INITIAL STATEMENT OF REASONS

RULE 1634. CLAIMING OPTION ENTRY
RULE 1656. ERRORS WHICH INVALIDATE CLAIM
RULE 1658. VESTING OF TITLE TO CLAIMED HORSE

SPECIFIC PURPOSE OF THE REGULATION

The proposed regulation will amend California Horse Racing Board (Board) Rule 1634, Claiming Option Entry, Board Rule 1656, Errors Which Invalidate Claim, and Board Rule 1658, Vesting of Title to Claimed Horse, for consistency and conformity with federal regulations.

Currently, Board Rule 1634 allows the owner, at the time of entry into a claiming race, to declare a horse ineligible to be claimed if it has been laid off and has not started for a minimum of 180 days since its last start and the horse is entered for a claiming price not less than the price at which it last started. The proposed amendment to Board Rule 1634 will reduce the minimum number of days required since the last start from 180 to 120. The proposed amendment will also allow for ineligibility to apply to a second consecutive start following each such layoff, instead of only the first start, provided that certain conditions are met.

The proposed amendment to Board Rule 1656 will update the reference to the claim form, CHRB-11 (REV. 8/14) Agreement to Claim, which is incorporated by reference, to reflect the latest version of the form.

Currently, subsection (c) of Board Rule 1658 stipulates that the stewards shall not void a claim if the claimant elects to claim the horse regardless of whether the racing or official veterinarian determines the horse will be placed on the Veterinarian's List as unsound or lame, and subsection (c)(1) requires that the election made under subsection (c) be entered on the claim form, CHRB-11 (REV. 8/14) Agreement to Claim, which is incorporated by reference. The proposed regulation will amend subsection (c) of Board Rule 1658 to include "bled" as one of the reasons for placement on the Veterinarian's List as it pertains to subsection (c). Additionally, the proposed regulation will amend subsection (b)(2)(A) of Board Rule 1658 to specify that "bled" is also referred to as "epistaxis." Finally, the proposed regulation will update the reference to the claim form in subsection (c)(1) to reflect the latest version of the form, which has been revised to include "bled/epistaxis" for consistency with the changes to subsections (b)(2)(A) and (c).

PROBLEM

The Horseracing Integrity and Safety Authority's (HISA) amendment to its federal regulations pertaining to claiming races, which took effect on July 8, 2024, resulted in inconsistencies between the Board's corresponding rules and the federal regulations. Therefore, the Board seeks to amend its affected rules to align with the HISA rules.

NECESSITY

Subsection (a) of Board Rule 1634 will be amended to add a comma after “claimed.” This non-substantive, technical edit will provide clarity.

Subsection (a)(1) of Board Rule 1634 will be amended to replace “180” with “120.” This change is necessary for consistency with federal regulations. Specifically, the provision corresponds to subsection (a)(1) of HISA Rule 2263, Waiver Claiming Option.

Subsection (c) of Board Rule 1634 will be amended to strike “only.” This is necessary for consistency with the proposed addition of subsection (d), which will allow for ineligibility to apply to a second consecutive start following a layoff, given certain conditions are met, as explained below.

Subsection (d) will be added to Board Rule 1634 for consistency with federal regulations. Specifically, the provision corresponds to subsection (b) of HISA Rule 2263.

Subsection (d)(1) will be added to Board Rule 1634 to establish the provision in proposed subsection (d) upon the horse having been declared ineligible in the first start following the layoff. This change is necessary for consistency with federal regulations, as it corresponds to the provision set forth in subsection (b)(1) of HISA Rule 2263.

Subsection (d)(2) will be added to Board Rule 1634 to establish the provision in proposed subsection (d) upon the horse having not won in its first start following the layoff. This change is necessary for consistency with federal regulations, as it corresponds to the provision set forth in subsection (b)(2) of HISA Rule 2263.

Subsection (d)(3) will be added to Board Rule 1634 to establish the provision in proposed subsection (d) upon the horse having not changed majority ownership after its first start following the layoff. This change is necessary for consistency with federal regulations, as it corresponds to the provision set forth in subsection (b)(3) of HISA Rule 2263.

