorses scheduled to start in any race. The horse identifiers supervise the tattooing of horses and maintain that information in the identification records of each horse, along with photographs and other information relating to unique markings, color, pedigree, and a narrative description.

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.
- ◆ Establish horse ambulance protocol for quick response during training and racing.
- ◆ Confirm the use of certified paramedics on ambulance crews.
- ◆ Oversee continuing education classes for provisional exercise riders and apprentice jockeys.
- ◆ File official reports for all serious racing and training accidents.
- ◆ Attend Postmortem Reviews and assist with the investigation of selected horse fatalities.
- ◆ Assist with the microchipping of horses within CHRB enclosures.
- ◆ Assist the stewards in the licensing of jockeys and exercise riders.
- ◆ Conduct field sampling and testing for the Track Surface Standards program.
- ◆ Monitor and observe daily backside activities.
- ◆ Perform pre-meet track safety inspections.
- ◆ Assist Official Veterinarians in out-of-competition drug testing.

# CHRIMS

California is the only state with a statewide pari-mutuel database providing services to racetracks, horsemen, and government entities. 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 35 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, Belmont, eBet, Ellis Park, Elite Turf Club, Emerald Downs, Global Wagering Group, Grants Pass Downs, Gulfstream Park, Keeneland, Kentucky Downs, Laurel Park, Lone Star Park, Meadowlands, Monmouth Park, Pimlico, Racing UK, Remington Park, Sam Houston, Saratoga, Tampa Bay Downs, The Red Mile, and Watchandwager.com. Racing commissions and horsemen's organizations include the Kentucky Horse Racing Commission and the North Dakota Racing Commission. CHRIMS Inc. received \$649,470 from unredeemed vouchers during calendar year 2019.

# Laboratory Services

To protect horse and jockey welfare and the integrity of racing, the CHRB requires analysis of blood and urine samples from horses in competition. The Kenneth L. Maddy Equine Analytical Chemistry Laboratory (Maddy Lab) at the University of California, Davis (UC Davis), is the authorized drug-testing laboratory for California horse racing. Funded by wagering revenues, the Maddy Lab analyzed 46,034 samples in FY 2019-20.

The Maddy Lab analyzed 17,051 post-race urine and blood samples, including in-depth testing of 10,937 for anabolic steroids, 12,304 bicarbonate (TCO<sub>2</sub>) loading blood samples, 1,656 cobalt blood samples, 1,896 out-of-competition (OOC) blood samples, 590 OOC and post-race hair samples, 56 evidence submissions, and 658 other samples for various purposes in FY 2019-20. The cost was \$3,187,250.

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, as well as other horses designated by the stewards. Post-race testing includes in-depth testing for anabolic steroids and over 1,800 other prohibited drugs, from regularly used therapeutic medications to potent stimulants such as ethylphenidate. Special testing for cobalt was added early in 2014, including pre- and post-race blood and urine samples and necropsy tissue samples.

Total carbon dioxide (TCO<sub>2</sub>) is conducted on thoroughbreds and harness horses to prevent the prohibited practice known as "milkshaking," the prohibited administration of bicarbonate. Thoroughbred TCO<sub>2</sub> testing is done pre-race; harness horse TCO<sub>2</sub> testing is primarily done pre-race, but some sampling is done 90 minutes post-race on winners. The CHRB thoroughbred and pre-race harness TCO<sub>2</sub> 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 TCO<sub>2</sub> testing.

OOC testing is critical for compliance in human sports testing and is absolutely necessary to detect certain prohibited drugs. OOC testing targets blood-doping agents, anabolic steroids, beta-2 (β<sub>2</sub>) agonists, and other biopharmaceutical agents. The OOC program monitors compliance with anabolic steroid reporting procedures and for surveillance of other drugs of interest.

The Maddy Lab maintains a portion of every urine sample for retrospective testing should a new test become available. Samples underwent retrospective testing for drugs of abuse. The CHRB is prepared for the next generation of perfor-

mance-enhancing drugs.

Dr. Ben Moeller is chief chemist at the Maddy Lab's analytical chemistry division. Dr. Moeller joined the Maddy Lab in 2016 and has overseen laboratory operations since 2018. Dr. Moeller received his PhD at UC Davis, where his thesis was on the analytical chemistry of equine anabolic steroids.

The Maddy Lab is accredited by the American Association for Laboratory Accreditation to ISO17025 international standards and was the first laboratory in the country accredited to the RMTC accreditation program. The Maddy Lab is one of only five racing laboratories certified by the International Federation of Horseracing Authorities 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) screening processes. The combined testing panel covers over 1,800 drugs utilizing a spectral library for forensic identification. The Maddy Lab routinely adds new drugs and updates its metabolite profiles as new information becomes available.

The equine pharmacology division is under the direction of Dr. Heather Knych, the Maddy Lab's Veterinary Pharmacologist. In addition to CHRB support, the research program receives funds from numerous outside sources, including the Center for Equine Health, RMTC, Grayson/Jockey Club Research Foundation, The Jockey Club, and California Department of Food and Agriculture.

The Maddy Lab conducts ongoing research to improve testing capabilities for potential drugs of abuse and 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 that has improved testing capabilities for bisphosphonates, corticosteroids, NSAIDs, EPO, growth hormone, cannabinoids, and many others within just this last year. Maddy faculty have published more than 250 peer-reviewed research papers, including over 30 manuscripts in just the last two years on veterinary pharmacology and pharmacokinetics, toxicology, equine anti-doping methods, and related topics.

# 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 RSP's efforts have yielded:

- ◆ Review Panel to Examine all Race Entries.
- ◆ Postmortem Examination Review and Fatality Investigations.
- ◆ Equine Fatality Reporting and Equine Injury Database Participation.
- ◆ The UC Davis California Animal Health and Food Safety Laboratory System (CAHFS) Postmortem Program.
- ◆ Santa Anita Reports, Racing Reform Recommendations and Safety Initiatives.
- ◆ Riding Crop Reform and Rule Amendments.
- ◆ Completing Rule 1503.5 Continuing Education for Trainers and Assistant Trainers.
- ◆ Medication Rules and Regulations Reform.
- ◆ Track Safety Standards, Measurements, Monitoring, Testing, Database and Best Practices Reform.
- ◆ The role of Safety Stewards at all racetracks.
- ◆ Implementation of Rule 1597.5 (Microchips Required for All Racehorses on the Grounds).

Governor Gavin Newsom ordered a panel of veterinarians and stewards to be created in 2019 to review horses entered to race. The panel has authority to prevent a horse from running and/or require an enhanced examination. Each day following entries a report is generated to flag horses that are at-risk. At-risk factors include first-time starters that are 4 years or older, horses that have not raced in 120 days or more, and horses on the Veterinarians List. Eligibility to race or train may not be granted until the horse has performed satisfactorily in a timed workout for a CHRB Official Veterinarian; diagnostic imaging may be ordered to determine fitness. Personnel 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. Currently this panel performs its duties at all the Southern California thor-

oughbred race meets. A slightly different panel is in place at Los Alamitos. Plans are underway for a panel in Northern California.

Rule 1846.6 requires Postmortem Examination Reviews to be held. While this was officially implemented July 1, 2020, these reviews had been taking place informally at all tracks for all deaths. Stewards, safety stewards, the Equine Medical Director, and Official Veterinarians participate. Trainers attend and provide each horse's record, medication history, diagnostic images, and shoeing records. Upon completion of this review the panel provides a report of the findings to the owner, trainer, and the CHRB.

The CHRB posts a modified chart of equine fatalities on its website with the goal of providing greater understanding for future prevention. Accessed through the Veterinary tab of the CHRB website, this chart lists all fatalities by date with the name, activity, location, weather, and trainer.

