

CALIFORNIA CODE OF REGULATIONS
TITLE 4. BUSINESS REGULATIONS
DIVISION 4. CALIFORNIA HORSE RACING BOARD
ARTICLE 4. OCCUPATIONAL LICENSES
RULE 1481. OCCUPATIONAL LICENSES AND FEES
RULE 1483. APPLICATION FOR LICENSE
RULE 1486. TERM OF LICENSE
RULE 1487. ADDRESS OF LICENSEES

The California Horse Racing Board (Board) proposes to amend the regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION

The Board proposes to amend Board Rule 1481, Occupational Licenses and Fees; Rule 1483, Application for License; Rule 1486, Term of License; and Rule 1487, Address of Licensees, to modify occupational license types, fees, terms, and requirements.

PUBLIC HEARING

The Board has not scheduled a public hearing on this proposed action. However, the Board will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days prior to the close of the written comment period.

WRITTEN COMMENT PERIOD

Any interested persons, or their authorized representative, may submit written comments about the proposed regulatory action to the Board. The written comment period closes on **April 28, 2025**. The Board must receive all comments by that time. Submit comments to:

Rick Pimentel, Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 274-6043
Email: repimentel@chrb.ca.gov

AUTHORITY AND REFERENCE

Authority cited: Sections 19440, 19460, 19510, 19520, and 19704, Business and Professions Code (BPC). Reference: Sections 19460, 19510, 19520, 19521, and 19704, BPC.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

BPC section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of Horse Racing Law, whereby the responsibilities of the Board shall include, but not be limited to, licensing of each racing association and all persons, other than the public at large, who participate in a horse racing meeting with parimutuel wagering. BPC section 19460 provides that all licenses are subject to all rules, regulations, and conditions prescribed by the Board. BPC section 19510 provides that every steward and racing official not required to be licensed under Article 4 (commencing with section 19480) shall be licensed by the Board pursuant to Article 5. BPC section 19520 provides that every person not required to be licensed under Article 4 (commencing with section 19480) who participates in, or has anything to do with, the racing of horses in any of the capacities set forth in the section shall be licensed by the Board pursuant to rules and regulations that the Board may adopt and upon the payment of a license fee fixed and determined by the Board. BPC section 19704 provides that the Board shall issue a license for owners, trainers, jockeys, and other participants in mule racing.

Board Rule 1481 sets forth the occupational license types and the fee for each type. California Assembly Bill (AB) 179 (Chapter 997, Statutes of 2024) amended BPC section 19520 to, in part, recategorize the occupational license types that the Board may issue. Therefore, the Board seeks to amend the rule for consistency with state law. The change will ensure that the Board meets Federal Bureau of Investigation (FBI) requirements pertaining to access to criminal history information. Additionally, the Board seeks to update the current license fees to more accurately reflect increased operational costs and ensure the Horse and Jockey Safety and Welfare Account, which is funded in part by the license fees, is properly funded for equine safety measures.

Board Rule 1483 sets forth the application and fingerprint requirements for occupational licenses. Various application forms have been used for the multitude of license types that currently exist, resulting in a lack of uniformity in the information obtained from licensees, and the rule stipulates that each applicant shall provide fingerprints on regulation forms, in conflict with the California Department of Justice's requirement that fingerprints be submitted electronically for the Board to obtain criminal offender records information. Therefore, the Board seeks to amend the rule to incorporate by reference a single, consolidated license application form and require that licensees provide fingerprints electronically, with exceptions.

Board Rule 1486 sets forth the occupational license expiration cycles for regular and shorter-term license types. These expiration cycles are irregular and result in variability in the length of license terms. Additionally, the shorter-term license types specified within the rule conflict with the recategorization of license types in the proposed amendment to Board Rule 1481. Thus, the Board seeks to amend its Rule 1486 to provide for uniformity, with the goal of having three-year terms for all non-temporary licenses, and for consistency with Rule 1483.

Finally, Board Rule 1487 sets forth address requirements for licensees. A physical address is needed for the Board to obtain criminal history background information. However, the rule is unclear whether a physical address must be provided by each licensee, applicant, or registrant. Hence, the Board seeks to amend the rule to clarify the physical address requirement.

ANTICIPATED BENEFIT OF THE PROPOSED REGULATION

The proposed regulatory action will benefit the health and welfare of jockeys and racehorses, as it will ensure funding to the Horse and Jockey Safety and Welfare Account, which was created for equine safety measures to improve the integrity and safety of horse racing. Additionally, by recategorizing the occupational license types, the proposed regulation will provide for conformity with state law and ensure that the Board continues to meet FBI requirements pertaining to criminal history information access, which is essential to maintaining the integrity of the licensing process.

CONSISTENCY EVALUATION

Evaluation of Consistency and Compatibility with Existing State Regulations: During the process of developing the regulatory action, the Board conducted a search for any similar regulation on this topic and has concluded that its rules 1481, 1483, 1486, and 1487 are the only regulations that address occupational license types and fees, application and fingerprint requirements, terms, and address requirements. Therefore, the proposed regulation is neither inconsistent nor incompatible with existing state regulations.

FORMS INCORPORATED BY REFERENCE

Application for License, CHRB-4 (Rev. 08/24)
Fingerprint Affidavit, CHRB-118 (Rev. 09/23)

DISCLOSURES REGARDING THE PROPOSED ACTION

Mandate on local agencies or school districts: none.

