

53rd Annual Report of the California Horse Racing Board

A Department of the Business,
Consumer Services and Housing Agency

A Summary of
Fiscal Year 2022–23 Revenue and
Calendar Year 2023 Racing in California

California Horse Racing Board

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

This report covers the fiscal year (July 1, 2022, through June 30, 2023) 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 2023 calendar year for reports on race meets and CHRB meetings, as well as a handle report for the racing year.

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

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Report from the Chair



The Board and staff continue to be committed to reducing equine fatalities in California horse racing, which is the reason why the CHRB and racetracks have introduced more than 50 safety initiatives in recent years. The result is clear. Equine fatalities

have declined by more than 50 percent since 2019, thanks to cooperation from racing participants.

The CHRB reports all fatalities regardless of cause. It is important to point out that while total number of fatalities increased by three this past fiscal year, our principal focus — preventable deaths related to training and racing — decreased once again. While our goal continues to be zero, we are proud of the progress we have made with regard to those deaths associated with being a race horse as opposed to the types of deaths associated with being a live animal.

Golden Gate Fields Closing

California horse racing received consequential news in July with the announcement that Golden Gate Fields (GGF) will cease operating in the middle of 2024. This will be more challenging than the closure of Bay Meadows in 2008 because horses and racing participants in San Mateo had the opportunity to move across the Bay to GGF in Albany. With the closing of the last major track in the Bay Area, options are far more limited.

The racing fairs in Pleasanton, Santa Rosa, Sacramento, Ferndale, and Fresno are in ongoing discussions with the California Authority of Racing Fairs in an effort to fashion a sustainable racing circuit in the north. The California Horse Racing Board will seriously consider any workable plan for racing to continue its rich history in the north.

The workers, horse owners, trainers, and other personnel deserve nothing less than full support.

Impacts Other Entities

The closure of GGF will have a ripple effect. Revenue from GGF is used to support important industry programs, including purses, statutory distributions, the Horseracing and Safety Act (HISA) assessment, and CHRB budget. Therefore, in addition to determining what form racing will take in Northern California, the CHRB will have to decide how to address the lost, or at the very least, decreased revenue.

New Legislation

The passage of AB 1074 should help stabilize the finances of California horse racing overall by permitting simulcast funds generated in the north to flow south when there is no racing in Northern California.

Partnership with Federal Authorities

After an uneven, litigated start, HISA launched its Anti-Doping and Medication Control program in May 2023. This came nearly one year after HISA introduced its safety measures. Federal authorities now regulate most of horse racing in North America with the cooperation of state regulators. As I mentioned in last year's annual report, CHRB executives worked closely with HISA staff in the development of the federal regulations, resulting in regulations that closely mirror California's rules. Therefore, as expected, participants in California horse racing have had an easier time adapting to the federal regulations than many of their counterparts in other states.

Tragedy at Los Alamitos

Sadly, in October, Alfredo Luevano, a 53-year-old former jockey, died from an accident while exercising a horse at Los Alamitos Race Course. Mr. Luevano was respected and admired by the horse-racing community and his family. The

California Horse Racing Board offers its sincere condolences to his family and acquaintances.

One of Our Own

We also want to express our respect for William Meyers, who passed away in 2023 after serving nearly 40 years as a California steward for the Board. We are grateful for Mr. Meyers' dedication to safety, and we cherish our memories of him. Management and jockeys at Golden Gate Fields gathered in his honor for a tribute.

With regret, we accepted the resignation of Dr. Dana Stead, who nobly served the California horse racing industry for 14 years as a track veterinarian on the Southern California thoroughbred circuit. Dr. Stead's duties included pre-race examinations and the responsibility of scrutinizing the conditions of horses on the track during racing programs. In that he was widely respected as being a strong proponent of horse safety, in step with the CHRB and the industry's committed to equine welfare.

Breeders' Cup a Success

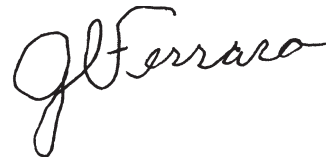
California hosted the Breeders' Cup World Championships again in 2023, held at Santa Anita in November — the 16th time a California racetrack has hosted that prestigious event since its inception in 1984. We welcome the worldwide attention that comes with this event, and this renewal of the Breeders' Cup did not disappoint.

Fans of horse racing enjoyed two fabulous days of color, drama, and excitement, whether they were at Santa Anita in person, at simulcast outlets throughout the country, streaming, or watching events unfold on NBC. Reminiscent of earlier decades of horse racing in California, a reported 109,624 crammed into Santa Anita on the two days. Those 100,000-plus wagered nearly \$20 million on their own, but the bigger story was the \$176 million wagered by all sources, proving once again that quality horse racing remains popular with the public.

The Breeders' Cup will return to California in 2024 and 2025 when Del Mar Race Track hosts the world championships in consecutive years.

Expressing Our Gratitude

I am grateful to Governor Newsom for reappointing me to another four-year term on the Board. And I congratulate Vice Chair Oscar Gonzales and Commissioner Brenda Washington Davis on their reappointments as well.



Dr. Gregory Ferraro, Chair
California Horse Racing Board

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

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



Privately Operated Race Tracks

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

Racing Fairs

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

Training Facilities

- 10-San Luis Rey Downs, Bonsall

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

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



Simulcast-only Facilities

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

* Mini-satellite locations

The California Horse Racing Board

History and Mission Statement

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

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

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

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

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

the state where pari-mutuel wagering is conducted, as well as off-site simulcast wagering locations and ADW companies.

Mission Statement

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

Principal activities of the CHRB include:

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

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

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

Members of the California Horse Racing Board

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

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

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

Committees of the Board

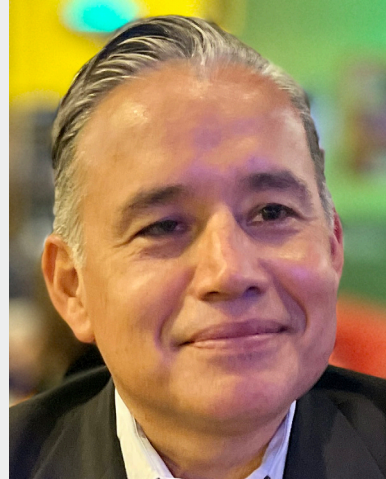
The executive director is directed to provide public notice of committee meetings in accordance with the Bag-

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



**Dr. Gregory Ferraro,
Chair**

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



**Oscar Gonzales,
Vice Chair**

Vice President, Golden State Renewable Energy. Appointed to the CHRB by Governor Gavin Newsom on September 9, 2019, through July 26, 2023. Reappointed by Governor Newsom through July 26, 2027.

Members of the California Horse Racing Board



**Dennis Alfieri,
Member**

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



**Damascus Castellanos,
Member**

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



**Brenda Washington Davis,
Member**

Principal in the Brenda Davis Law Group. Appointed to the CHRB by Governor Gavin Newsom on August 26, 2020, through January 1, 2024. Reappointed by Governor Newsom through January 1, 2028.



**Thomas Hudnut
Member**

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



**Wendy Mitchell,
Member**

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

2023 Board and Committee Meetings

Racing commissioners convened 10 public Board meetings and one public committee meeting in 2023. Noticed meetings are open to the public and include a published agenda.

The following 10 Board meetings were held in 2023:

January 19 — Cal Expo

June 29 — Cal Expo

November 16 — Los Alamitos

March 16 — Arcadia

August 17 — Del Mar

December 14 — Cal Expo

April 20 — Cal Expo

September 21 — Cal Expo

May 18 — Cal Expo

October 19 — Cal Expo

Committee Public Meeting Date

The following committee meeting was held:

Race Dates

August 16 — Del Mar

CHRB Operating Budget

July 1, 2022 – June 30, 2023

Appropriations	Item	Total
Personal Services	\$7,363,000	
Operating Expenses	12,879,000	
Total Appropriation		\$20,242,000
Expenditures — Personal Services		
Salaries and Wages	\$4,544,000	
Staff Benefits	2,819,000	
Total Personal Services		\$7,363,000
Operating Expenses and Equipment		
General Expense	\$137,000	
Printing	14,000	
Communications	27,000	
Postage	10,000	
Travel-in-State	272,000	
Travel-out-of-State	3,000	
Training	7,000	
Facilities Operations	211,000	
Contractual & Professional Services–Interdepartmental	5,387,000	
Contractual & Professional Services–External	6,123,000	
Consolidated Data Center	191,000	
Information Technology	42,000	
Equipment	48,000	
Legal: Attorney General	407,000	
Total Operating Expenses and Equipment		\$12,879,000
Total Expenditures		* \$20,242,000

* Includes year-end accruals and rounded to thousands

Horseracing Integrity and Safety Act

Established when the Horseracing Integrity and Safety Act was signed into federal law in 2020, the Horseracing Integrity and Safety Authority (HISA) is responsible for drafting and enforcing uniform safety and integrity rules in thoroughbred racing in the United States. HISA was created to implement, for the first time, a national, uniform set of rules applicable to every thoroughbred racing participant and racetrack facility in two specific areas: (1) racing safety and (2) anti-doping & medication control.

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

Two Programs

HISA is comprised of two programs: the Racetrack Safety Program, which went into effect July 1, 2022, and the Anti-Doping and Medication Control (ADMC) Program, which went into effect May 22, 2023.

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

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

The ADMC Program created a centralized testing and results management process and applies uniform penalties for integrity violations efficiently and consistently across the United States. These rules and enforcement mechanism are administered by a new independent agency, the Horseracing Integrity and Welfare Unit (HIWU), established by Drug Free Sport International (DFS). HIWU oversees testing, educates stakeholders on the new system, accredits laboratories, investigates potential integrity violations, and prosecutes rule breaches.