The CHRB/CAHFS Postmortem Program identifies the pathology related to the death of the racehorse and provides scientific understanding of why the fatality occurred. Post-mortem reports by fiscal year are available on the CHRB website under the Veterinary tab.

The Santa Anita Fatality Report, released in March 2020, detailed the results of investigations concerning 23 equine fatalities at Santa Anita during the 2019 winter meet. This report is available on the CHRB website under the Veterinary tab. Based on this report, 47 recommendations, 16 action items, and several more safety initiatives have been brought forward to make racing safer for both human and equine.

The Board has been monitoring use of the riding crop, leading to the strictest requirements in the country. A rule went into effect October 1, 2020, with amendments that restrict its use in racing and training. Construction requirements restrict the length and weight of the crop, while adding cushioning specifications.

Beginning June 1, 2021, trainers and assistant trainers will be required to have completed 12 hours of continuing education coursework during the preceding 36-month period in order to apply for or renew a license. The CHRB, Welfare and Safety of the Racehorse Summit (WSS), and U.C. Davis have collaborated to offer these education courses to keep trainers and the industry current with the latest medical

findings and injury detection methods for equine athletes. The CHRB and UC Davis have produced two courses, and eight other courses are available. These courses cover such subjects as specific injuries, nutrition, the hoof, safety, and medication. This coursework is currently available on the WSS website at [courses.grayson-jockeyclub.org/course-index](https://courses.grayson-jockeyclub.org/course-index).

Medication rules, regulations, and programs in California are the most stringent of any jurisdiction in the country. California was the first jurisdiction to prohibit anabolic steroids, clenbuterol, bisphosphonates, and furosemide in two-year-old horses. The CHRB has approved rules limiting the use of corticosteroids and Extracorporeal Shock Wave Therapy and has lowered the permitted dosage of furosemide to older horses. The CHRB has been able to implement rules to suspend authorized thresholds for all anti-inflammatory medications, resulting in zero tolerance for those substances in post-race laboratory tests. Out-of-competition Testing has also been greatly expanded and provided with the means for prosecuting offenders. The CHRB has recently adopted a rule to require the trainer to transfer to the new attending veterinarian all medical records for horses that are claimed (purchased in a race).

The CHRB addresses the development measurement tools for standard racing-surface performance and surface-material performance testing. The CHRB will continue to work

with track management at all the associations and training facilities to ensure safeguards are in place during inclement weather, while encouraging weather-based algorithms and real-time surface monitoring for track maintenance and closures.

Safety stewards are assigned to each racetrack and training facility to ensure the health and safety of all horses. They monitor the stable area, racetrack, and treatment of horses. Safety stewards report rule violations and recommend investigations when needed. The safety steward also collects surface data and continually monitors each surface, addressing any concerns with track management and track superintendents. This data is sent to the CHRB where it is analyzed and placed in a report to the Executive Director and the Chief Steward.

The CHRB in collaboration with The Jockey Club and the California Department of Food and Agriculture adopted Rule 1597.5, which requires the microchipping of all racehorses in California. This microchip system assists in disease control management, allows location tracking, and provides a central database for all records associated with each horse.

There is still much work to do as the CHRB endeavors to implement safety measures for equine and human athletes.

# Equine Postmortem Program

California horse racing saw another reduction in racing and training fatalities in FY 2019-20 from previous years, experiencing the lowest number of total fatalities since 1990, when comprehensive and reliable records of all fatalities were first recorded through the CHRB Postmortem Program. The reduction in racing and training fatalities was the culmination of years of effort by the CHRB and horse-racing industry.

The State of California monitors all equine fatalities within CHRB racing and authorized training facilities. This is accomplished through Official Veterinarians, safety stewards, the Equine Medical Director, and the California Animal Health and Food Safety (CAHFS) diagnostic laboratories. CAHFS is part of the School of Veterinary Medicine at University of California, Davis, with laboratories at U.C. Davis, Tulare, and San Bernardino. The goal 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.

CHRB Rule 1846.5, Postmortem Examination, requires a necropsy for all horses dying within a CHRB facility. CAHFS veterinary pathologists perform the necropsy and prepare a report for the CHRB. Depending on the specifics of the case, additional testing, such as toxicology, microbiology, histology, and virology, may be necessary before a final report is issued. The program is world-recognized 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 U.C. Davis.

Musculoskeletal injuries are the most common cause of fatalities at CHRB facilities, generally around 80 percent of all fatalities. 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 U.C. 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. Pre-existing pathology at the site of the fatal injury is a re-occurring finding at enhanced necropsy, with nearly 90 percent of musculoskeletal racing and training fatalities showing pre-existing pathology associated with the fatal injury. Much of the pre-existing pathology is not clinically apparent and only detectable using specialized laboratory instrumentation on bench-top specimens. Never-

theless, these pre-existing changes suggest there may be an opportunity to develop early clinical detection techniques to prevent serious injury. For example, early in the necropsy program, it became apparent almost all fatal fractures of the humerus had pre-existing stress fractures. That was the impetus for the installation of the Dolly Green Nuclear Imaging at Santa Anita more than 25 years ago. Since installation, more than 13,000 nuclear scintigraphy examinations have been performed at Santa Anita.

Dr. Stover, her research team, and CAHFS/UC 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. Proximal sesamoid bone fractures frequently have pre-existing changes in the bone that are undetectable in standard diagnostic imaging. Working with Santa Anita and the Southern California Equine Foundation, UC Davis veterinary radiologist Dr. Mathieu Spriet developed an innovative, first-of-its-kind, standing positron emission tomography (PET) for horses. The PET unit was installed at Santa Anita early in 2020. The simultaneous installation of a complementary standing magnetic resonance imaging (MRI) unit at Santa Anita was possible with additional support from racing industry entities and individuals. These two diagnostic imaging modalities have greatly improved diagnostic capabilities of veterinarians.

A post-doctoral fellowship for the CHRB Post-mortem program was established in 2018. This is a post-graduate educational program that benefits both the post-doctoral fellow and the program. Dr. Monika Samol is the current post-doctoral fellow under the supervision of Dr. Francisco Uzal, professor of pathology and head of the program for CAHFS.

Starting on July 1, 2020, new CHRB Rule 1846.6: Post-mortem Examination Review became effective. Previously the program had been voluntary for trainers and other licensees, but the new regulation requires participation by the trainer and other licensees. The purpose is to maximize the educational opportunity from each equine necropsy, consistent with the overriding goal of the CHRB and racing industry to reduce fatalities.

The immediate goal of the Postmortem Program is to determine the causes and reasons for horse injuries and fatalities. The ultimate goal is to improve detection of injuries earlier to reduce serious non-fatal injuries and prevent catastrophic fatalities on the track. In addition, there is a distinct link between equine safety and jockey safety. Nearly a third of all jockey falls and over half of all jockey injuries are associated with a sudden death or catastrophic injury to the horse.

## Fatalities at CHRB Facilities by Track and Surface July 1, 2019 — June 30, 2020

Track	Racing*			Training**			Other***	Total
	Dirt	Synthetic	Turf	Dirt	Synthetic	Turf		
Cal Expo (Harness)	0			0			0	0
California State Fair	0			0			0	0
Del Mar	1		1	6		0	1	9
Ferndale	1			0			0	1
Fresno	2			0			0	2
Golden Gate Fields		4	2		12	0	8	26
Los Alamitos	23			9			21	53
Pleasanton	0			1			1	2
San Luis Rey Downs				1			2	3
Santa Anita	4		5	13		0	2	24
Santa Rosa	0		1	1		0	0	2
<b>TOTAL</b>	<b>31</b>	<b>4</b>	<b>9</b>	<b>31</b>	<b>12</b>	<b>0</b>	<b>35</b>	<b>122</b>

\*Racing includes any fatality associated with racing.

