

CALIFORNIA HORSE RACING BOARD

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NOTICE OF REVISED
AGENDA ITEM
TO BE CONSIDERED AT MEETING

Notice is hereby given that the **California Horse Racing Board (CHRB)** may take action on the item identified below at the meeting of the Board scheduled to be held on **Friday, February 21, 2014**, commencing at **9:00 a.m.**, in the **Baldwin Terrace Room** at the **Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California**. This item of business did not appear on the previously posted agenda, and any Board action on the revised item is conditioned upon, at the upcoming meeting, the preliminary Board determination specified in subsection (a) (2) of Government Code section 11125.3.

The revised item of business to the previously posted agenda for the meeting will consist of the following matter:

Revised Item Number 5:

Discussion and action by the Board to **augment the funding of the Workers' Compensation Program for thoroughbred, quarter horse, harness racing associations and racing fairs.**

Additional information regarding this meeting may be obtained from the CHRB Administrative Office, 1010 Hurley Way, Suite 300, Sacramento, CA 95825; telephone (916) 263-6000; fax (916) 263-6042. This notice is located on the CHRB website at www.chrb.ca.gov. *Information for requesting disability related accommodation for persons with a disability who require aid or services in order to participate in this public meeting, should contact Jacqueline Wagner.

CALIFORNIA HORSE RACING BOARD

Chuck Winner, Chairman
Bo Derek, 1st Vice Chairman
Richard Rosenberg, 2nd Vice Chairman
Steve Beneto, Member
Jesse H. Choper, Member
George Krikorian, Member
Madeline Auerbach, Member
Rick Baedeker, Executive Director
Jacqueline Wagner, Assistant Executive Director

Date of Notice: February 18, 2014

REVISED STAFF ANALYSIS

DISCUSSION AND ACTION BY THE BOARD TO AUGMENT THE FUNDING OF THE WORKERS' COMPENSATION PROGRAM FOR THOROUGHBRED, QUARTER HORSE AND HARNESS RACING ASSOCIATIONS AND RACING FAIRS

Regular Board Meeting
February 21, 2014

BACKGROUND

Business and Professions Code section 19605.75 provides, in part, that the Legislature finds and declares the existence of high caliber thoroughbred racing in California is important to the state's agricultural economy. Escalating costs of doing business in California, including workers' compensation insurance costs, are causing thoroughbred horses and trainers to leave this state, and discouraging owners and trainers from bringing horses into the state.

In response, the Legislature enacted Business and Professions Code section 19605.75 of the Horse Racing Law which authorized 0.5 percent be deducted from the total amount handled in exotic pari-mutuel pools of thoroughbred races. Specifically, the funds were to be collected from thoroughbred racing associations and fairs, satellite wagering facilities within the state, and advance deposit wagering by California residents. In turn, the funds were to be distributed to an organization composed of thoroughbred racing associations and the owners' organization. Business and Professions Code section 19605.75 was repealed as of January 1, 2014.

In line with Business and Professions Code section 19605.75, the Legislature enacted other provisions of the Horse Racing Law to provide workers' compensation for other breeds, specifically Business and Professions Code sections 19605.76, 19605.77 and 19605.78. Business and Professions Code section 19605.76 permitted a deduction 0.5 percent from exotic pari-mutuel pools of quarter horse races. The funds were to be distributed to an organization composed of the quarter horse racing association and the organization representing the quarter horse horsemen and horsewomen. The provision was repealed as of January 1, 2014.

Business and Professions Code section 19605.77 permitted a deduction 1.0 percent from conventional pari-mutuel pools of harness races. The funds were to be distributed to an organization composed of the harness association and the organization representing the harness horsemen and horsewomen. The provision was repealed as of January 1, 2014.

Business and Professions Code section 19605.78 permitted a fair to deduct 0.5 percent from exotic pari-mutuel pools of any breed, other than races solely for thoroughbreds. The funds were to be distributed to an organization composed of fairs and the organization representing the horsemen and horsewomen of each breed for which deductions have been approved. The provision was repealed as of January 1, 2014.

ANALYSIS

In order to ensure the continued funding of the thoroughbred workers' compensation program, the Board needs to authorize, pursuant to Business and Professions Code section 19601.01, a 0.5 percent deduction from exotic pari-mutuel wagering pools on thoroughbred races, a 0.5 percent deduction from exotic pari-mutuel wagering pools on quarter horse races, a 1.0 percent deduction from conventional pari-mutuel wagering pools and a 0.5 percent deduction from exotic wagering pools on any breed, other than races solely for thoroughbreds. The funding should come from those same sources identified in Business and Professions Code sections 19605.75, 19605.76, 19605.77 and 19605.78; to wit, thoroughbred racing associations, quarter horse racing association, harness racing association and fairs conducting meets in California, satellite wagering facilities in the state and advanced deposit wagering by California residents. In order to ensure the continuity of the workers' compensation program for all breeds, the funding should be made retroactive to January 1, 2014.

RECOMMENDATION

Staff recommends the Board act to augment the funding of the thoroughbred workers' compensation program by adopting the following motions:

"The California Horse Racing Board hereby moves to augment the funding of the workers' compensation program for thoroughbreds by authorizing a 0.5 percent deduction from exotic wagering pools of thoroughbred races and to do so retroactively to January 1, 2014. The funding source is to be those organizations and entities stated in Business and Professions Code section 19605.75, now repealed."

"The California Horse Racing Board hereby moves to augment the funding of the workers' compensation program for quarter horses by authorizing the quarter horse racing association to deduct 0.5 percent from exotic wagering pools of quarter horse races and to do so retroactively to January 1, 2014. The funding source is to be those organizations and entities stated in Business and Professions Code section 19605.76, now repealed."

"The California Horse Racing Board hereby moves to augment the funding of the workers' compensation program for harness horses by authorizing a harness association to deduct 1.0 percent from conventional pari-mutuel wagering pools of harness races, and to do so retroactively to January 1, 2014. The funding source is to be those organizations and entities stated in Business and Professions Code section 19605.77, now repealed."

"In addition to the deduction heretofore authorized for thoroughbreds, the California Horse Racing Board hereby moves to augment the funding of the workers' compensation program any breed by authorizing a fair to deduct from exotic wagering pools of any breed, except for races solely for thoroughbreds, and to do so retroactively to January 1, 2014. The funding source is to be those organizations and entities stated in Business and Professions Code section 19605.78, now repealed."