Horseracing Integrity and Safety Authority Leaders

HISA's Chief Executive Officer Lisa Lazarus oversees the Authority's full operations. Lazarus works with stakeholders inside and outside the racing industry to evaluate and improve programs on an ongoing basis. HISA is governed by a Board of Directors who have established two standing committees: Racetrack Safety Committee and Anti-Doping and Medication Control Committee to promulgate regulations in their respective areas. The Federal Trade Commission is tasked with approval of regulations and oversight of HISA. HISA and HIWU have also established several advisory committees made up of stakeholders in order to gain input and insight from those closest to horse racing.

California is well represented at all levels of this structure: (1) Dr. Sue Stover from UC Davis is on the Board of Directors and Chairs the Racetrack Safety Committee; (2) Equine Medical Director Dr. Jeff Blea is on the Anti-Doping and Medication Control Committee; (3) Dr. Heather Knych from UC Davis is on the Furosemide Advisory Committee; (4) Dr. Rick Gold, Thoroughbred Owners of California Board of Directors, is on the Horsemen's Advisory Committee; (5) Tom Robbins, Executive Vice President of the Del Mar Thoroughbred Club, is on the Horsemen's Advisory Committee; and (6) owner Stephanie Hronis is on the Jockey Mental Health Steering Committee.

State Operations

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

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

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

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

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

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

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



**Scott Chaney,
Executive Director**

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



**Cynthia Alameda,
Deputy Executive Director**

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



**Marc Shaw, Chief
Enforcement and Licensing**

Over 30 years of service to the State in a variety of law enforcement leadership roles prior to becoming the CHRB's chief law enforcement officer on October 1, 2022.

Regulatory Changes

The following regulations/rules were amended, repealed, or added during FY 2022-23:

Regulation/Rule 1420

Name: Definitions

Summary: Amendment to address large bone injuries occurring after extended periods between a recorded work or race, and to align with HISA regulations.

Status: Approved by the Office of Administrative Law (OAL) on May 11, 2023, and effective July 1, 2023.

Regulation/Rule 1481

Name: Occupational Licenses

Summary: Section 100 change without regulatory effect. Amendment of CHRBRule 1481 to remove exchange wagering fees as Business and Professions Code, Article 9.1, Exchange Wagering, sections 19604.5 to 19604.7, was repealed as of January 1, 2021, which provided authority to these sections.

Status: Approved by the Office of Administrative Law (OAL) July 18, 2022, and effective July 18, 2022.

Regulation/Rule 1616

Name: Minimum Weights to be Carried

Summary: Amendment regarding modifying minimum and maximum weights to align with current health and safety standards for jockeys.

Status: Approved by the Office of Administrative Law (OAL) on December 22, 2022, and effective April 1, 2023.

Regulation/Rule 1632

Name: Jockey's Riding Fee

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

Status: Approved by the Office of Administrative Law (OAL) on December 20, 2022, and effective January 1, 2023.

Regulation/Rule 1683

Name: Maximum Overweight

Summary: Amendment regarding modifying minimum and maximum weights to align with current health and safety standards for jockeys.

Status: Approved by the Office of Administrative Law (OAL) on December 22, 2022, and effective April 1, 2023.

Regulation/Rule 1734

Name: Use of Driving Whip

Summary: Amendment to better align with current Rule 1688, the use of the Riding Crop.

Status: Approved by the Office of Administrative Law (OAL) November 22, 2022, and effective January 1, 2023.

Regulation/Rule 1846

Name: Racing Soundness Examination

Summary: Amendment to address large bone injuries occurring after extended periods between a recorded work or race, and to align with HISA regulations.

Status: Approved by the Office of Administrative Law (OAL) on May 11, 2023, and effective July 1, 2023.

Regulations/Rules 1846.1

Name: Veterinary Records for Horse’s Shipping Into an Inclosure to Race

Summary: Amendment to address large bone injuries occurring after extended periods between a recorded work or race, and to align with HISA regulations.

Status: Approved by the Office of Administrative Law (OAL) on May 11, 2023, and effective July 1, 2023.

Regulation/Rule 1846.2

Name: Training Soundness Examination

Summary: Amendment to address large bone injuries occurring after extended periods between a recorded work or race, and to align with HISA regulations.

Status: Approved by the Office of Administrative Law (OAL) on May 11, 2023, and effective July 1, 2023.

Regulation/Rule 1846.3

Name: Veterinary and Training Records for Horses Requiring Training Soundness Examination

Summary: Amendment to address large bone injuries occurring after extended periods between a recorded work or race, and to align with HISA regulations.

Status: Approved by the Office of Administrative Law (OAL) on May 11, 2023, and effective July 1, 2023.

Regulation/Rule 1867

Name: Veterinary Prohibited Practices

Summary: Emergency amendment to provide clarity regarding FDA-approved medications.

Status: Approved by the Office of Administrative Law (OAL) on March 13, 2023, and effective March 13, 2023.

Regulation/Rule 1867.2

Name: Administration of Multiple Intra-articular Injections

Summary: Adoption regulating the administration of multiple intra-articular injections. The intent in proposing this rule is to continue the extensive efforts to further reduce the number of catastrophic injuries occurring during racing and training.

Status: Approved by the Office of Administrative Law (OAL) on May 15, 2023, and effective July 1, 2023.

Regulation/Article 27

Name: Exchange Wagering

Summary: Section 100 change without regulatory effect. Repealed Article 27, which contained CHRB Rules 2086-2093, regarding exchange wagering as Business and Professions Code, Article 9.1, Exchange Wagering, sections 19604.5 to 19604.7, was repealed as of January 1, 2021, which provided authority to these sections..

Status: Approved by the Office of Administrative Law (OAL) July 18, 2022, and effective July 18, 2022..

Enacted Legislation

The following horse racing bill was chaptered in 2023:

**AB 1074 – Assembly
Member Juan Alanis;
Chapter 275**

Permits a Southern California racetrack to be deemed operating for the purposes of conducting all permissible forms of wagering in the Northern Zone when there is no live racing occurring in Northern California.

Permits a fair in the County of Stanislaus to operate a satellite wagering facility within the boundaries of the fair under specified conditions and with the approval of the Department of Food and Agriculture and California Horse Racing Board.

Recommendations

California Business and Professions Code (B&P Code) section 19441 requires the CHRB to make recommendations deemed needed for improved functioning of the horse racing laws. Additionally, section 19441.2 requires a tabulation of injuries, catastrophic injuries, and comparative accident rates for all racing and training venues. The section 19441.2 requirements are listed on pages 30-33 of this annual report.

Progress

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

Results of the completed recommendations in the last year are:

1. Effective July 1, 2023, Rule 1867.2 now requires horses receiving a third intra-articular injection within a 60-day period to be placed on the Veterinarian's List for a 30-day period.
2. Effective July 1, 2023, Rules 1846, 1846.1, 1846.2, and 1846.3 require a horse that has not recorded a work or race in 90 days to be subject to a veterinary examination for soundness and health. The trainer must submit the horse's treatment records to the regulatory veterinarian.
3. An amendment of Rule 1878 requires a trainer's attending veterinarian to examine a horse to determine its fitness to race 72 hours before entering a race and to examine a horse to determine its fitness to participate in a workout.
4. The Equine Medical Director distributed a memo that addresses the HISA Rules and CHRB Policy regarding physical therapy and prohibited practices. Memo can be found on CHRB website under Veterinary tab/Advisories.

Future Recommendations

Track Maintenance and Protocols

- ◆ Tracks should monitor the speed of surfaces, race by race, adjusting surfaces for class levels.
- ◆ Tracks should use weather-based algorithms for track maintenance and closures.
- ◆ Tracks should make surface changes accessible to horsemen via a digital record-keeping system.
- ◆ Tracks should consider offering a synthetic surface for either the main course or a smaller course for training only.

Racing Office

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

Security

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

Training Practices

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

Facilities

- ◆ Racetracks should consider adding a small, paddock turn-out where horses can be outdoors with more space.

The CHRB continues to define and expand its list of prohibited substances and practices. As the few remaining recommendations proceed to completion, the CHRB will encourage the industry to continue to cooperate and communicate toward the goal of a safer, healthier industry.

Licensing

The CHRB Licensing Unit is comprised of a Licensing Supervisor and seven Licensing Technicians. They are responsible for the licensing of all personnel affiliated with thoroughbred, quarter horse and harness racing venues. Licensing Technicians are assigned to each CHRB licensed racetrack across the state and to CHRB Headquarters. They are also temporarily assigned to tracks hosting thoroughbred race meetings, such as Del Mar, The Big Fresno Fair, the Alameda County Fair, the Sonoma County Fair, and the Humboldt County Fair.

In FY 2022-23, the Licensing Unit issued 6,646 new, renewal, and duplicate licenses. This included 2,477 owner licenses, 1,694 backstretch worker licenses, 244 pari-mutuel clerk licenses, 207 trainer and assistant trainer licenses, 251 exercise riders, and 89 jockey and apprentice jockey licenses. The issuance of these licenses generated \$680,605 in licensing fee revenue for the CHRB Jockey and Horse Safety Fund.

As a component of the licensing process, Licensing Technicians take digital fingerprints of all applicants for the purpose of conducting criminal history checks. They also utilize computer databases and consult with other racing jurisdictions across the country to ensure each applicant is properly vetted before being issued a license.

The CHRB Licensing Unit verifies all licensed trainers have the required workers compensation insurance, and they review the daily racing programs to ensure all participants are properly licensed.