\*\*Training includes any fatality associated with training.

\*\*\*Other includes any non-exercise related fatality, 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, 2019 — June 30, 2020

Track	Racing Surface		
	Dirt	Synthetic	Turf
Cal Expo Harness	3,397		
California State Fair	489		
Del Mar	1,771		1,448
Ferndale	240		
Fresno	474		
Golden Gate Fields		6,697	1,320
Los Alamitos	9,175		
Pleasanton	544		
Santa Anita*	2,831		2,605
Santa Rosa	273		133
<b>TOTAL</b>	<b>19,194</b>	<b>6,697</b>	<b>5,506</b>

### Fatalities by Trainer: July 1, 2019 — June 30, 2020

Trainer		Fatalities				Breed		Starts
Last	First	Racing	Training	Other	Total	TB	QH	Total
Aleman	Juan		1		1		1	138
Arrossa	Monty	2			2		2	219
Baffert	Robert		2		2	2		292
Baker	D. Wayne		1		1	1		151
Bean	Robert	1			1	1		105
Bonde	Jeff		2		2	2		221
Brinkerhoff	Val	1			1	1		107
Cassidy	James	1	1		2	2		88
Castaneda	Kelly	1			1	1		126
Cooper	John L.	1			1		1	112
D'Amato	Philip	1		1	2	2		348
Davis	Ronda		1		1	1		1
DeLima	Clifford			1	1	1		227
Diaz	Lindolfo	2			2		2	79
DiLaura	Sam			1	1	1		17
Dollase	Craig	1			1	1		89
Dunham	Dan		1		1	1		57
Eurton	Peter		2		2	2		166
Fales	Matthew			1	1		1	226
Farias	Jorge			1	1		1	87
Flores	Jose A.	2	2		4		4	328
Gaines	Carla		1		1	1		119
Gallagher	Patrick	1			1	1		123
Ganbat	Enebish	1			1	1		48
Garcia	Adan	1			1		1	12
Gonzalez	Felix L.	1			1	1		246
Greiner	Gary	1			1	1		77
Guillen	Ricardo			1	1		1	142
Gutierrez	Jorge	1			1	1		21
Hanson	Ryan		1		1	1		80
Hernandez	Leandro			1 Pony Horse	1			0
Hollendorfer	Gerald	1	1		2	2		103
Jones	Paul	1		1	2		2	400
Knapp	Steve	1			1	1		188
Koriner	Brian	1		1	2	2		181
Kruljac	Joseph "Eric"	1	1	2	4	4		114
Kruljac	Ian		1		1	1		50
Lenzini	Mike	1	1	1	3	3		132
Lucarelli	Frank	1			1	1		194
Lucas	Robert	1			1	1		152
Magallanes	Hector	1			1		1	74

### Fatalities by Trainer: July 1, 2019 — June 30, 2020

Trainer		Fatalities				Breed		Starts
Last	First	Racing	Training	Other	Total	TB	QH	Total
Mandella	Richard		1		1	1		177
Mathis	Andy		1		1	1		249
McLean	Bill			1	1	1		255
Metz	Jeffrey	1			1	1		94
Miller	Peter	1		1	2	2		362
Miyadi	Steve		1		1	1		289
Moger	Ed		1		1	1		360
Montes	Danny			1	1		1	76
Morfin	Sergio	1			1	1		220
Nunez	Jesus	1		1	2		2	330
O'Dell	Chris		1	7	8		8	250
O'Neill	Doug		2		2	2		515
Paldanius	Sheldon	1			1	1		21
Pedersen	Dean		1		1	1		38
Periban	Jorge			1	1	1		86
Pineda	Milton		1		1	1		62
Puype	Mike		1		1	1		155
Rich	Eduardo			1	1	1		53
Ridd	Dave			1 Sale Horse	1			0
Rivera	Leobardo	1			1	1		34
Rivera	Sally	1	1		2	2		132
Rosales	Jorge	1	1		2	2		36
Rosales	Richard			1	1	1		35
Sadler	John		2		2	2		325
Saldana	Reed	1			1	1		82
Sayler	Jim			1	1	1		6
Sherman	Steve	1	2		3	3		322
Shidaker	Duff		1		1	1		15
Shirreffs	John		1		1	1		92
Stortz	Marcia		1		1	1		247
Stute	Gary	1			1	1		63
Tamayo	Isidro	2		1	3	3		430
Treece	Charles	1			1	1		138
Trujillo	Victor		1	2	3	3		417
Truman	Eddie		1		1	1		42
Viramontes	Rodolfo	1			1		1	33
Wallace	Jerry		1	1	2	2		75
Willoughby	Scott			2	2		2	289
Wong	Jonathan	1	2	1	4	4		694
<b>TOTAL</b>		<b>44</b>	<b>43</b>	<b>33</b>	<b>122</b>	<b>89</b>	<b>31</b>	<b>12,739</b>

# Horse Racing in California

## California Horse-Racing Meets During 2020 Racing Season

Thoroughbred Race Meets — Central & Southern Zones		
Santa Anita Park	12/28/19 – 06/21/20	
Los Alamitos Racing Assn.	06/26/20 – 07/05/20	
Del Mar	07/10/20 – 09/06/20	
Santa Anita Park	09/25/20 – 10/25/20	
Del Mar	10/31/20 – 11/29/20	
Los Alamitos Racing Assn.	12/04/20 – 12/20/20	
Thoroughbred (and Relocated Fair) Race Meets — Northern Zone		
Golden Gate Fields	12/26/19 – 06/14/20	
Golden Gate Fields	07/31/20 – 11/12/20 (Includes relocated fair meets)	
Quarter-Horse Race Meets — Statewide		
Los Alamitos	12/27/19 – 12/20/20	
Harness Race Meets — Statewide		
Cal Expo	12/28/19 – 03/31/20	
Cal Expo	11/21/20 – 12/20/20	
Fair Meets — Statewide		
Pleasanton	Alameda County Fair	06/19/20 – 07/12/20
Relocated to Pleasanton	State Fair	07/17/20 – 07/26/20
Relocated to Golden Gate	Sonoma County Fair	07/31/20 – 08/09/20
Vacated dates, which were run at Golden Gate	Humboldt County Fair	08/19/20 – 08/30/20
Los Alamitos*	Los Angeles County Fair	12/03/20 – 12/20/20
Vacated dates, which were run at Golden Gate	Big Fresno Fair	10/08/20 – 10/18/20

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

### Wagers From All Sources (Handle) 2020 - partial

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.