Cost or savings to any state agency: The Board has estimated that the proposed license fee structure would result in approximately \$200,000 in additional revenue to the Board annually. However, the Board believes that the potential increase would be significantly less than the increase in operational costs. Additionally, license fee revenue was redirected by AB 1974 (Chapter 251, Statutes of 2020) to fund the Horse and Jockey Safety and Welfare Account. As the account was created for equine safety measures to improve the integrity and safety of horse racing, the Board seeks to ensure funding thereto. AB 1974 also diverted penalties and fines imposed by stewards of a horse racing meeting to the Horse and Jockey Safety and Welfare Account. However, since the Horseracing Integrity and Safety Authority's (HISA) Racetrack Safety Program and its Anti-Doping and Medication Control Program were implemented on July 1, 2022, and May 22, 2023, respectively, a significant proportion of the penalty and fine revenue has

been diverted to HISA. Therefore, the additional revenue would help bring license fees in line with current costs and ensure funding to the Horse and Jockey Safety and Welfare Account but not be available for any other purpose.

Cost to local agencies or school districts that must be reimbursed in accordance with Government Code (GC) sections 17500 through 17630: none.

Other non-discretionary costs or savings imposed upon local agencies: none.

Cost or savings in federal funding to the state: none.

The Board has made an initial determination that the proposed regulatory action will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposed regulatory action will recategorize the occupational license types for conformity with state law and to meet FBI requirements pertaining to criminal history information access; update license fees to reflect the increase in operational costs associated with measures to implement the Horse and Jockey Safety and Welfare Account, thereby ensuring its funding; incorporate by reference a consolidated license application for use with the new listing of license types; require that licensee fingerprints be submitted electronically; simplify the license expiration cycle for uniformity; and clarify that a physical address is required from licensees. These changes will affect only certain individuals seeking to obtain or renew a Board-issued occupational license with respect to procedures and license fees and have no effect on their employment or on businesses within the horse racing industry.

The following studies/relevant data were relied upon in making the above determination: none.

Cost impact on representative private persons or businesses: Although the Board estimates additional license fee revenue of approximately \$200,000 annually under the proposed change to the fee structure, certain license fees would remain the same, while others would actually decrease. For others, the increase would be nominal — from \$5 to \$50 (horse owners) but typically \$25 for a three-year license, which would be an increase of \$8.33 per year on average. Moreover, in developing the proposed fee structure, the Board took into consideration the economic impact on the individual for each license type and sought to alleviate any undue burden.

Significant effect on housing costs: none.

RESULTS OF THE ECONOMIC IMPACT ANALYSIS

The adoption of the proposed regulatory action will (1) not create or eliminate jobs within the state; (2) not create new businesses or eliminate existing businesses within the state; (3) not result in the expansion of businesses currently doing business with the state; and (4) not benefit the state's environment. However, it will benefit the health and welfare of

California residents and worker safety, as it will help ensure funding to the Horse and Jockey Safety and Welfare Account, which was created for equine safety measures to improve the integrity and safety of horse racing.

Effect on small business: none. The proposed regulatory action does not affect small business because small businesses are not legally required to comply with or enforce the regulations and neither derive a benefit nor incur a detriment from the enforcement of the regulations. The proposed regulatory action will recategorize the occupational license types for conformity with state law and to meet FBI requirements pertaining to criminal history information access; update license fees to reflect the increase in operational costs associated with measures to implement the Horse and Jockey Safety and Welfare Account, thereby ensuring its funding; incorporate by reference a consolidated license application for use with the new listing of license types; require that licensee fingerprints be submitted electronically; simplify the license expiration cycle for uniformity; and clarify that a physical address is required from licensees. These changes will affect only certain individuals seeking to obtain or renew a Board-issued occupational license in terms of license fees and application procedures and, therefore, not affect their jobs, businesses within the horse racing industry, or the state's environment.

CONSIDERATION OF ALTERNATIVES

In accordance with GC section 11346.5, subdivision (a)(13), the Board must determine that no reasonable alternative considered by the Board or that has otherwise been identified and brought to the attention of the Board would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled hearing or during the written comment period.

CONTACT PERSONS

Inquiries concerning the substance of the proposed action and requests for copies of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, and other information upon which the rulemaking is based should be directed to:

Rick Pimentel, Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825
Telephone: (916) 274-6043
Email: repimentel@chrb.ca.gov

If the person named above is not available, interested parties may contact:

Chris Garmire, Executive Affairs Specialist
California Horse Racing Board
Telephone: (279) 300-7421
Email: cmgarmire@chrb.ca.gov

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

The Board will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its offices at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the initial statement of reasons. Copies of these documents, or any of the information upon which the proposed rulemaking is based, may be obtained by contacting Rick Pimentel or the alternative contact person at the address, phone number, or email address listed above.

AVAILABILITY OF MODIFIED TEXT

After holding a hearing and considering all timely and relevant comments received, the Board may adopt the proposed regulation substantially as described in this notice. If modifications are made that are sufficiently related to the originally proposed text, the modified text, with changes clearly marked, shall be made available to the public for at least 15 days prior to the date on which the Board adopts the regulation. Requests for copies of any modified regulation should be sent to the attention of Rick Pimentel at the address stated above. The Board will accept written comments on the modified regulation for 15 days after the date on which it is made available.

AVAILABILITY OF FINAL STATEMENT OF REASONS

Requests for copies of the final statement of reasons, which will be made available after the Board has adopted the proposed regulation in its current or modified form, should be sent to the attention of Rick Pimentel at the address stated above.

BOARD WEB ACCESS

The Board will have the entire rulemaking file available for inspection throughout the rulemaking process at its website. The rulemaking file consists of this notice, the proposed text of the regulation, and the initial statement of reasons. The Board's website address is www.chrb.ca.gov.