CHRB Licensing Technicians are trained in the complex circumstances of multiple ownerships and partnerships, racing syndications, stable names, and various types of corporations. This prepares them to explain the intricate details of the licensing requirements to the applicant and allows them to assist the applicant in selecting the appropriate type of license.

Enforcement

The CHRB Enforcement Division is comprised of a Chief, four Supervising Special Investigators, 16 Investigators, and one Enforcement Technician. CHRB Investigators are assigned to each CHRB licensed racetrack and training facility across the state.

Investigators are also temporarily assigned to tracks hosting Thoroughbred race meetings, such as Del Mar, The Big Fresno Fair, the Alameda County Fair, the Sonoma County Fair, and the Humboldt County Fair.

In FY 2022-23, the Enforcement Division investigated 519 violations and other matters that fall within the Board's jurisdiction.

The primary responsibility of the CHRB Enforcement Division is investigation of violations of the CHRB Rules and Regulations, as well as other statutes related to horse racing and animal welfare. Most CHRB violations are handled administratively through a hearing conducted by the Board of Stewards. These hearings are held in response to a Complaint filed by a CHRB investigator, and the proceedings are very similar to any other legal hearing, with a ruling (and penalty when appropriate) issued by the Board of Stewards.

CHRB enforcement personnel are sworn peace officers and have the authority to investigate other crimes such as assault, battery, drug and weapons violations, and fraud, particularly when they occur at a CHRB licensed facility.

All new license applicants, and those who have allowed their license to lapse for three years or more, are required to provide fingerprints through the Live Scan system. The applicant's fingerprints are submitted to the California Department of Justice and the Federal Bureau of Investigation, where they are checked against a myriad of criminal history databases. All local, state, and federal criminal history records are reviewed by the Enforcement Division, and individuals with a conviction are interviewed by CHRB Investigators to determine their suitability for licensure.

Appointed CHRB Officials — FY 2022–23

Darrel McHargue	Chief Steward	Patrick J. Kane	Hearing Officer
Calvin Rainey	Steward	Seth Weinstein	Hearing Officer
David C. Nuesch	Steward	Shauna Avrith	Hearing Officer
Dennis Nevin	Steward	Timothy Grande DVM	Chief Official Veterinarian
E. Paul Atkinson	Steward	Alina Vale, DVM	Official Veterinarian
George Yniguez	Steward	Barrie Grant, DVM	Official Veterinarian
Grant Baker	Steward	Diane Isbell, DVM	Official Veterinarian
James Dreyer	Steward	Eduardo E. De La Cruz Ballard, DVM	Official Veterinarian
John Herbuveaux	Steward	Forrest Franklin, DVM	Official Veterinarian
John Yinger	Steward	Gary Beck, DVM	Official Veterinarian
Luis Jauregui	Steward	Jocelyn Lorbiecki, DVM	Official Veterinarian
Patricia “Kim” Sawyer	Steward	Kathy Jones, DVM	Official Veterinarian
Richard D. Williams	Steward	Kelsey Sapp, DVM	Official Veterinarian
Richard J. Lewis	Steward	Laurie Bohannon, DVM	Official Veterinarian
Rodney R. Newhart	Steward	Mike Pirrone DVM	Official Veterinarian
Ronald Church	Steward	Mark Christin DVM	Official Veterinarian
Thomas McCarthy	Steward	Nolton Pattio, VMD	Official Veterinarian
Thomas Ward	Steward	Rebecca Fitzgerald De Alba, DVM	Official Veterinarian
William Meyers	Steward		
Edward J. Weiss	Hearing Officer		

Racing Supervision

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

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

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

The CHRB directly appoints all stewards and official veterinarians. Other racing officials are nominated by the racing associations subject to CHRB approval. The Legislature provides an annual appropriation to meet the costs of direct racing supervision. The CHRB paid \$3,039,934 for steward and official veterinarian services in FY 2022-23; 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 and

HISA rule violations and racing infractions.

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

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

Safety stewards enforce compliance with safety standards. They also:

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

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

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

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

CHRIMS

California is the only state with a statewide pari-mutuel database providing services to racetracks, horsemen, and government entities. Originally named the California Horse Racing Information Management System, now known solely as CHRIMS, it provides services that 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 38 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, Arizona Downs, Breeders' Cup, Buffalo Raceway, Caliente, Corbin, eBet, Elite Turf Club, Emerald Downs, First Tracks Cumberland, Global Wagering Group, Gulfstream Park, Keeneland, Kentucky Downs, Laurel Park, Lone Star Park, Meadowlands, Monmouth Park, Paribet, Pimlico, Racing UK, Remington Park, Rillito, Sunray, Tampa Bay Downs, The Red Mile, and Watchandwager.com. Racing commissions and horsemen's organizations include the North Dakota Racing Commission, the Iowa HBPA, the Ohio HBPA, and the Louisiana HBPA. CHRIMS Inc. received \$392,645 from unredeemed vouchers during calendar year 2022.

Laboratory Services

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

The Maddy Lab analyzed 15,220 post-race urine and blood samples, including in-depth testing of 8,850 samples for anabolic steroids, 14,278 bicarbonate (TCO₂) loading blood samples, 1,279 cobalt blood samples, 1,034 out-of-competition (OOC) blood samples, 115 OOC and post-race hair samples, 3 evidence submissions, and 232 other samples for various purposes in FY 2022-2023 at a cost of \$4,671,250.

Collection of Samples

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

Special Testing

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

Scrutiny of All Horses

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

compliance with regulations providing an alternative sampling matrix with extended detection windows for certain compounds.

Samples Retained

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

Full Accreditation

The Maddy Lab is accredited by the American Association for Laboratory Accreditation (A2LA) to ISO17025 international standards and was the first laboratory in the country accredited by the RMTC accreditation program. It is one of only six racing laboratories certified as a reference laboratory by the IFHA and the only racing laboratory so certified in the western hemisphere. The Maddy Lab utilizes state-of-the-art scientific instrumentation, including liquid chromatography-mass spectrometry (LC-MS) screening processes. The combined testing panel is designed to address the abuse of doping agents as well as the regulated use of therapeutic medications. The Maddy Lab routinely adds new drugs and updates its procedures as new information becomes available.

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

sources, including the Center for Equine Health, RMTC, Grayson/ Jockey Club Research Foundation, The Jockey Club, and California Department of Food and Agriculture.

Emphasis on Research

The Maddy Lab pharmacology section conducts ongoing research to improve testing capabilities for potential drugs of abuse and understand the pharmacokinetics and pharmacologic effect of both therapeutic drugs and potential drugs of abuse. The lab seeks to provide horsemen and veterinarians with information to better treat their horses and remain in compliance with horse racing rules. Research is an integral, ongoing part of the CHRB's drug-testing program at the Maddy Lab. Research efforts have improved testing capabilities and understanding of the effects of numerous drugs, including bisphosphonates, corticosteroids, NSAIDS, EPO, growth hormone, stimulants, peptide-based drugs, selective androgen receptor modulators, and cannabinoids

for example. Maddy Lab faculty have published more than 250 peer-reviewed research papers, including over 15 manuscripts in the past year on veterinary pharmacology and pharmacokinetics, toxicology, equine anti-doping methods, and other related topics.

Partnering with HISA

In the past year, several members of the Maddy Lab team have worked with the Horseracing Integrity and Safety Authority (HISA) and the Horseracing Integrity and Welfare Unit (HIWU) in the development of equine drug-testing protocols, as well as equine standards for laboratories and accreditation that were implemented for all covered thoroughbreds in racing in California. In addition to providing services under HIWU, the Maddy Lab continues to provide services to the CHRB for all quarter horse, standard-bred, and mixed breed events.

Racing Safety Program

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

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

The Racing Safety Program's efforts have yielded:

1. Entry review panels at all association and fair meets;
2. Postmortem examination review reports and their summaries;
3. Equine catastrophic injury reporting and charts;
4. Equine injury reporting;
5. Jockey/driver/exercise rider accident and injury reporting;
6. The University of California, Davis, California Animal Health and Food Safety Laboratory System (CAHFS) Postmortem Program;
7. Track safety, measurements, monitoring, and testing on all surfaces in California;
8. Racing reform recommendations;
9. Continuing education requirement for trainers and assistant trainers;
10. Rules 1581.1 and 1878 requiring veterinarian examinations prior to work out or entry; and
11. The Horseracing Integrity and Safety Act (HISA).
12. Veterinary examination 72 hours before work or race, or after a break in training or racing more than 90 days;
13. Stricter control of intra-articular (IA) injections and required diagnostics before injection of high-motion joints.

In Greater Detail

1. The entry review panel now evaluates every horse entered to race at all thoroughbred and quarter horse associations and fairs in California. The panel has been given the authority to prevent a horse from running or require an enhanced examination to race. Each day following entries a report is generated to flag horses that are at-risk. Eligibility to race or train may not be granted until the horse has performed satisfactorily in a timed workout for a CHRB Official Veterinarian, or

diagnostic imaging may be ordered to determine fitness. Regulatory veterinarians will monitor every starter from the time the horses arrive in the receiving barn until they leave the track to ensure all horses are fit to race.

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

Postmortem reports by fiscal year are available on the CHRB website under the Veterinary tab.