Host	Thoroughbred Racing Associations										Night Meets		Total
	Del Mar Summer	Del Mar Fall	Golden Gate	Los Alamitos Summer	LATC Winter-Spring Summer	LATC Autumn	Alameda County	State Fair @Pin	Los Angeles County Fair	Sonoma County @ G.G.	Watch & Wager	Los Alamitos Quarter Horse	
Cards	27	15	120	7	60	16	12	6	11	6	38	150	468
Starters	2,357	1,060	7,125	404	3,950	1,100	613	321	854	453	3,329	7,562	29,128
Number of Live Races	282	131	1,037	57	827	155	100	49	98	60	430	1,215	4,141
Average field size per race	8.36	8.09	6.87	7.09	7.50	7.10	6.13	6.55	8.71	7.55	7.74	6.22	7.03
<b>Brick and Mortar Bets in California</b>													
On Track:													
Live Races	3,244,154	1,334,541	4,454,618	-	22,726,883	1,237,879	-	-	190,878	71	474,101	2,090,401	35,753,526
Other California Tracks (Intrastate)	142,626	23,133	2,136,059	-	4,741,948	244,866	-	-	163,246	8	308,305	817,695	7,288,640
Races run outside California	400,185	323,073	4,535,442	-	10,892,883	307,243	-	-	354,124	79	782,406.30	2,908,096	17,748,072
Total	3,786,965	1,680,747	11,126,118	-	38,361,714	1,789,988	-	-	-	-	-	-	60,790,238
Off Track in Host's Zone:													
Live Races	5,813,412	4,681,675	6,959,796	894,527	23,093,806	3,873,070	331,639	105,882	687,201	231,547	2,551,466	9,210,813	58,434,835
Other California Tracks (Intrastate)	1,261,280	907,824	8,801,641	294,807	10,422,026	2,191,061	675,225	179,644	-	397,130	5,410,009	9,660,876	25,130,637
Races run outside California	11,076,960	9,876,314	27,838,382	2,918,238	45,261,884	11,599,851	2,254,487	11,145,848	1,442,781	829,718	7,961,476	18,871,688	128,781,453
Total	18,151,652	15,465,813	43,599,819	4,107,572	78,777,716	17,663,982	3,261,351	897,480	2,129,982	1,458,395	n/a	n/a	212,346,925
Off Track Outside Host's Zone	1,678,435	995,689	19,284,320	262,755	8,080,994	951,646	481,806	164,473	220,187	298,973	n/a	n/a	35,753,526
<b>ADW in California:</b>													
Live Races	55,637,581	20,195,331	20,461,909	5,257,529	63,385,069	18,005,819	1,756,883	929,151	9,268,758	1,201,944	2,799,768	53,606,446	252,506,187
Other California Tracks	7,324,266	2,150,009	32,367,738	988,316	20,778,478	5,989,820	4,559,695	2,184,241	-	2,826,821	39,487,691	92,135,655	79,169,383
Races run outside California	121,973,457	52,758,557	168,609,996	26,818,569	233,750,661	69,216,033	22,874,803	11,145,848	27,123,281	10,650,693	42,287,459	145,742,101	876,545,245
Total	184,935,303	75,103,897	221,439,643	33,064,414	317,914,207	93,211,671	29,191,382	14,259,240	36,392,039	14,679,458	n/a	n/a	1,208,220,615
Outside Host's zone	13,567,885	4,982,817	32,670,575	1,311,493	15,253,116	4,407,232	1,881,570	1,054,434	2,415,951	1,624,309	n/a	n/a	1,481,357,978
<b>TOTAL GENERATED IN CALIFORNIA</b>	222,120,241	98,228,963	328,120,475	38,746,234	458,387,747	118,024,519	34,816,108	16,375,627	41,512,283	18,061,214	51,031,341	167,521,886	1,481,357,978
<b>Exports to Out of State</b>													
Commingled	239,719,527	94,463,749	255,173,816	18,452,682	342,031,415	82,080,767	8,977,877	3,738,760	36,291,245	8,521,178	17,763,108	125,046,549	1,232,260,683
Non Merged	5,761,760	3,255,496	2,250,251	736,626	5,478,798	1,083,147	1,243,413	-	301,728	47,688	-	2,445,000	22,633,902
<b>TOTAL GENERATED OUTSIDE CALIFORNIA</b>	245,481,287	97,719,247	257,454,067	19,189,318	347,510,213	83,163,914	10,221,290	3,738,760	36,592,973	8,568,866	17,763,108	127,491,549	1,254,894,592
<b>TOTAL ON RACES RUN AT HOST TRACK PLUS RACES RUN AT OTHER TRACKS</b>	467,601,528	195,948,210	585,574,543	57,935,552	805,897,961	201,188,433	45,037,398	20,114,387	78,105,256	26,630,080	68,794,449	295,013,434	2,736,252,570
<b>TOTAL DISTRIBUTED BY HOST*</b>	452,355,207	189,969,704	533,619,648	56,361,304	782,563,851	195,829,555	42,674,022	18,895,480	75,469,118	24,706,799	68,794,449	295,013,434	2,736,252,570

\*Excludes Calif. bets placed outside host's zone

# Simulcast Facilities by Location

California Simulcast Facility	Total Handle FY 2019-20	Number of Attendees
Bonita 58 Flat	\$ 7,950,992.63	26,870
Cabazon	6,694,860.46	26,227
Commerce Casino	14,470,666.48	58,556
Del Mar	65,769,059.40	9,350
Ferndale	634,581.80	17,884
Firehouse Restaurant-Bakersfield	3,407,982.00	13,347
Fresno	6,769,533.00	72,941
Fresno Club One	2,276,075.92	2,289
Golden Gate	37,961,261.12	153,355
Hollywood Park	49,678,698.63	133,752
Lake Elsinore Hotel	3,443,351.99	10,789
Lake Perris	4,973,571.71	17,331
Lancaster	6,899,086.99	29,167
Los Alamitos	56,538,749.48	212,816
Monterey	3,472,136.95	10,076
OC Tavern	4,584,546.75	19,052
Ocean's 11 Casino	3,893,499.81	15,626
Pechanga Casino	5,255,800.61	17,393
Pleasanton	17,874,414.91	60,732
Pomona	33,148,844.34	113,721
Sacramento	13,009,720.71	69,570
Sammy's Restaurant and Bar	16,465,229.50	69,230
San Bernardino	11,414,508.52	38,331
San Jose	13,270,406.86	57,340
San Mateo County	30,012,433.26	74,040
Santa Anita	107,778,238.78	570,629
Santa Clarita Lanes	10,398,756.70	28,473
Santa Maria Original Roadhouse Grill	1,327,797.36	3,902
Santa Rosa	6,769,309.07	42,354
Sports Grill & Turf Club Norco	5,534,875.69	13,186
Stockton	9,210,488.11	28,312
Striders San Diego	2,077,266.98	9,491
Tilted Kilt 1000 Oaks	5,513,707.71	11,667
Vallejo	9,409,641.18	26,286
Ventura	7,247,402.50	19,015
Victorville	3,518,776.14	13,460
Viejas	5,849,302.33	16,669
<b>Total</b>	<b>\$594,505,576.38</b>	<b>2,588,441</b>

Note: Racetracks that offer simulcast wagering include combined pari-mutuel handle for live racing and simulcast wagering.

# 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.

## CAL EXPO HARNESS

Racetrack managers at Cal Expo have faced and overcome numerous challenges over the years staging harness racing despite a small inventory of only about 300 standardbreds and operating on razor-thin profit margins, but COVID-19 tested them to their limits in 2020.

When the pandemic shut down other racetracks throughout the country in late March, General Manager Chris Schick came up with an innovative idea to shift his racing schedule from the usual Friday and Saturday nights to Tuesday and Wednesday afternoons at a time when no other harness racing was taking place. This Watch and Wager LLC meet always has depended more on simulcast wagering than on-track bettors, and being the only game in town assured Cal Expo of being the absolute center of attention among harness bettors in North America. And it worked.

With the required approval of the California Horse Racing Board, Cal Expo ran a harness program on Tuesday, March 31, and received an encouraging boost in online wagering handle. Schick was looking forward to the fol-

lowing afternoon's program, but just prior to its start on April 1, he received word that Sacramento County health authorities had ordered the shut-down of racing at Cal Expo due to virus concerns.

Racing did not resume again at Cal Expo until the second half of its season on November 21, and even that hit a snag. Only a few days earlier, the California Department of Public Health issued a Limited Stay at Home Order. That opening-night program had been scheduled to run until midnight. Schick quickly rearranged the schedule to be certain of running the last race before 10 p.m.

Despite running 88 fewer races than in 2019, total handle in 2020 actually increased more than 20 percent, solely due to the bump Cal Expo received from online wagering. Whereas on-track handle plummeted by nearly half, patrons wagering online through Advance Deposit Wagering (ADW) more than made up the difference. ADW handle nearly tripled for the year, resulting in an all-source handle of \$68,794,449.