Subsection (d)(4) will be added to Board Rule 1634 to establish the provision in proposed subsection (d) upon the provision in subsection (a)(2) still being applicable. This change is necessary for consistency with federal regulations, as it corresponds to the provision set forth in subsection (b)(4) of HISA Rule 2263.

The amendment to Board Rule 1656 will change “Which” to “That” in the title of the rule. This non-substantive, technical edit will provide for proper word usage. Additionally, the amendment will update the reference to the claim form, which is incorporated by reference, to reflect the latest version of the form. This will provide for consistency between the rule and claim form.

Subsection (a) of Board Rule 1658 will be amended to change both instances of “which” to “that.” These non-substantive, technical edits will provide for proper word usage.

Subsection (b)(2) of Board Rule 1658 will be amended to add a comma after “unsound” to provide for proper punctuation and improved readability.

Subsection (b)(2)(A) of Board Rule 1658 will be amended to provide that “bled” is also referred to as “epistaxis.” This is necessary because the HISA rules use “epistaxis,” which has the same meaning as “bled.” Non-substantive, technical edits will also be made to ensure correct punctuation.

Subsection (c) of Board Rule 1658 will be amended to add “bled” as a condition for which the horse will be placed on the Veterinarian’s List within the context of the subsection. This change is necessary for consistency with federal regulations, as subsection (c) of Board Rule 1658 corresponds to subsection (f) of HISA Rule 2262, which includes “epistaxis” as a condition for which the horse will be placed on the Veterinarian’s List within the context of the subsection. Non-substantive edits will also be made to ensure proper punctuation.

Subsection (c)(1) of Board Rule 1658 will be amended to update the reference to the claim form, CHRB-11 (REV. 8/14) Agreement to Claim, which is incorporated by reference, to reflect the latest version of the form. This will provide for consistency between the rule and claim form and help ensure use of the correct version of the form. A non-substantive, technical edit will also be made to provide for proper spacing in the text.

The claim form, CHRB-11 (REV. 8/14) Agreement to Claim, has been revised to include “bled/epistaxis” as a condition for which the horse will be placed on the Veterinarian’s List, within the context of a claimant electing to claim a horse regardless of that determination made by the racing or official veterinarian. This change is necessary for consistency with the proposed change to subsection (c) of Board Rule 1658. Also, the word “NUMBER” has been stricken for better readability, as it is a non-essential word on the form, and commas were added in the appropriate places to provide for proper punctuation, in addition to other non-substantive, technical edits made for clarity. Finally, the revision date was revised to indicate the new version of the form.

BENEFITS ANTICIPATED FROM THE REGULATORY ACTION

The proposed regulatory action will provide for consistency and conformity with federal regulations. The proposed amendment to Board Rule 1634 will change the minimum number of days the horse has not started, as a required condition for the owner to opt to declare a horse ineligible to be claimed at the time of entry into a claiming race, from 180 to 120. The proposed amendment will also allow ineligibility to apply to a second consecutive start following each such layoff, given that certain conditions are met. These changes will provide for consistency with HISA Rule 2263. Additionally, the proposed amendment to Board Rule 1658 will add “bled” as a condition for which the racing or official veterinarian determines the horse will be placed on the Veterinarian’s List as it pertains to the claimant electing to claim the horse regardless, whereby the stewards shall not void the claim. This change will provide for conformity with HISA Rule 2262. By

providing for consistency and conformity with federal regulations, the proposed regulatory action will help prevent confusion among horse owners and ensure their compliance with the Board's rules.

TECHNICAL, THEORETICAL, OR EMPIRICAL STUDIES, REPORTS, OR OTHER DOCUMENTS

The Board relied on the texts of HISA Rules 2262 and 2263 (effective date of July 8, 2024) in proposing this regulatory action.

RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The results of the Board's Economic Impact Assessment as required by Government Code section 11346.3(b) are as follows:

- The proposed regulation will **not** affect the creation or elimination of jobs within the state.
- The proposed regulation will **not** affect the creation of new businesses or the elimination of existing businesses within the state.
- The proposed regulation will **not** affect the expansion of businesses currently doing business within the state.
- The proposed regulation is **not** expected to affect worker safety or the state's environment but **will** benefit the health and welfare of California residents.