7. Track safety addresses the development of standards, racing-surface performance measurement tools as well as surface-material performance testing. Safety stewards take Clegg readings weekly on both turf and dirt surfaces at their assigned racetrack. Data for the past three years indicate these surfaces have been consistent in their level of compaction during this time period. The CHRB continues to work with track management at all the associations and training facilities to encourage real-time surface monitoring for track maintenance and closures. Future goals include the creation of safe parameters for track metrics.
8. More than 60 racing reform recommendations resulted from the Santa Anita Catastrophic Injury report released in March of 2020. Since then, the CHRB has been working with track management and the industry to enact specific safeguards that address each. As a result, several rules or regulations have been created or amended, while others have been enacted immediately with a house rule by track management. A small percentage are complex and may take more time to complete; however, they are currently moving forward or are in discussion. The majority of the recommendations have been implemented, contributing to more than a 50-percent decrease in catastrophic injuries over three fiscal years.
9. Trainers and assistant trainers are now required to show proof of having completed 12 hours of approved continuing education (CE) coursework during the preceding 36-month period in order to apply for a license or to renew a license. The majority of trainers completed their CE courses. The CHRB website is their primary CE resource. It lists with links to all CE courses and webinars. The site also has the forms needed to list completed courses and has waivers for those who qualify. This coursework is currently available on the following websites: The Welfare and Safety of the Racehorse Summit at <https://courses.grayson-jockeyclub.org/course-index>; California Thoroughbred Trainers website at <https://horsemenu.mclms.net/en/package/list>; and CHRB website at http://www.chrb.ca.gov/CE_webinars.html.
10. CHRB Rules 1581.1 and 1878 require veterinarian examinations prior to work out or entry, and require the following criteria be met: A horse must be examined by a veterinarian during the seventy-two (72) hours immediately preceding a workout or entry to race to evaluate the horse's fitness. An evaluation will be conducted and recorded by the veterinarian, and a determination made of the horse's fitness to work or race. The examination shall include, but not be limited to, close inspection of the eyes, examination of the legs, and observation of the horse at rest and while in motion. The veterinarian and trainer shall inform the Official Veterinarian of any changes in the horse's fitness after examination or entry and before a workout or race.
11. The Horseracing Integrity and Safety Act (HISA) was signed into law and became effective on July 1, 2022. This is ushering in a new, safer era for the sport and its athletes. HISA will supplement and enhance all the safety regulations that California has forged over the past several years. Below is the link to the HISA website and Rule 2000 series Racetrack Safety Program: <https://bit.ly/3zFjFNj>.
12. Expanded veterinary examinations 72 hours before works and entry to races, and examinations required for horses after returning from a break in training and racing longer than 90 days.
13. Stricter control of intra-articular (IA) injections, including stand-down times for working and racing post injections, required diagnostics before injection of high motion joints, and limits on multiple IA injections over time and in the same joint.

Equine Postmortem Program

California horse racing experienced 69 recorded fatalities in FY 2022-23, the second-lowest number of total fatalities since 1990. This is the second-lowest recorded number since the beginning of the CHRB Postmortem Program. Under the guidance and leadership of the CHRB, efforts to reduce equine fatalities in racing, training, and other causes continues to be a priority for horsemen, veterinarians, and all horse racing industry stakeholders.

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

Necropsy Required

All horse fatalities occurring within a CHRB facility (and in some cases offsite, in hospitals or clinics) will undergo a comprehensive necropsy at a CAHFS lab as required by CHRB rule. CAHFS veterinary pathologists perform the necropsy and prepare a report for the CHRB. An amendment to CHRB 1846.5 is currently with the Office of Administrative Law to require that every horse which dies or is euthanized in California within 72 hours of leaving a facility under the jurisdiction of the Board undergo a comprehensive necropsy at the CAHFS Lab.

Additional testing, such as toxicology, drug testing, microbiology, histology, and virology, may be necessary before a final report is issued. The program is world-renowned and considered an international model. The CHRB funds the postmortem examinations; racing associations provide transportation to the CAHFS laboratories; and specific studies are funded by research grants from private and public sources, including the Center for Equine Health at University of California, Davis.

The work of Dr. Carlos Schild, a post-doctoral fellow under the supervision of Dr. Francisco Uzal, a professor of pathology and head of the program for CAHFS, focuses

primarily on musculoskeletal breakdowns, elucidating more information on cause and prevention.

Most Common Causes

Musculoskeletal injuries in racing and training are the most common cause of fatalities at CHRB facilities, making up 58 percent of the total. Of the 40 musculoskeletal fatalities in FY 2022-23, 52.5 percent occurred in racing, while 47.5 percent occurred in training. Musculoskeletal specimens of special interest or for research studies may be forwarded to the J.D. Wheat Veterinary Orthopedic Research Laboratory (VORL) at the School of Veterinary Medicine at University of California, Davis, for in-depth analysis. In-depth analysis of necropsy specimens at VORL has shown the role of undiagnosed stress fractures contributing to catastrophic fractures of the pelvis, femur, humerus, scapula, tibia, third metacarpal (shin), and other bones.

Dr. Sue Stover and CAHFS pathologists have focused on proximal sesamoid bone fractures for several years. Proximal sesamoid bone fractures and associated fetlock (ankle) injuries are the single major cause of fatal racehorse injuries, both racing and training, accounting for nearly 50 percent of all musculoskeletal fatalities.

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

Advanced Diagnostic Equipment

The Advanced Imaging Center, operated and managed by The Southern California Equine Foundation at Santa Anita, provides Nuclear Scintigraphy, standing Positron Emission Tomography (PET), and standing MRI diagnostic services to the racehorse population. University of California, Davis, veterinary radiologist Dr. Mathieu Spriet developed

an innovative, first-of-its-kind, standing positron emission tomography (PET) for horses in California, and it is now in operation at several veterinary facilities across the country. These modalities at Santa Anita have significantly advanced injury detection, prevention, and management capabilities, thereby enhancing racehorse safety. The PET, through UC Davis, is also currently available to horsemen at Golden Gate Fields.

Causes of Sudden Deaths Being Researched

Sudden deaths continue to be a frustrating cause of fatalities, accounting for approximately 23 percent of all fatalities in FY 2022-23. The CAHFS lab and researchers at UC Davis are working earnestly, in collaboration with other investigators, to identify the causes of these fatalities. Morbidity related to cardiovascular failure is often suspected but difficult to determine as an actual cause. The cause of a sudden death episode is often very difficult to determine definitively.

Accidents and disease are unfortunately an issue in horses, and when these occur within CHRB inclosures, prevention

is always at the forefront. Accidents occurred in 13 percent and disease occurred in 26 percent of fatalities.

Non-musculoskeletal and other (sudden deaths, accidents, and disease) make up 42 percent of the fatalities.

Extensive Review

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

Fatalities by Track and Surface July 1, 2022 — June 30, 2023

Track	Racing*			Training**			Other***	Total
	Dirt	Synthetic	Turf	Dirt	Synthetic	Turf		
Cal Expo (Harness)								
CA State Fair at CE	1						1	2
Del Mar			2	2			3	7
Ferndale								
Fresno								
Golden Gate Fields		5					9	14
LA County Fair at LA								
Los Alamitos	8			8			5	21
Pleasanton	1						3	4
San Luis Rey Downs				1				1
Santa Anita	3		2	8			7	20
Santa Rosa								
TOTAL	13	5	4	19			28	69

* Racing includes any catastrophic injury associated with racing.

** Training includes any catastrophic injury associated with training.

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

Starts for All Breeds: July 1, 2022 — June 30, 2023

Track	Racing Surface		
	Dirt	Synthetic	Turf
Cal Expo Harness	3,375		
CA State Fair	376		
Del Mar	1,871		1,718
Golden Gate Fields		6,079	924
Ferndale	211		
Fresno	390		
L.A. County Fair at Los Alamitos	1,355		
Los Alamitos	5,756		
Pleasanton	642		
Santa Anita	2,834		3,316
Sonoma County Fair	156		133
TOTAL	16,966	6,079	6,091

Jockey, Driver, Exercise Rider Injury/Accidents: July 1, 2022 — June 30, 2023

Track	Racing	Training		Other		Total
	Jockey/ Driver	Jockey/ Driver	Exercise Rider	Jockey/ Driver	Exercise Rider	
Cal Expo Harness						
Del Mar						
Fairs	2					2
Golden Gate Fields	8		2			10
Los Alamitos	10	3	4	1	1	19
San Luis Rey Downs			1			1
Santa Anita	8		5		1	14
TOTAL	28	3	12	1	2	46

Equine Injuries: July 1, 2022 — June 30, 2023

Track	Injuries	# of Starts
Cal Expo Harness		3,375
Cal Expo State Fair	11	376
Del Mar	35	3,589
Ferndale	1	211
Fresno	4	390
Golden Gate Fields	152	7,003
Los Alamitos QH	70	5,756
Los Alamitos TB	15	1,355
Pleasanton	13	642
Santa Anita	72	6,150
Santa Rosa	4	289
Totals	377	29,136

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

Fatalities by Trainer: July 1, 2022 — June 30, 2023

Trainer		Fatalities				Breed		Starts
Last	First	Racing	Training	Other	Total	TB	QH	Total
Mullins	Jeff	1	2	1	4	4		260
Pineda	Milton	1	1	2	4	4		232
Palma	Hector	2		1	3	3		137
Baffert	Robert		2		2	2		319
Baker	D. Wayne	1		1	2	2		270
Brinkerhoff	Val			2	2	2		125
Calvario	Samuel	1		1	2	2		212
Cerin	Vladimir		2		2	2		144
D'Amato	Philip	1	1		2	2		577
Guillen	Ricardo	1	1		2		2	73
Moger	Ed			2	2	2		313
O'Neill	Doug		1	1	2	2		566
Tamayo	Isidro	1		1	2	2		601
Aleman	Juan	1			1		1	150
Andrade	Elena		1		1		1	71
Aquino	Angela	1			1		1	344
Barocio	Librado		1		1	1		124
Barton TBs (owner)				1	1	1		At Auction
Callaghan	Simon	1			1	1		77
Casselman	Mike	1			1		1	137
de Jesus	Pablo			1	1	1		49
Ekstrom	Leanna			1	1	1		27
Eurton	Peter	1			1	1		207
Flores	Jose	1			1		1	371
Garcia	Victor			1	1	1		13
Glatt	Mark			1	1	1		365
Hansen	Roger	1			1	1		74
Hanson	Ryan			1	1	1		171
Hollendorfer	Gerald		1		1	1		35
Jones	Paul	1			1		1	318
Mathis	Andrew			1	1	1		286
McCarthy	Michael		1		1	1		311
McCarthy	Sean			1	1	1		65
McLean	William	1			1	1		246
Mendez	Luis		1		1	1		120
Nunez	Jesus	1			1	1		196
Preciado	Guillermo			1	1	1		128
Puype	Mike		1		1	1		160
Ramirez	Miguel	1			1	1		56