## DEL MAR

Del Mar's summer meet always has capitalized on its popularity with fans, especially on weekends when they fill the grandstand by day and the restaurants and hotels by night. Until 2020. The pandemic prevented the public from attending the racing programs, which nonetheless continued without crowds by authorization from San Diego County health authorities under strict health protocols.

"Given the extraordinary circumstances surrounding racing at Del Mar in the summer, we were extremely pleased with the outcome of our 27-day meeting," said Josh Rubinstein, the Del Mar Thoroughbred Club's president and chief operating officer. "We implemented stringent COVID response procedures and protocols to keep California's horsemen and women, our employees, and the local community safe. Even with the challenges associated with the pandemic - including no on-track fans - our 2020 summer season results were very positive, including an

all-sources handle increase of 8.2 percent."

Del Mar and its backstretch became home for approximately 900 stable employees at the start of its 2020 summer meet. The track set up extensive testing and screening protocols for the COVID-19 virus for them and - working with the San Diego County Department of Health and Human Services along with medical experts from Scripps Health - formed a safety team focused on keeping stable personnel safe and secure.

While the on-going pandemic resulted in no on-track fans and very limited brick-and-mortar simulcasting, substantial Internet wagering levels provided for a daily average handle of over \$17.3 million, a Del Mar record and a 44-percent increase from the approximately \$12 million daily average of the year prior.

Del Mar's racing product continued its reputation of be-

ing one of the industry's strongest. Field size was 8.4 runner per race as compared to 8.0 during the 2019 summer season. As a result of quality racing and handle increases, Del Mar enhanced overnight 2020 summer purses, retroactively, by 10 percent.

The track continued its run of safe racing for the third year in a row. The Jockey Club's Equine Injury Database ranked Del Mar the safest major racetrack in North Amer-

ica in both 2018 and 2019. The track had one racing fatality from 2,356 starters during the summer.

The fall meet went exceptionally well, all things considered. Total handle of \$189,969,704 compared favorably with 2019. Average daily handle of \$12,666,183 increased by more than 11 percent due to increased ADW handle. Furthermore, there were no equine fatalities during racing or training at the meet.

## GOLDEN GATE

Like most of the other racetracks in the country, Golden Gate was shut down for racing in the early spring of 2020 due to COVID-19. Despite running fewer racing programs and with no fans in attendance, wagering on Golden Gate races still managed to hold slightly ahead of 2019 owing to increased online wagering—until November 13 when the City of Berkeley ordered a second halt to racing due to a massive outbreak of COVID-19 among the 400 workers living in the stable area to care for 1,300 horses. Racing did not resume at Golden Gate until January 15, 2021.

On November 20, the City and Golden Gate officials issued the following joint statement:

*“City of Berkeley Public Health continues to work closely with Golden Gate Fields on a significant outbreak where more than 200 people living or working on-site at the racetrack have tested positive for COVID-19. 1/ST RACING, which operates the track, is following all of the City’s recommendations for testing, quarantine, and isolation. The steps they have taken include the following:*

*Every person living or working on-site has been tested and additional testing will be done. All those who have tested positive are isolated off-site, following federal, state and City guidelines. The track is assisting with off-site housing for those who have tested positive and has arranged for twice-daily food delivery to ensure that those individuals do not have to leave isolation and have the essential items they require.*

*Golden Gate Fields’ on-site medical director, an infectious disease expert, is providing medical consultation to those who live and work at the racetrack. For those close contacts who have tested negative but still need to quarantine for 14 days, the track is providing daily food delivery and access to medical support as well as the means to safely quarantine, including additional bathrooms and handwashing stations.*

*Golden Gate Fields continues to implement health and safety measures, including strict social distancing, masking policies and regular COVID-19 testing with isolation requirements for any positive cases or identified close contacts. Both Berkeley Public Health and 1/ST RACING will be closely monitoring the*

*situation to follow all local, state, and federal guidelines. Should testing identify more cases, further investigation and tracing will be done by Berkeley Public Health and additional isolation and quarantine will be required.”*

All of this was in stark contrast to the mood at Golden Gate prior to the COVID-19 outbreak in November. Golden Gate Fields has long been acknowledged as the lynchpin of Northern California racing, and this was never more in evidence than when COVID-19 forced counties to cancel their fairs and in all but one case their on-site fair race meets as well. Officials with the Sonoma County Fair asked for and received permission from the California Horse Racing Board for their race dates to be run at Golden Gate. Humboldt Fair officials decided not to run their meet in Ferndale, which meant Golden Gate ran its dates without overlapping Humboldt. And like Humboldt, the Big Fresno Fair vacated its dates, which were run at Golden Gate. Except for 18 racing programs run in Pleasanton, which included the State Fair dates, all other racing in Northern California was run at Golden Gate in 2020.

“Our goal in 2020 was to continue the growth Golden Gate experienced in 2019 and expand our appeal throughout North America and beyond,” General Manager David Duggan explained prior to the November closure. “That most unwelcome visitor COVID-19 made its presence felt, and we had to realign all those hopes and set a realistic target to manage the pandemic and keep the business afloat. We were pleased to help out locally and beyond and stepped in to assist when it became apparent that neither Santa Rosa nor Fresno was in a position to run its allocated dates. The unity amongst racetracks was great to experience with everyone sharing ideas and thoughts as to how best to proceed and handle the pandemic.”

Total handle at Golden Gate for the year was \$533,619,648, a decline of just 1.3 percent from 2019, despite a drop of 38 racing programs (down 25 percent) due to the pandemic. As at other locations, the figures represented an increase in ADW wagering.

## LOS ALAMITOS

Los Alamitos was the only racetrack in California that offered racing programs continuously throughout 2020 without being shut down due to COVID-19. Early the spring, management introduced safety protocols that satisfied Orange County health authorities. Those included the exclusion of the public, restricting access to the stable area to only essential personnel, temperature checking everyone entering the grounds, mandated face masks, and social distancing.

Despite all of those precautions, COVID-19 proved inescapable, and some jockeys at Los Alamitos tested positive in the summer. However, those individuals were quarantined, and racing continued with remaining personnel.

Los Alamitos experienced 19 equine fatalities in racing and training between January 1, 2020, and July 6, along with 10 more fatalities due to illness and other causes. This prompted the California Horse Racing Board to conduct an emergency meeting by teleconference on July 10, during which the Board voted to allow Los Alamitos to continue to race under a probational period, pending a plan from the track to reduce the spike in equine fatalities. The Board convened a follow-up meeting on July 20. After Los Alamitos presented a plan that included additional safety personnel and greater scrutiny of horses both in training and entered to race, the Board accepted the plan and took no action against the racetrack's license, while indicating intent to

## THE NORTHERN CALIFORNIA FAIRS

In an unprecedented year, COVID-19 disrupted all fair activities in 2020. The pandemic shut down all of the traditional fair events, including carnivals and entertainment.

All but one of the racing fairs elected to either enter into agreements with other venues to run their dates at those locations or to not run their meets, done in the best interests of the public and horsemen during the health crisis.

Run under the auspices of the California Authority of Racing Fairs, the Alameda County Fair, the first on the fair circuit, received approval from Alameda County health authorities to run its meet in Pleasanton from June 19 to July 12, though with three fewer cards than in 2019. Still, with the boost from ADW (online) wagering, Alameda registered all-source handle of \$41,430,60, an increase of nearly

monitor the plan for effectiveness and compliance.

Los Alamitos ran its full complement of racing dates, as allocated by the California Horse Racing Board, not only the year-long, nightly quarter-horse meet but also two daytime thoroughbred meets. The separate thoroughbred and quarter-horse programs ran back-to-back day and night.