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 reduce the minimum number of days required since a horse's last start, in relation to declaring the horse ineligible to be claimed, from 180 to 120 and allow for ineligibility to apply to a second consecutive start, given certain conditions; include "bled" as one of the reasons for placement on the Veterinarian's List as it relates to a claimant electing to claim a horse regardless of a veterinary determination; update references to the claim form, which has been revised to include "bled/epistaxis" within the context of the previous provision; and make non-substantive, technical edits. As such, the Board has determined that the proposed regulation will not have a significant adverse economic impact on business. However, by providing for consistency with federal regulations, the proposed regulation will help prevent confusion for horse owners.

CREATION OR ELIMINATION OF JOBS WITHIN THE STATE OF CALIFORNIA

The proposed regulatory action will reduce the minimum number of days required since a horse's last start, in relation to declaring the horse ineligible to be claimed, from 180 to 120 and allow for ineligibility to apply to a second consecutive start, given certain conditions; include "bled" as one of the reasons for placement on the Veterinarian's List as it relates to a claimant electing to claim a horse regardless of a veterinary

determination; update references to the claim form, which has been revised to include “bled/epistaxis” within the context of the previous provision; and make non-substantive, technical edits. As such, the proposed regulatory action will not result in the creation or elimination of jobs within the state.

CREATION OF NEW BUSINESSES OR THE ELIMINATION OF EXISTING BUSINESSES WITHIN THE STATE OF CALIFORNIA

The proposed regulatory action will reduce the minimum number of days required since a horse’s last start, in relation to declaring the horse ineligible to be claimed, from 180 to 120 and allow for ineligibility to apply to a second consecutive start, given certain conditions; include “bled” as one of the reasons for placement on the Veterinarian’s List as it relates to a claimant electing to claim a horse regardless of a veterinary determination; update references to the claim form, which has been revised to include “bled/epistaxis” within the context of the previous provision; and make non-substantive, technical edits. As such, the proposed regulatory action will not result in the creation of new businesses or the elimination of existing businesses within the state.

EXPANSION OF BUSINESSES CURRENTLY DOING BUSINESS WITHIN THE STATE OF CALIFORNIA

The proposed regulatory action will reduce the minimum number of days required since a horse’s last start, in relation to declaring the horse ineligible to be claimed, from 180 to 120 and allow for ineligibility to apply to a second consecutive start, given certain conditions; include “bled” as one of the reasons for placement on the Veterinarian’s List as it relates to a claimant electing to claim a horse regardless of a veterinary determination; update references to the claim form, which has been revised to include “bled/epistaxis” within the context of the previous provision; and make non-substantive, technical edits. As such, the proposed regulatory action will not result in the expansion of businesses currently doing business within the state.

BENEFITS OF THE REGULATIONS TO THE HEALTH AND WELFARE OF CALIFORNIA RESIDENTS, WORKER SAFETY, AND THE STATE’S ENVIRONMENT

The proposed regulatory action will reduce the minimum number of days required since a horse’s last start, in relation to declaring the horse ineligible to be claimed, from 180 to 120 and allow for ineligibility to apply to a second consecutive start, given certain conditions; include “bled” as one of the reasons for placement on the Veterinarian’s List as it relates to a claimant electing to claim a horse regardless of a veterinary determination; update references to the claim form, which has been revised to include “bled/epistaxis” within the context of the previous provision; and make non-substantive, technical edits. As such, the proposed regulatory action will not benefit the health and welfare of California residents, workers safety, or the state’s environment.

ALTERNATIVES TO THE PROPOSED REGULATION THAT WOULD LESSEN ANY ADVERSE IMPACT ON AFFECTED PRIVATE PERSONS OR BUSINESSES

The Board has determined that no reasonable alternative it considered or that has otherwise been identified and brought to its attention 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.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATION

The proposed regulatory action was discussed at the August 15, 2024 Board meeting. No alternatives to the regulation were proposed by the Board or by any other individual or entity at the meeting. No subsequent alternative recommendations were made prior to the notice. The Board invites any interested party to submit comments that offer any alternative proposal.

CALIFORNIA HORSE RACING BOARD
October 4, 2024