Fatalities by Trainer: July 1, 2022 — June 30, 2023

Trainer		Fatalities				Breed		Starts
Last	First	Racing	Training	Other	Total	TB	QH	Total
Ramos	Roberto			1	1	1		Pony Rider
Raudales	Jose			1	1	1		23
Rondan	Felix	1			1	1		144
Ruiz	Lorenzo			1	1	1		166
Ruiz	Martin			1	1	1		Pony Rider
Sadler	John		1		1	1		370
Taylor	Faith			1	1	1		175
Tekos	Angelo			1	1	1		50
Thomas	Ruby			1	1	1		56
Vallejo	Genero		1		1	1		110
Wong	Jonathan		1		1	1		695
Zamudio	Valentin	1			1		1	237
		22	19	28	69	60	9	9,955

Horse Racing in California

California Horse Racing Meets During 2023 Racing Season

Thoroughbred Race Meets — Central & Southern Zones		
Santa Anita Park	12/26/22 – 6/18/23	
Del Mar	7/21/23 – 9/10/23	
Los Alamitos Racing Assn	9/15/23 – 9/24/23	
Santa Anita Park	9/29/23 – 11/5/23	
Del Mar	11/10/23 – 12/3/23	
Los Alamitos Racing Assn.	12/8/23 – 12/17/23	
Thoroughbred (and Relocated Fair) Race Meets — Northern Zone		
Golden Gate Fields	12/26/22 – 6/11/23	
Golden Gate Fields	8/26/23 – 10/2/23	
Golden Gate Fields	10/21/23 – 12/10/23	
Quarter-Horse Race Meets — Statewide		
Los Alamitos	12/31/22 – 12/17/23	
Harness Race Meets — Statewide		
Cal Expo	11/17/22 – 4/30/23	
Cal Expo	11/17/23 – 12/30/23	
Fair Meets — Statewide		
Pleasanton	Alameda County Fair	6/11/23 – 7/9/23
Los Alamitos*	Los Angeles County Fair	6/23/23 – 7/9/23
Sacramento	State Fair	7/14/23 – 7/30/23
Santa Rosa	Sonoma County Fair	8/3/23 – 8/13/23
Ferndale	Humboldt County Fair	8/18/23– 8/27/23
Fresno	Big Fresno Fair	10/6/23 – 10/15/23

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

Wagers From All Sources (Handle) 2023

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

Annual Report - Racing Year 2023 (Wednesday, 12/21/2022 through Tuesday, 12/19/2023)																	
Host	Thoroughbred Racing Associations								Racing Fairs						Night Meets		Total
	Del Mar Summer	Del Mar Fall	Golden Gate	Los Alamitos Sept TB	Los Alamitos Winter TB	LATC Winter-Spring	LATC Autumn (Incl BC)	Alameda County	State Fair	Big Fresno Fair	Humboldt County Fair	Los Angeles County Fair	Sonoma County Fair	Watch & Wager	Los Alamitos Quarter Horse		
Cards	30	13	119	6	6	71	19	13	6	7	6	9	7	40	94	446	
Starters	2,552	840	6,917	313	370	4,803	1,427	609	260	315	212	463	323	2,973	5,847	28,224	
Number of Live Races	286	113	1,038	51	55	664	182	102	48	55	41	79	53	417	898	4,062	
Average field size per race	8.92	7.43	6.66	6.14	6.73	7.23	7.84	5.97	5.42	5.73	5.17	5.86	6.09	7.13	6.51	6.91	
Brick and Mortar Bets in California																	
<u>On Track:</u>																	
Live Races	40,838,476	6,277,874	10,443,775	689,156	760,407	39,043,770	28,289,075	2,917,146	491,975	1,984,748	432,109	1,341,551	1,404,711	400,897	7,191,085	142,506,754	
Other California Tracks (Intrastate)	415,219	265,124	5,751,723	179,032	150,102	7,230,413	1,211,891	348,443	228,625	199,503	15,702	310,582	209,224	-	-	16,515,533	
Races run outside California	4,340,705	775,067	11,786,167	1,014,340	869,913	20,815,595	4,109,033	433,388	385,441	204,730	11,510	1,991,966	135,305	257,189	3,667,498	50,797,847	
Total	45,594,400	7,318,064	27,981,664	1,882,527	1,780,422	67,089,779	33,609,999	3,698,977	1,106,041	2,388,981	459,321	3,644,098	1,749,240	658,086	10,858,584	209,820,184	
<u>Off Track in Host's Zone:</u>																	
Live Races	20,792,801	7,279,895	9,442,643	1,368,707	1,562,478	32,982,314	11,106,864	912,677	310,114	341,502	171,534	2,420,717	493,464	2,322,215	13,571,559	105,079,483	
Other California Tracks (Intrastate)	2,927,115	2,812,887	14,572,335	794,376	675,213	13,711,363	2,190,972	1,166,675	1,240,729	883,602	416,343	1,268,594	1,247,091	-	-	43,907,295	
Races run outside California	31,233,769	10,864,280	45,527,851	5,353,627	4,687,838	82,385,306	16,332,252	5,539,369	4,164,958	2,315,232	1,612,422	9,372,866	3,011,555	5,973,184	21,190,952	249,565,462	
Total	54,953,685	20,957,062	69,542,829	7,516,710	6,925,529	129,078,984	29,630,088	7,618,721	5,715,801	3,540,337	2,200,299	13,062,177	4,752,110	8,295,399	34,762,510	398,552,241	
<u>Off Track Outside Host's Zone</u>																	
	5,516,897	2,078,903	29,724,679	407,931	511,496	12,865,946	4,006,101	1,890,591	597,022	747,830	292,345	892,723	890,416	n/a	n/a	60,422,878	
ADW in California:																	
Live Races	51,178,116	13,585,274	14,054,421	2,182,364	2,730,106	74,957,731	27,548,638	1,390,326	296,831	436,146	91,081	4,434,168	471,771	2,651,379	29,196,029	225,204,381	
Other California Tracks	2,207,905	2,257,397	31,097,132	896,126	632,692	16,412,375	2,645,489	2,194,491	3,158,361	1,453,584	1,540,689	1,276,841	2,689,091	-	-	68,462,163	
Races run outside California	83,503,718	27,675,819	139,593,184	15,593,509	13,209,676	239,531,989	44,995,753	15,149,855	11,564,660	6,213,325	4,989,293	27,422,898	7,190,213	32,925,799	76,825,160	746,384,849	
Total	136,889,738	43,518,491	184,744,738	18,671,999	16,572,463	330,902,095	75,189,880	18,734,672	15,019,852	8,103,055	6,621,062	33,133,908	10,351,075	35,577,178	106,021,189	1,040,051,394	
Outside Host's zone	11,107,298	3,058,042	23,515,626	491,567	622,196	18,440,449	7,275,408	1,461,833	325,316	433,812	200,478	1,034,079	535,667	n/a	n/a		
TOTAL GENERATED IN CALIFORNIA	237,437,823	71,793,617	282,269,231	28,071,236	25,278,415	527,070,857	138,429,967	30,052,370	21,841,694	14,032,372	9,280,682	49,840,183	16,852,425	44,530,662	151,642,283	1,648,423,818	
Exports to Out of State																	
Commingled	262,388,404	72,404,866	208,838,479	8,817,252	11,599,541	437,512,348	234,569,939	10,499,431	2,243,527	4,176,759	1,238,764	16,560,807	3,476,946	19,241,765	74,422,675	1,367,991,505	
Non Merged	11,025,372	4,074,705	2,331,303	115,072	114,879	3,701,305	896,415	-	-	-	-	-	-	-	1,586,628	23,845,678	
TOTAL GENERATED OUTSIDE CALIFORNIA	273,413,777	76,479,571	211,169,782	8,932,324	11,714,420	441,213,653	235,466,354	10,499,431	2,243,527	4,176,759	1,238,764	16,560,807	3,476,946	19,241,765	76,009,303	1,391,837,183	
TOTAL ON RACES RUN AT HOST TRACK PLUS RACES RUN AT OTHER TRACKS	527,475,795	153,410,133	546,679,318	37,903,058	38,126,526	999,590,905	385,177,829	43,904,225	25,007,559	19,390,773	11,012,269	68,327,792	21,755,455	63,772,428	227,651,586	3,169,185,652	
TOTAL DISTRIBUTED BY HOST*	510,851,600	148,273,188	493,439,013	37,003,560	36,992,835	968,284,510	373,896,321	40,551,801	24,085,221	18,209,131	10,519,446	66,400,990	20,329,372	63,772,428	227,651,586	3,040,261,001	

*Excludes CA bets placed outside host's CA zone

Simulcast Facilities by Location

California Simulcast Facility	Total Handle FY 2022-23	Number of Attendees
Cabazon	\$7,735,185	29,790
Commerce Casino	16,317,845	49,280
Del Mar	54,962,860	326,939
Ferndale	562,168	13,960
Firehouse Restaurant-Bakersfield	4,169,760	12,455
Fresno	9,572,115	50,520
Glen Arden	13,919,230	29,506
Golden Gate	35,906,179	84,986
Hollywood Park	45,613,726	110,355
Lake Elsinore Hotel	5,968,716	16,564
Lake Perris	10,651,332	29,134
Lancaster	8,209,496	24,775
Los Alamitos	61,591,913	219,344
Monterey	3,512,262	8,446
OC Tavern	5,636,745	20,782
Pleasanton	20,764,678	90,969
Pomona	33,393,926	120,395
Sacramento	12,735,330	61,488
Sammy's Restaurant and Bar	16,411,179	36,459
San Bernardino	10,752,397	24,052
San Jose	18,145,968	42,026
San Mateo County	28,749,579	56,162
Santa Anita	109,904,389	687,864
Santa Clarita Lanes	9,896,127	29,234
Santa Rosa	1,728,420	31,832
Sports Grill & Turf Club Norco	7,653,977	17,054
Stockton	11,405,376	23,422
Surfside Race Palace	8,972,299	14,513
Tilted Kilt Thousand Oaks	4,698,616	9,779
Vallejo	9,491,559	22,966
Ventura	7,185,447	15,497
Victorville	4,495,966	11,879
Viejas	9,506,478	24,996
Total	\$610,221,276	2,347,423

Notes: 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.