By offering about the same number of quarter-horse-racing programs as were run in 2019, and buoyed by the same boost in online, Advance Deposit Wagering (ADW) that all of the other California tracks experienced, Los Alamitos managed to post an all-source increase in quarter-horse handle of more than 25 percent. Total handle for the meet was \$ (insert at conclusion of meet.)

On one evening alone, Sunday, May 10, Los Alamitos recorded a record handle of nearly \$3 million. In addition, Los Alamitos staged four races with purses of \$1 million or more.

ADW also increased at the two daytime thoroughbred meets, though not enough to completely overcome the loss of on-track attendance. Additionally, the summer daytime meet ran two fewer programs than in 2019. Consequently, total all-source handle of \$56,361,304 was down 14 percent for the summer meet. Total handle for the fall meet was \$75,469,118, an increase of 33 percent due to ADW and one additional racing program.

10 percent.

The State Fair elected to run its meet at Pleasanton, but with five fewer days of racing (45 percent less racing) than in 2019. Total handle of \$18,495,480 declined by about 18 percent.

The Sonoma County Fair moved its meet to Golden Gate. By offering two more programs than in 2019, and with the boost in online handle that has been occurring during the pandemic, the Sonoma County meet at Golden Gate handle of \$24,659,110 was up 24 percent.

Both the Big Fresno Fair and Humboldt County Fair vacated their dates, which were run at Golden Gate and became a part of the Golden Gate handle.

## SANTA ANITA PARK

The health and safety reforms for horses and riders that were initiated at Santa Anita in 2019 paid strong dividends during 2020, dramatically reducing the number of on-track injuries and, with the CHRB's guidance, becoming a model for all of California racing. The initiatives, including addi-

tional monitoring, chances for early intervention, improved diagnostics, and a complete overhaul of the medication rules, led the national conversation for modernizing the sport of horse racing.

As a result of the need to adapt to many of these reforms, and as expected, Santa Anita faced a shortage of horses early in 2020, and that problem was magnified after COVID-19 struck. The track closed for live racing from April through mid-May, but Santa Anita worked closely with Los Angeles County health officials and the Board of Supervisors to resume live racing on May 15, the date the initial COVID-19 Stay-at-Home order expired. Though the track remained closed to the public, racing continued with the world's first sports bubble, extensively testing and housing the jockeys on site in a secure area during the racing week. The expensive operation was successful, with no essential racing personnel testing positive through the remainder of the season, which ended in June.

The shutdown did, however, take a toll on the racing operation. Even with no handle and no revenue coming in, trainers still needed to pay employees to care for horses in the stable areas, and owners still had to pay trainers and veterinarians for their services. Most everyone stuck it out, but others shipped their horses to Florida, Arkansas, and Oklahoma, where racing continued or resumed more quickly than in California. And some of those horses never came back.

To its credit, The Stronach Group (TSG), later to be called 1/ST, not only maintained operations in Arcadia but invested in the future at Santa Anita by installing a new turf-course chute, which debuted during the current 2020-21 winter-spring meet. The turf chute ensures the most expansive turf-racing program in the Western United States and marks the first significant change since the turf course debuted in 1953. Veteran trackman Dennis Moore oversaw the design and construction of the new course.

The autumn meet faced its own challenges when a nearby fire impacted the air quality and surrounding community, forcing management to delay the opening by one week to September 25. On a positive note, Santa Anita experienced no equine fatalities in racing and training during the autumn meet, when 1,106 horses raced over the dirt track and turf course, while horses exercised more than 50,000 times in the mornings. This meant the main dirt track at Santa Anita did not have a racing fatality in all of 2020.

There were, however, five racing fatalities on the turf course during the winter, a percentage that is in line with the national average.

In another development, it was announced in October that Aidan Butler, who had been overseeing the management and operations of the company's West Coast assets as TSG's Acting Executive Director of California Operations, was elevated to Chief Operating Officer of 1/ST Racing and President of 1/ST Content. Butler relocated to the East Coast to implement California's successful health and safety initiatives at 1/ST Racing's Gulfstream Park and Maryland Jockey Club. Craig Fravel, 1/ST Racing's Chief Executive Officer, who formerly led the Del Mar Thoroughbred Club and Breeders' Cup, now oversees West Coast operations.

At the conclusion of the 2020 season and going into 2021, Fravel offered these words of optimism and encouragement:

"One of the biggest challenges in California racing has always been to get everyone to work together towards the same goal. As difficult as 2020 has been, the achievements made on that effort have been the most remarkable. Our goal at the beginning of the year was to continue to build on the health and safety initiatives implemented in 2019 and make the sport safer for the equine and human competitors. Everyone has always said the goal of zero fatalities in racing and training is unattainable, but through the hard work of the entire racing community, those were the results at the end of the autumn meet. Earlier in the year, the COVID-19 pandemic brought a different set of trials, but collectively, Santa Anita resumed live racing, while keeping our essential racing workers safe. We look forward to working with industry stakeholders to build from those success stories."

Handle comparisons with 2019 are not valid due to the extensive closures and because Santa Anita hosted the Breeders' Cup that year, which always skews the numbers upward, no matter where those annual championships are held. Total all-source handle for the early meet was \$782,563,851, while handle for the autumn was \$195,829,555.

# Horse Racing Revenue

**Senate Bill 16, which took effect in 2009, 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. Each year, the CHRB develops a formula in consultation with the industry. The formula is used to determine the share each racing association should pay toward the funding of CHRB operations. During FY 2019-20, the pari-mutuel handle totaled \$2,803,587,091, and \$13,808,000 was remitted to fund CHRB operations.**

**C**HRB 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 2019-20 totaled \$7,986,260. 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 70 years. Their donations in the last fiscal year totaled \$303,088.**

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 per-

centage. 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: Los Angeles Turf Club, Del Mar Thoroughbred Club, Los Alamitos Racing Association, Los Alamitos Quarter Horse Racing Association, and the Pacific Racing Association.

# 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 during 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 2019–20, the distribution to the welfare funds was \$746,148.
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 2019–20, the tracks and the horsemen each received \$1,508,297.

3. Unclaimed refunds totaled \$716,964 for FY 2019–20. 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 2019 uncashed vouchers totaled \$649,470.

## Occupational Licenses and Fees July 1, 2019— June 30, 2020

Type of License	Fee	Issued	Total
Stable	\$100-300	344	\$100,500
Horse Owner-Open Claim	250	7	1,750
Officer/Director/Partner	150-200	136	20,750
Horse Owner	150-200	2,628	394,300
Trainer, Assistant Trainer	50-150	278	41,700
Harness Horse Driver	150	19	2,850
Jockey/Apprentice Jockey	50-150	111	16,650
Jockey Agent	150	19	2,850
Bloodstock Agent	150	6	900
Veterinarian	150	42	6,300
Association Employee	75	192	14,400
Valet/Custodian/Attendant	75	6	450
Pari-mutuel Employee/Tote	35-75	510	38,250
Horseshoer	75	25	1,875
Exercise Rider/Pony Rider	25-75	300	22,500
Misc. Employee/Stable Agent Vendor	35-75	304	21,320
Security Guard	75	67	5,025
Stable Foreman	35-75	65	4,875
Authorized Agent	25	321	8,025
Replacement License	15	88	1,320
Annual Groom/Stable Employee (Original)	35	423	14,805
Annual Groom/Stable Employee (Renewal)	20-35	1,414	28,625
<b>Total fees generated to General Fund</b>		<b>7,305</b>	<b>\$750,020</b>

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

## Statement of Distribution by Fund of Horse Racing Revenue

July 1, 2019 through June 30, 2020

	Detail	Total
<b>Revenue To Horse Racing Fund</b>		
	CHRB Support from Racing Associations	\$15,014,000
	Miscellaneous Income	1,000
	Income from Surplus Money Investment Fund	27,000
	Escheat of Unclaimed Checks, Warrants	-4,000
	<b>Total 3153 Fund</b>	<b>\$15,038,000</b>
<b>Revenue To General Fund (0001)</b>		
	Horse-Racing Licenses	-
	Fines & Penalties	291,000
	Occupational Licenses	744,000
	Miscellaneous Income	1,000
	<b>Total Fund 0001</b>	<b>\$1,036,000</b>
<b>Revenue to CA Veterinary Diagnostic Laboratory (0881)</b>		
	Equine Research License Fees	1,531,000
	<b>Total Fund 0881</b>	<b>\$1,531,000</b>
	<b>Total Revenue</b>	<b>\$17,605,000</b>

## Other Public Revenue

Horse racing contributes to local economies through sales tax from the sale of claimed horses. During FY 2019–20, there were 1,107 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 2019–20, the total amount paid for claiming of horses was \$15,049,275, resulting in sales tax revenue of \$1,362,291.

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 2019–20, \$1.96 million 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 2019–20 totaled \$105,584,428.

## 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 2019–20 totaled \$121,139,999. In addition, \$9,604,182 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, 2019 to June 30, 2020

Track Location	Horses Claimed	Amount Paid	Sales Tax
<b>Thoroughbred Race Meets — Northern</b>			
Golden Gate	274	\$2,736,800	\$252,576
<b>Thoroughbred Race Meets-Central-Southern</b>			
Del Mar	177	\$4,681,500	\$409,631
Los Alamitos	27	440,000	34,100
Santa Anita	168	4,455,600	448,026
<b>Harness Meets-Statewide</b>			
Cal Expo	15	\$75,925	\$6,643
<b>Quarter-Horse Meets-Statewide</b>			
Los Alamitos	346	\$1,809,900	\$140,198
<b>Fair and Mixed Meets-Statewide</b>			
Pleasanton	11	\$120,300	\$11,128
Santa Rosa	22	123,900	11,151
State Fair	24	162,900	14,254
Ferndale	5	17,800	1,380
LACF @ Los Al.	22	329,750	25,556
Fresno	15	95,900	7,648
<b>Grand Total</b>	<b>1,107</b>	<b>\$15,049,275</b>	<b>\$1,362,291</b>

## 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 2019–20, there were 607 horses sold for a total of \$11,427,300. These sales generated a total of \$313,769 in sales tax. 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 2019–20:

### Fasig-Tipton at Fairplex Park

Yearling Sale September 26, 2019

Fasig-Tipton sold 138 horses for a total of \$3,668,000, which generated \$124,478 in sales tax.

### California Thoroughbred Breeders Association Sales

Nor-Cal Yearling Sale and Horses of Racing Age August 13, 2019

January Mixed Sale January 7, 2020

A total of 224 horses was sold for \$1,440,400, which generated \$95,653 in sales tax.

### Quarter-Horse Sales At Los Alamitos

Los Alamitos Equine Sale Oct. 5, 6, 2019

A total of 245 horses was sold for \$6,318,900, which generated \$92,638 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 \$3,869,803 for owners premiums in FY 2019-20 and \$8,095,363 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 2019-20, the program generated \$165,213.

### Quarter-Horse Breeders Program

Pacific Coast Quarter Horse Racing Association, as the recognized breeders organization, received \$330,175 from the pari-mutuel handle to fund its program in FY 2019-20. 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 \$3,349 for the breeders program in FY 2019-20. No Paints ran in California. This revenue came from ADW wagers.

### Arabian Breeders Program

The California Arabian horse breeders awards received \$5,987 for the program during FY 2019-20.

### Mule Breeders Program

The California mule breeders awards received \$4,002 for the program during FY 2019-20.

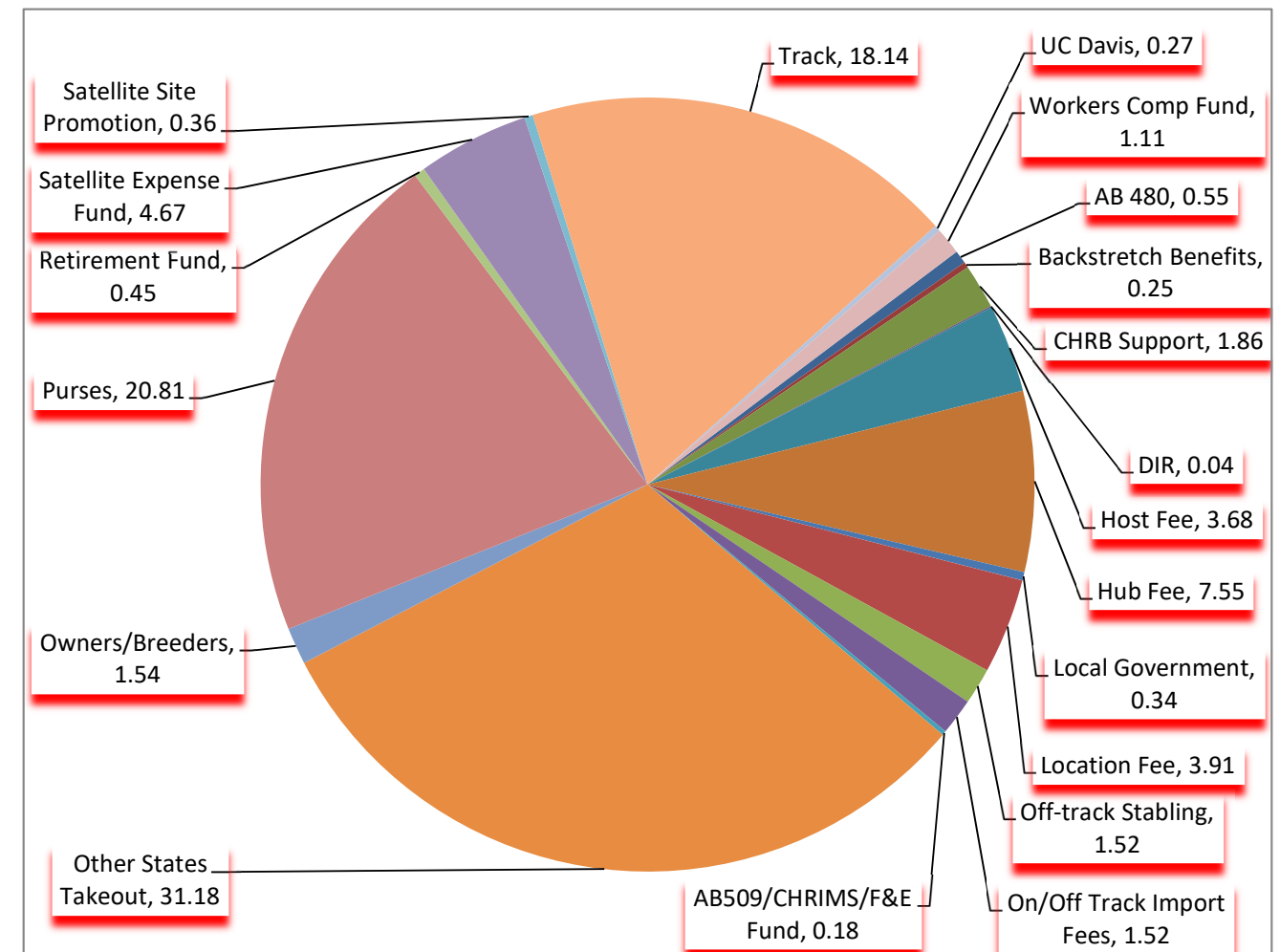
### Appaloosa Breeders Program

California did not host Appaloosa breed races during FY 2019-20.