SANTA ANITA PARK

Santa Anita Park once again hosted the Breeders' Cup in 2023, showcasing many of the world's best horses competing at the highest levels against the backdrop of the majestic San Gabriel Mountains.

Breeders' Cup week began somewhat ominously with the training deaths of two of the contending horses, Geaux Rocket Ride due to a musculoskeletal injury and Practical Move diagnosed as a sudden death, a phenomenon typically related to cardiovascular failure. But no such tragedies marred the Breeders' Cup races themselves.

Easily the most sentimental of the outcomes was the victory by Cody's Wish in the Breeders' Cup Mile. This remarkable horse is named after the late Cody Dorman, a teenager with a rare genetic disorder, who was wheeled to the winner's circle to greet his namesake after the race. Even non-racing fans were drawn to this touching story and cheered the winner home. But their joy turned to sadness with the later news that Cody Dorman died while traveling home.

Among the other victors, Breeders' Cup Classic winner White Abarrio established himself as a contender for North America's Horse of the Year, while Breeders' Cup Juvenile

winner Fierceness became the early favorite for the 2024 Kentucky Derby.

Total all-sources, global common-pool handle for the two-day Breeders' Cup World Championships was \$176,281,989, boosting overall handle for the 19-day fall meet to \$373,896,321. Breeders' Cup announced attendance as 109,624 for the two days.

Santa Anita officials faced difficult weather during the winter-spring meet and canceled three programs out of an abundance of caution in order to protect horses and riders. Those precautions, coupled with the many safety initiatives introduced by the California Horse Racing Board with cooperation from racetracks and racing participants, led to a continued decline in the number of racing and training-related equine fatalities at Santa Anita (chart on page 30 of this report).

Partly due to those canceled racing programs in the interest of safety, overall handle from 68 racing programs during the winter-spring meet declined from the previous year's, longer 76-program meet: \$968,284,510 compared to \$1,021,241,143.

DEL MAR

Del Mar concluded its 84th summer racing season in 2023 with large fields — an average of nearly nine per race — and the highest purses in the state at \$885,000 per day. All of this bodes well for the return of the Breeders' Cup to Del Mar both in 2024 and 2025.

Safety for horses and riders is a high priority at Del Mar, as demonstrated when Del Mar officials canceled a program in advance of anticipated bad weather.

“For the safety of everyone involved — our horses, our riders, and all the workers, staff, and fans — we have made the decision to cancel Sunday's races,” announced track president and COO Josh Rubinstein. “Unfortunately, the forecast calls for substantial rain and winds that appear to be headed our way. We are hopeful this will only be a one-day thing for us, but it is a necessary step we feel we have to take.”

Del Mar sustained approximately 2.5 inches of rain from the remnants of Hurricane Hilary, a storm that forced significant work in the stable area to prevent extensive flooding. In addition to the canceled racing program, Del Mar curtailed training in the mornings until conditions improved.

These efforts helped Del Mar continue its downward trend of racing and training-related fatalities (chart on page 30).

Total wagering for the summer meet was \$510,851,600, compared to \$560,677,554 the previous year, partly due to the weather-related loss of that day of racing.

The track's innovative “Ship & Win” program, which draws horses to Del Mar — and California in general — had another solid season. The summer meet averaged 8.92 horses per race, and the 39 stakes races averaged 8.56 runners, both among the strongest in the country.

“A terrific meet,” said Del Mar Thoroughbred Club’s Chief Executive Officer Joe Harper. “I am proud of our team and thankful for the efforts of all the horsemen and women who helped us once again put on world-class racing and entertainment here. I also want to thank racing fans who joined us on-track and around the country who follow our races and our broadcast partners at FanDuel TV for all they do to contribute to another successful summer season here. Lastly, a special thanks to Dennis Moore, John Beggin, and their teams for everything they do to ensure that our racing surfaces are safe, consistent, and fair.”

Leading the progress on equine welfare in California over the last several years, Del Mar continues to rank among the safest tracks in the country. Since implementing a series of reforms in cooperation with the California Horse Rac-

ing Board, Thoroughbred Owners of California, and other industry stakeholders, California has become the blueprint for national safety reform and reduced serious injuries at its Thoroughbred tracks by over 50 percent in recent years.

“Our horsemen and women are exceptional with their cooperation and willingness to participate in what we offer here each summer,” said Del Mar’s Executive Vice President of Racing Tom Robbins. “What’s especially satisfying is the way they’ve joined us side-by-side in our efforts to create the safest environment we can for racing and training. We appreciate their hard work and dedication to their craft, and it shows every day here.”

Handle for the fall meet came to \$148,273,188, compared with \$159,072,895

GOLDEN GATE FIELDS

Racing at Golden Gate Fields (GGF) in 2023 was completely overshadowed by the announcement that the track on the eastern bank of San Francisco Bay would be closing forever after 83 years of operation.

The Stronach Group (TSG), owner of both GGF in Albany and Santa Anita Park in Arcadia, announced in July that racing at GGF would cease after 2023, hoping that horses at GGF would find their way south to bolster racing at Santa Anita. TSG later announced that racing would continue at GGF through June 2024.

The prospect of losing a permanent, year-round base of operations weighed heavily on the minds of horsemen. And even if the northern fairs piece together a circuit of some

kind, the horse owners and trainers, jockeys, backstretch workers, and other racing personnel know their lives will be significantly changed going forward.

The California Horse Racing Board is committed to working with the industry to provide for any workable circuit in Northern California, or at the very least, a smooth transition if a Northern California solution is not possible.

GGF officials tried to shake things up a little in 2023 by eliminating racing on Fridays and operating on Mondays instead, given that most other tracks in the nation are dark on Mondays, giving GGF more nationwide exposure. Final handle for all Golden Gate meets in 2023 came to \$493,439,013, compared with \$524,162,413 in 2022.

THE NORTHERN CALIFORNIA FAIRS

The 2023 annual fair circuit in Northern California started out peacefully enough with a 13-day meet of the Alameda County Fair in Pleasanton that saw a minor increase in handle from 2022, \$40,551,801 compared to \$40,072,347.

But then, just as Pleasanton closed and the action shifted to the State Fair meet in Sacramento, the owner of Golden Gate made the surprising announcement that Golden Gate would soon be closing forever. This was devastating news to some because, since the closure of Bay Meadows years earlier, Golden Gate has been the anchor for Northern California racing, operating throughout the year, off and on, providing a base of operations for stables and employees.

Because the historic fair season – from mid-June to mid-September – hardly comprises a racing circuit in itself, northern stakeholders have been left with the perplexing question of how to fashion a workable racing circuit in the absence of Golden Gate after June 2024.

The California Authority of Racing Fairs (CARF) and oth-

er stakeholders in Northern California have been meeting regularly to discuss their options. They’ve said very little publicly about their possible plans. At some point, they will need to present a proposal to the California Horse Racing Board for a post-Golden Gate circuit. The CHRB will support any reasonable, workable proposal that works fairly in the interests of horse racing.

The northern fairs, of course, proceeded to run their 2023 meets despite the news about Golden Gate. After Pleasanton, the State Fair ran a six-day (three weekends) meet at Cal Expo that generated handle of \$24,085,221, down understandably from the \$28,337,931 handled during the nine-day meet in 2022.

The Sonoma County fair meet in Santa Rosa saw handle decline somewhat from 2022, with total wagering at \$20,329,372 compared to \$21,024,246 for the same number of programs.

Handle declined more significantly in Ferndale with wager-

ing at \$10,519,446 for six days of racing of the Humboldt County Fair, whereas \$12,581,659 was handled in 2022 for the same number of programs.

The fair circuit closed with the Big Fresno Fair handling

\$18,209,131 during seven programs, also down significantly from \$20,991,093 from the same number of programs in 2022.

LOS ALAMITOS

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

Anyone who has not visited the racetrack for several years would be amazed to see the residential and commercial development that has taken place on the perimeter of the racing and stabling facilities, leaving the racetrack untouched at their center.

Ed Allred, owner and CEO of Los Alamitos Race Course, explained that this was all part of his plan to keep the racing operation going for years to come: “It’s unbelievable to me what’s going on here. It means that we can afford to continue to stay here and operate (as a track) from sales of the land. It’s extraordinary and it gives me the encouragement and will to go on.”