## The Revenue Stream

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

A total of \$2,803,587,091 was wagered by fans of California racing during FY 2019-20, and of the money, 79.24 percent (\$2,221,595,193) 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 6.91 percent of wagers placed (\$193.65 million). Off-track betting within the state provides 14.30 percent of the handle (\$400.85 million). The balance comes from out-of-state and Advance Deposit Wagers (totaling \$2.21 billion). ADW accounted for \$1,185,879,660 of the handle.

Patron failed to cash \$3.76 million

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.

Similarly, money from unredeemed vouchers issued by tracks for use by racing patrons at track self-serve better machines is used to finance the horse-racing revenue database called the California Horse Racing

information Management System (CHRIMS). Breakage, a byproduct of the pari-mutuel calculation, is distributed evenly between purses and the racing associations. This totaled \$7,986,260 in FY 2019-2020.

Of the \$2.80 billion wagered, \$581.99 million, or 20.76 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 \$121,139,999 was distributed during FY 2019–20 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 \$105,584,827 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 \$8,604,182 in awards were divided between programs for thoroughbreds, standardbreds, quarter horses, paints, Arabians, and mules.

### 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 \$1,960,221 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 \$21,394,792 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 \$181,490,421.

### Equine Research

A mandated deduction goes to UC Davis for equine research. Last year the total for equine research was \$1,546,850.

### 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.

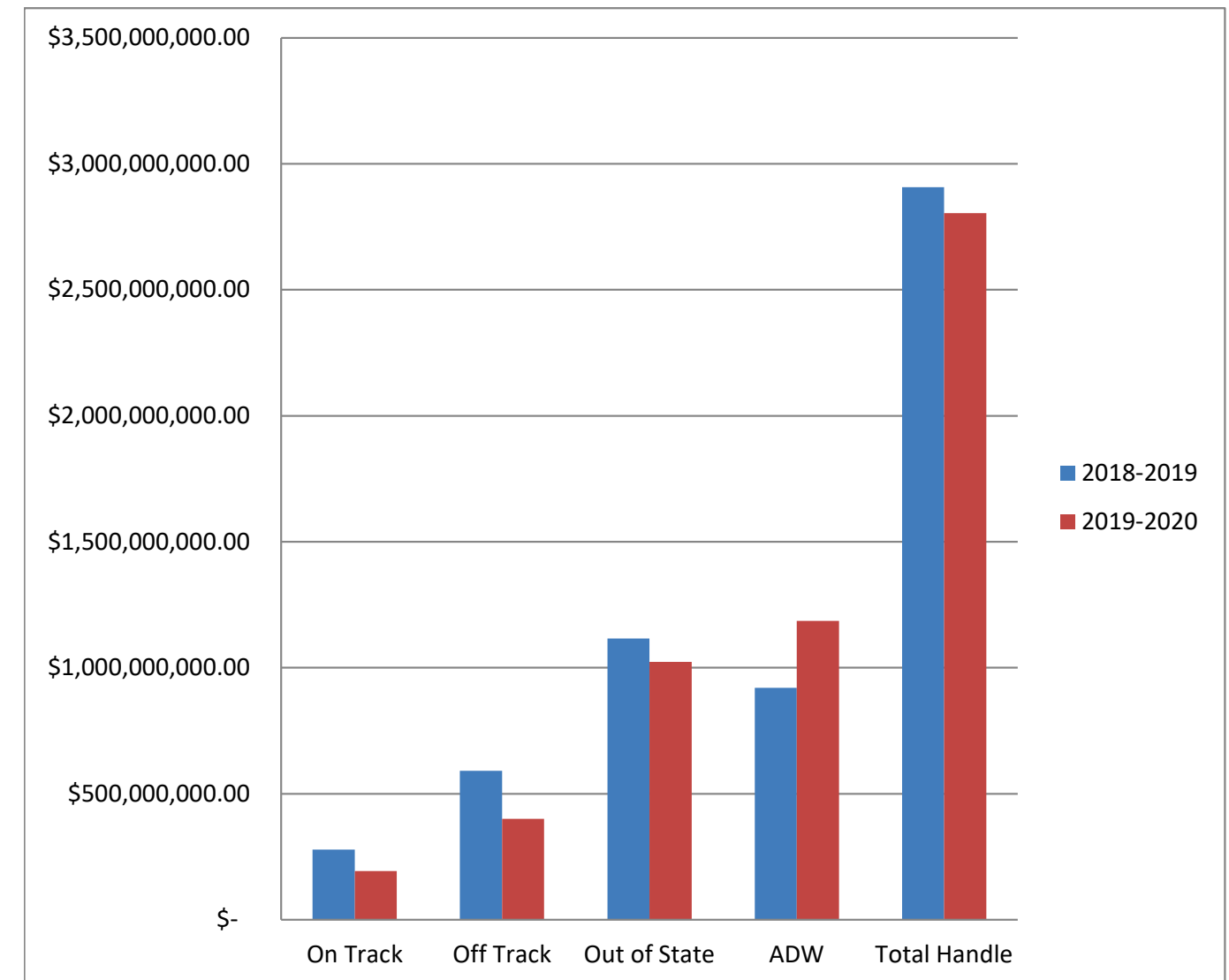
These funds received a total of \$61,270,819 last year:

Stable and Vanning Fund:	\$8,869,041
Promotion Fund:	\$2,066,418
Expense Fund:	\$27,150,231
Guest Site Fees:	\$23,185,129

### Retirement and Welfare

ADW Retirement and Welfare Plans received \$4,026,560 in FY 2019–20. These funds supplement the backstretch personnel pension plan and provide welfare benefits for horsemen and backstretch personnel.

# Sources of Handle Fiscal Years 2018–19 and 2019–20



The on-track handle represents wagers at the host track. For FY 2019–20, on-track wagers accounted for 6.1 percent of the total handle. Off-track handle represents wagering at California simulcast locations and accounted for 14.30 percent of the total. Out-of-state handle represents commingled wagers from other U.S. and international sites. Out-of-state wagers accounted for 36.50 percent of the total. Advance Deposit Wager (ADW) represents the handle generated through seven licensed California ADW companies. The ADW handle accounted for 42.30 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 2019–20: 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	2019
American Mule Racing Association	2019
California Thoroughbred Horsemen's Foundation, Inc.	2019
California Harness Horsemen's Association	2019
Thoroughbred Owners of California	2019
California Thoroughbred Trainers	2018
California Thoroughbred Breeders Association	2019

### Administrative Funds

CHRIMS	2019
California Thoroughbred Business League	2019
Northern California Off-Track Wagering (NCOTWINC)	2019
Southern California Off-Track Wagering (SCOTWINC)	2019
California Thoroughbred Trainers Inc. Backstretch Employees' Cash Balance Pension Plan	2019
California Jockeys' Welfare Corp	2019
CHRB Defined Contribution Retirement Plan for California Licensed Jockeys	2019
Quarter Horse Benevolent Charity Foundation	2017
California Standardbred Sires Stakes Committee	2019
California Harness Horsemen's Benevolent Foundation	2019
Northern California Auxiliary Vanning and Stabling Fund	2019
Southern California Stabling and Vanning Fund Trust	2019

### Racing Associations

Golden Gate Fields (Pacific Racing Association)	2019
Del Mar (Del Mar Thoroughbred Club)	2019
California Authority of Racing Fairs (CARF)	2019
Santa Anita Park (Los Angeles Turf Club, Inc.)	2019
Los Alamitos Quarter Horse Racing Association (Quarter Horse Racing, Inc. & Subsidiaries)	2019
Los Alamitos Racing Association (Quarter Horse Racing, Inc. & Subsidiaries)	2019
Cal Expo (WatchandWager.com, LLC)	2019

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.