Los Alamitos Race Course, with additional financial support of the Quarter Horse Benevolent Foundation and the Pacific Coast Quarter Horse Racing Association, sponsors important fellowship programs for those who work on the

backstretch at Los Alamitos. These events include free meals on Tuesday and Wednesday evenings at the track’s chaplaincy room and breakfast treats every Thursday morning for everyone on the backstretch. Every other Thursday night, the track also offers a hot dinner with a beverage (water or soda) at the track kitchen for everyone on the backstretch.

Handle for the long quarter-horse meet totaled \$227,651,586, compared to \$246,705,613 handled during 100 quarter-horse programs in 2022.

The three, short thoroughbred and fair meets that ran periodically during the days collectively handled \$140,397,385, compared to \$155,894,545 for 22 programs in 2022.

The prestigious Grade 1 Champion of Champions, which in 2023 featured the nation’s richest purse for older quarter horses at \$750,000, will offer a \$1,000,000 purse in 2024.

“The Champion of Champions is a special race that is dear to my heart,” Allred said. “It’s a race that was dreamed up by the outstanding and wonderful individuals who were members of the board of the Horsemen’s Quarter Horse Racing Association in the early 1970s. As such, the tradition and history of this race, as the best in quarter horse racing, is very important to me and to all of us at Los Alamitos.”

HARNESS AT CAL EXPO

Harness racing at Cal Expo run by watchandwager.com continued to show progress in 2023 despite setbacks, according to General Manager Chris Schick.

“We experienced a pretty tough year,” Schick began. “We lost seven days of racing, something that never happened, to the best of my memory, in the history of Cal Expo racing. So, it was tough on the horsemen. It was tough on management. At one point, we lost five days in a row with the atmospheric rivers that just kept coming and coming. But I guess if there’s any silver lining to that, obviously, the purse pool ended up in good shape.

“Our total live handle, despite losing seven days out of 46 days, we were only down 2.8 percent. So, our handle day over day that we did race was tracking very positively. It

kept our purse pool in a very good situation, and we’re happy to be able to raise the overnight purses again for the 2023-2024 meet, marking the sixth consecutive year of purse increases.

“The stakes program continues to go very, very well. Nominations for yearlings are up. The breeders and the owners have seen that we’ve committed to this program, and now people are taking hold. So, you know, the breeding process, it’s a long, long cycle to get there, but we’re starting to make some inroads into that, and that’s been very good.”

Handle for 40 programs of harness racing in 2023 totaled \$63,772,428, compared with 2022 handle of \$68,628,359 from 44 programs.

Horse Racing Revenue

Senate Bill 16 (2009 special session) eliminated the license fees paid to the state by racing associations. In lieu of license fees, the horse racing industry is responsible for providing financial support to the CHRB. The CHRB develops a formula in consultation with the industry to determine the share each racing association should pay toward CHRB funding.

During FY 2022–23, the pari-mutuel handle totaled \$2,978,470,938.

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

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

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

meets, 24.02 percent; and for harness race meets, 24.18 percent.

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

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

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

totalizator system calculates the payout for winning wagers.

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

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

The 7 cents that is broken for each dollar in the calculation then becomes part of the total breakage for that pool, that race, and that day of racing, etc. Breakage in FY 2022–23 totaled \$12,000,409. 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 72 years. Their donations in the last fiscal year totaled \$307,288.

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

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

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

Uncashed Pari-mutuel Tickets

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

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

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

1. Fifty percent of live races unclaimed pari-mutuel tickets shall be paid to a welfare fund established by the horsemen’s organization contracting with the association with respect to the conduct of the racing meet for the benefit of the horsemen, and the said organization shall make an accounting to the Board within one calendar year of the receipt of such payment. During FY 2022–23, the distribution to the welfare funds was \$560,539.
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 2022–23, the tracks and the horsemen each received \$1,167,474.

3. Unclaimed refunds totaled \$545,389 for FY 2022–23. 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 2022 uncashed vouchers totaled \$392,645.

Statement of Distribution by Fund of Horse Racing Revenue

July 1, 2022 through June 30, 2023

	Detail	Total
Revenue To Horse Racing Fund		
CHRB Support from Racing Associations	\$19,083,000	
Miscellaneous Income	0	
Income from Surplus Money Investment Fund	47,000	
Escheat of Unclaimed Checks, Warrants	1,000	
Total 3153 Fund		\$19,131,000
Revenue to Horse and Jockey Safety and Welfare Account (3380)		
Occupational Licenses	\$697,000	
Fines & Penalties	143,000	
Miscellaneous Income	0	
Total Fund 3380		\$840,000
Revenue to CA Veterinary Diagnostic Laboratory (0881)		
Equine Research License Fees	\$2,016,000	
Total Fund 0881		\$2,016,000
Total Revenue		\$21,987,000

*rounded to thousands

Occupational Licenses and Fees July 1, 2022— June 30, 2023

Type of License	Fees Range	Issued
Stable*	\$100-300	325
Horse Owner-Open Claim	250	2
Officer/Director/Partner*	150-200	93
Horse Owner*	150	2,477
Trainer, Assistant Trainer**	50-150	207
Harness Horse Driver	150	18
Jockey/Apprentice Jockey**	50-150	89
Jockey Agent	150	24
Bloodstock Agent	150	7
Veterinarian	150	31
Association Employee	75	254
Valet/Custodian/Attendant	75	6
Pari-mutuel Employee/Tote*	35-75	244
Horseshoer	75	26
Exercise Rider/Pony Rider	25-75	251
Misc. Employee/Stable Agent Vendor*	35-75	174
Security Guard	35-75	115
Stable Foreman	35-75	64
Authorized Agent	25	414
Replacement License	15	131
Annual Groom/Stable Employee (Original)**	35	332
Annual Groom/Stable Employee* (Renewal)	20-35	1,362
Total licenses issued		6,646

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

*Variable Fee.

**Includes reduced license fees.

Other Public Revenue

Horse racing contributes to local economies through sales tax from the sale of claimed horses. During FY 2022–23, there were 1,309 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 2022–23, the total amount paid for claiming of horses was \$22,626,425, resulting in sales tax revenue of \$2,226,214.

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 2022–23, \$1,990,940 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 2022–23 totaled \$104,180,748.

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 2022–23 totaled \$119,405,557. In addition, \$9,534,054 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, 2022 to June 30, 2023

Track Location	Horses Claimed	Amount Paid	Sales Tax
Thoroughbred Race Meets — Northern			
Golden Gate	394	\$4,033,650	\$493,502
Thoroughbred Race Meets-Central-Southern			
Del Mar	276	\$7,472,000	\$653,800
Los Alamitos	48	818,250	63,414
Santa Anita	293	7,825,375	807,751
Harness Meets-Statewide			
Watch & Wager	6	\$35,300	\$3,089
Quarter-Horse Meets-Statewide			
Los Alamitos	170	\$958,200	\$74,261
Fair and Mixed Meets-Statewide			
Alameda County Fair @Pleasanton	37	\$427,800	\$43,850
Sonoma County Fair@ Santa Rosa	8	49,950	4,620
State Fair @ Sacramento	19	134,850	11,799
Humboldt County Fair @ Ferndale	3	16,250	1,259
Los Angeles County Fair @ Los Alamitos	36	696,250	53,959
Big Fresno Fair	19	178,550	14,909
Total	1,309	\$22,646,425	\$2,226,214

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 2022–23, there were four authorized sales. Prospective purchasers may review the reported medication record of any horse offered for sale, and purchasers of a horse may request a verifying blood test for horses bought.

The following sales were authorized in FY 2022–23:

Fasig-Tipton

California Fall Yearlings and
Horses of All Ages @Fairplex September 27, 2022

Fasig-Tipton sold 206 horses for a total of \$6,302,100, which generated \$231,993 in sales tax.

California Thoroughbred Breeders Association Sales

Nor-Cal Yearling and
Horses of Racing Age Sale August 9, 2022

Winter Mixed Sale January 31, 2023

A total of 211 horses was sold for \$1,733,000, which generated \$92,616 in sales tax.

Quarter-Horse Sales At Los Alamitos

Los Alamitos Equine Sale October 1 & 2, 2022

A total of 188 horses was sold for \$5,717,300, which generated \$101,141 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 \$396,663 for owners premiums in FY 2022-23 and \$9,098,803 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 2022-23, the program generated \$146,755.

Quarter-Horse Breeders Program

Pacific Coast Quarter Horse Racing Association, as the recognized breeders organization, received \$287,757 from the pari-mutuel handle to fund its program in FY 2022-23. 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 \$541 for the breeders program in FY 2022-23. No Paints ran in California. This revenue came from ADW wagers.

Arabian Breeders Program

The California Arabian horse breeders awards received \$172 for the program during FY 2022-23. No Arabians ran in California. This revenue came from ADW wagers.

Mule Breeders Program

California did not host any mule breed races during FY 2022-23.

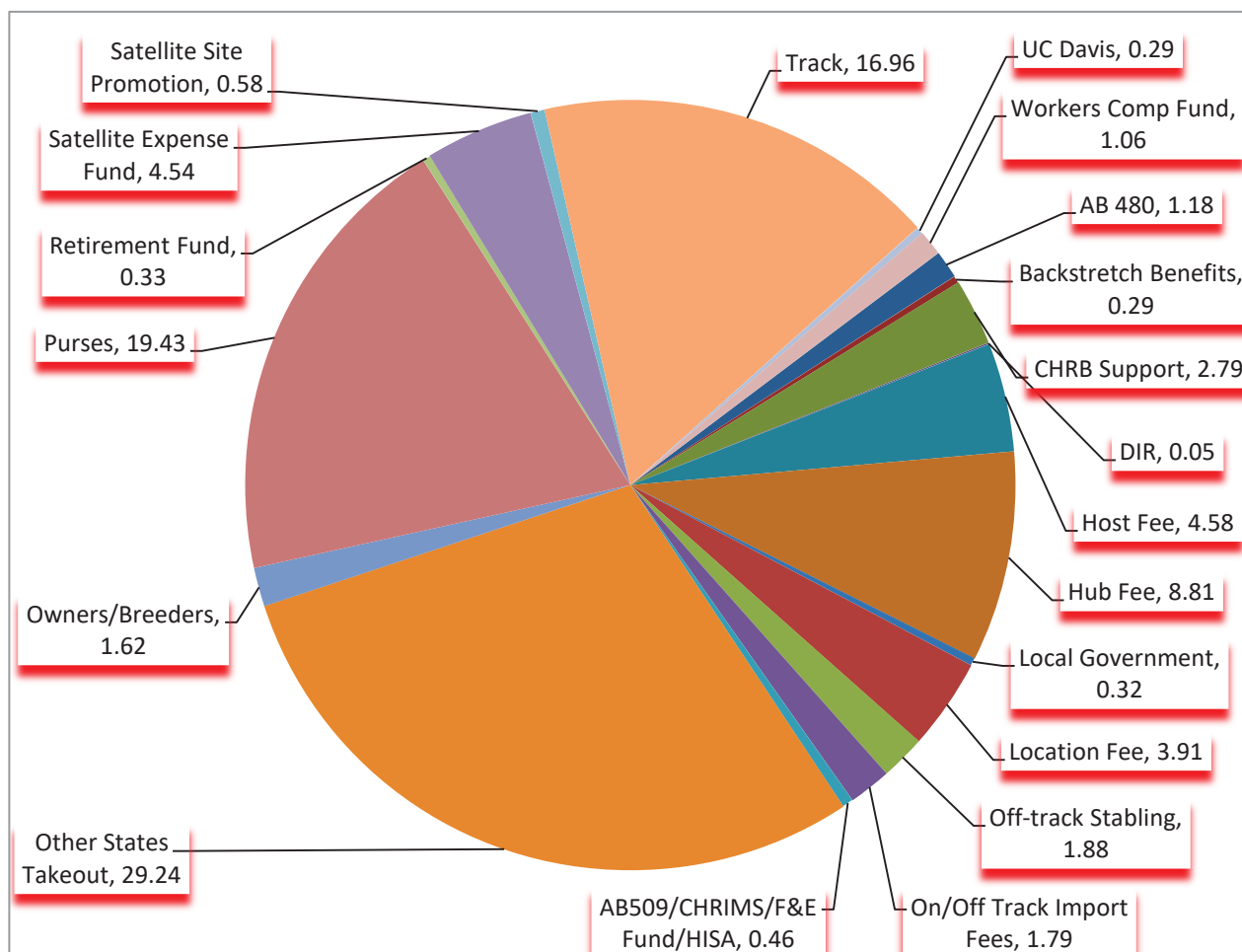
Appaloosa Breeders Program

Appaloosa breeders' awards totaled \$26 in FY 2022-23. No Appaloosas ran in California. This revenue came from ADW wagers.

The Revenue Stream

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

A total of \$2,978,470,938 was wagered by fans of California racing during FY 2022-23, and of the money 79.37 percent (\$2,364,040,458) was returned to winning ticket holders.



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 6.65 percent of wagers placed (\$197.93 million). Off-track betting within the state provides 13.84 percent of the handle (\$412.29 million). The balance comes from out-of-state and Advance Deposit Wagers (totaling \$2.37 billion). ADW accounted for \$1,362,561,272 of the handle.

Patrons failed to cash \$3,440,876 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 (\$392,645 in 2022) 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 \$12,000,409 in FY 2022-23.

Of the \$2.98 billion wagered, \$614.43 million, or 20.63 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 \$119,405,558 was distributed during FY 2022–23 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 \$104,180,748 in commissions. Much of that money went toward the cost of operations, such as rent, mortgages, and labor costs, of which pari-mutuel clerks represent a large part. The racetracks are also responsible for marketing the sport with advertising, promotions, and other forms of publicity.

CHRB Support

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

Incentive Awards

One of the most important uses of horse racing revenue is for incentive awards, which promote the agricultural program in California by encouraging horse breeding. Last year \$9,534,054 in awards was divided between programs for thoroughbreds, standardbreds, quarter horses, paints, and Arabians.

Local Government

For those local municipalities who elect to participate, an additional 0.33 of one percent is withheld from the handle to reimburse communities for costs incurred due to traffic control, security, and other expenditures resulting from horse racing events. Last year \$1,990,940 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 \$39,119,815 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 \$179,636,303.

Equine Research

A mandated deduction goes to University of California, Davis, for equine research. Last year the total for equine research was \$1,784,761.

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 \$66,488,623 last year:

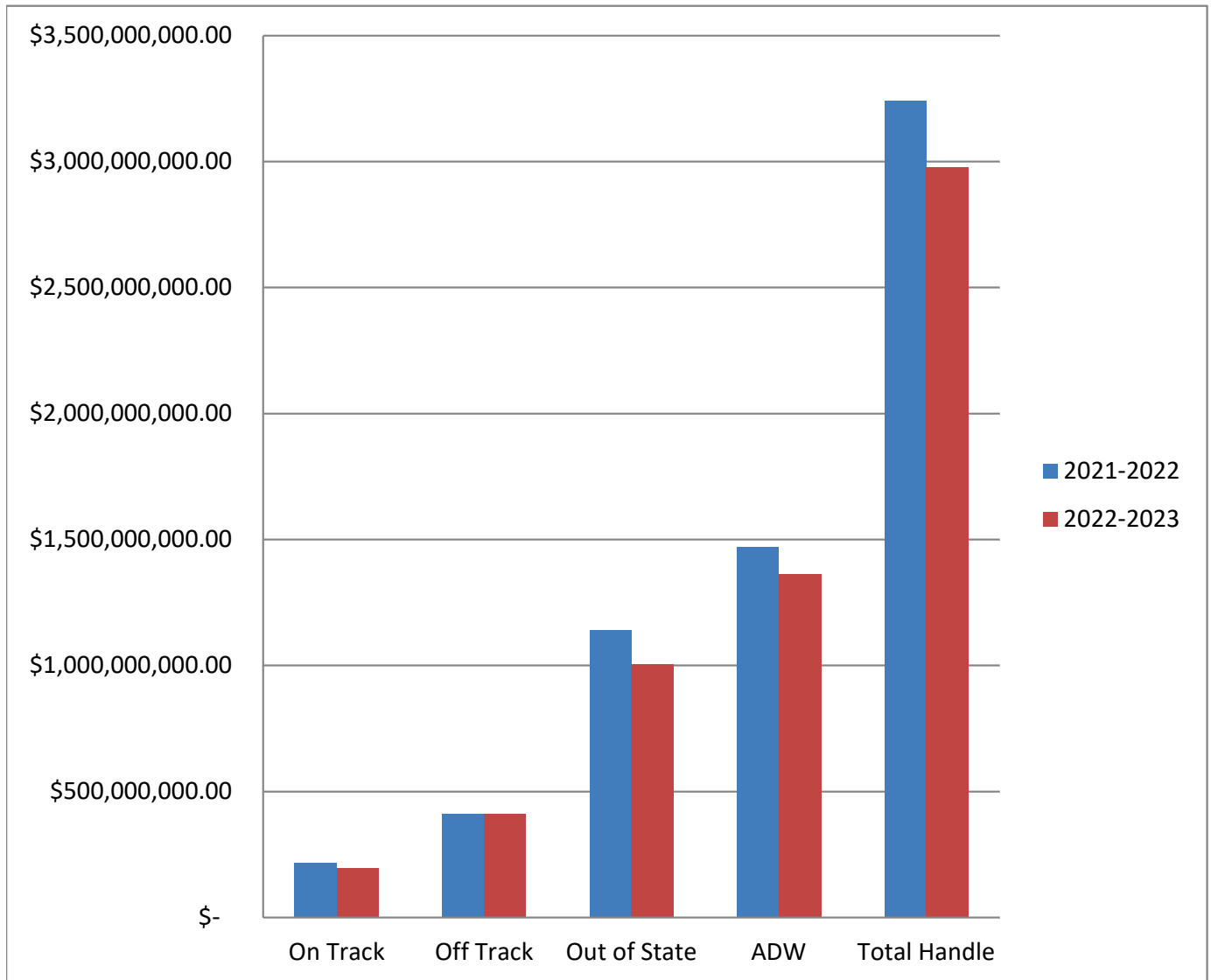
Stable and Vanning Fund:	\$11,571,247
Promotion Fund:	\$ 3,593,787
Expense Fund:	\$27,894,137
Guest Site Fees:	\$23,429,452

Retirement and Welfare

ADW Retirement and Welfare Plans received \$3,762,565 in FY 2022–23. These funds supplement the backstretch personnel pension plan and provide welfare benefits for horsemen and backstretch personnel.

Sources of Handle

Fiscal Years 2021-22 and 2022-23



The on track handle represents wagers at the host track. For FY 2022-23, on-track wagers accounted for 6.65 percent of the total handle. Off-track handle represents wagering at California simulcast locations and accounted for 13.84 percent of the total. Out-of-state handle represents commingled wagers from other U.S. and international sites. Out-of-state wagers accounted for 33.77 percent of the total. Advance Deposit Wager (ADW) represents the handle generated through the seven-licensed California ADW companies. The ADW handle accounted for 45.75 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 2022–23: Thoroughbred Owners of California for thoroughbred owners; California Thoroughbred Trainers for thoroughbred trainers; California

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

Audited Expenses of California Horsemen's Organizations

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

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

Audited Financial Statements of California Horse Racing Industry

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

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

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