

CALIFORNIA HORSE RACING BOARD
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NOTICE OF LEGISLATIVE COMMITTEE MEETING

Notice is hereby given that a meeting of the **California Horse Racing Board's Legislative Committee** will be held on, **Wednesday, April 23, 2003**, commencing at **9:30 a.m.**, at the **Hollywood Park Casino**, 1050 S. Prairie Avenue, **Inglewood**, California. Non-committee members attending the Board's committee meeting may participate in the public discussion, but shall not participate in any official committee vote or committee executive session.

Agenda Items

1. Discussion on the **2003 Horse Racing related legislation concerning:**
 - a. California Bred Horses
 - b. Charity Days
 - c. Out-of Country Thoroughbred races
 - d. Racing Days and Weeks
 - e. Racetrack Workers Welfare
 - f. Satellite Wagering Facilities
 - g. Miscellaneous

Additional information regarding the committee meeting may be obtained from Jacqueline Wagner, at the CHRB Administrative Office, 1010 Hurley Way, Suite 300, Sacramento, CA 95825; telephone (916) 263-6000; fax (916) 263-6042. A copy of this notice can be located on the CHRB website at www.chrb.ca.gov

LEGISLATIVE COMMITTEE

Commissioner Marie Moretti, Chairman
Commissioner Alan Landsburg, Member

Date of Notice: April 14, 2003

STAFF ANALYSIS
DISCUSSION ON THE
2003
HORSE RACING
RELATED LEGISLATION
CONCERNING:
CALIFORNIA BRED HORSES
CHARITY DAYS
OUT-OF-COUNTRY THOROUGHBRED RACES
RACING DAYS AND WEEKS
RACETRACK WORKERS WELFARE
SATELLITE WAGERING FACILITIES and
MISCELLANEOUS

Legislative Committee Meeting
April 23, 2003

BACKGROUND

Twenty-three horse racing related bills have been introduced this legislative session. Of these bills, staff has confirmed with the authors' offices, seven "spot" bills, which to date, have not been scheduled for hearing and at this time, are not anticipated to move through the legislative process.

Attached is a list of the horse racing bills that have been set for hearing or have been identified as bills that are projected to move through the legislative process.

RECOMMENDATION

This item is presented for discussion.

The Committee may wish to hear from the sponsors of the bills and other interested parties.

CALIFORNIA HORSE RACING BOARD



HORSE RACING
RELATED LEGISLATION
2003
LEGISLATIVE SESSION

Legislative Committee Meeting
April 23, 2003

A. CALIFORNIA BRED HORSES

AB 667 - HORSE RACING: CALIFORNIA-BRED HORSES.
HARMAN

Sponsor – Pacific Quarter Horse Racing Association

Existing law generally requires every licensee conducting a horse racing meeting to provide for the running of at least one "California-bred race" on each racing day. Existing law requires for thoroughbred and quarter horse racing that the total amount distributed to horsemen for California-bred stakes races from the purse account to be not less than 10% of the total amount distributed for all stakes races from the purse account at that racing meeting. Existing law defines a "California-bred quarter horse" as a quarter horse foal conceived in California by a stallion standing in California at the time of conception.

This bill would change that definition to require the stallion to be standing in California at the approximate time of conception.

In Senate. No hearing set.

SB 738 - HORSE RACING: CALIFORNIA-BRED HORSES.
KARNETTE

Sponsor – Capitol Racing at Cal Expo

Existing law provides for special races for California-bred horses, with minimum purse money allocated to those races. Existing law also establishes a California Standardbred Sires Stakes Program to promote the breeding of standardbred horses in the state that includes special stakes races for these horses. Existing law defines a "California-bred standardbred horse" as a standardbred foal dropped by a mare in California after being conceived in California and

remaining in California until the foal is weaned, or any standardbred foal which is conceived in California on or after January 1, 1984.

This bill would redefine a California-bred standardbred horse as a standardbred foal dropped by a mare in California after being conceived in California by a stallion registered with the California Standardbred Sires Stakes Program.

Senate G.O. Committee. 4/29/03 hearing set.

B. CHARITY DAYS

AB 771 - HORSE RACING: CHARITY DAYS.
WYLAND

Sponsor – Thoroughbred Owners of California

Existing law requires each licensed racing association to designate a certain number of racing days as charity racing days for the purpose of the distribution of the net proceeds to beneficiaries. Existing law also requires that beneficiaries of these proceeds be exempt or entitled to exemption from state and federal income taxes, involved in specified beneficial activities, and approved by the California Horse Racing Board. Existing law requires that at least 20% of the distribution from charity day racing go to charities associated with the horse racing industry, 20% to a nonprofit corporation or trust for the benefit of disabled jockeys, 5% to a welfare fund and 5% to a nonprofit corporation whose primary purpose is to assist backstretch personnel adversely affected by alcohol or substance abuse.

This bill would require that 20% of the distribution from charity day racing go to a nonprofit corporation that cares for retired racehorses. It would also require the Board to maintain a list of these charities, and adopt regulations to ensure the proper expenditure of this money. The bill would reduce the minimum amount currently required to go to charities associated with the horse racing industry from 20% to 10%.

Assembly G.O. Committee – 4/21/03 hearing set.

C. OUT- OF- COUNTRY THOROUGHBRED RACES

AB 509 - HORSE RACING: OUT-OF-COUNTRY THOROUGHBRED RACES.
HORTON

Sponsor – Author Sponsored

Existing law provides that, during the calendar period of its racing meeting, a thoroughbred racing association or fair may distribute the audiovisual signal and accept wagers on out-of-state and out-of-country thoroughbred races without regard to the amount of purses and without the consent of the horseman's organization, as specified. The law also limits the total number of thoroughbred races imported by associations or fairs on a statewide basis under these provisions to 23 per day on days when live thoroughbred or fair racing is being conducted in this state. However, among other things, this limitation does not apply to races

imported into the combined central and southern zones when there is no live thoroughbred or fair racing being conducted in these combined zones.

This bill would amend the 23 race per day limitation to apply only to out-of-state races in the United States. It would add separate provisions to permit a thoroughbred racing association or fair to distribute the audiovisual signal and accept wagers on the results of out-of-country thoroughbred races on similar conditions, without a daily limit on races, and subject to a different state license fee.

Assembly G.O. Committee. No hearing set.

D. RACING DAYS AND WEEKS

AB 675 - HORSE RACING: RACING DAYS AND WEEKS.
STRICKLAND

Sponsor – Santa Anita

Existing law defines "racing weeks" for the purposes of the Horse Racing Law as seven consecutive days during which a licensed racing association is authorized by the California Horse Racing Board to conduct horse racing for a minimum of five racing days. Existing law permits the Board to authorize a licensed racing association or fair to conduct horse racing for a minimum of four racing days during a racing week if the racing association or fair and the organization representing horsemen jointly petition the Board to do so. Existing law also provides for fractional weeks of four days or less that can be authorized by the Board at the beginning or end of a racing meeting under certain other conditions.

This bill would redefine "racing week" as seven consecutive days during which an association is authorized to conduct horse racing for a minimum of four, instead of five, racing days, and would authorize less than four in response to a joint petition by a racing association or fair and the organization representing horsemen. The bill would also specify that fractional racing weeks of three days or less can be authorized by the Board on the terms now applicable to fractional racing weeks of four days or less.

In Senate. No hearing set.

AB 1128 - HORSE RACING: RACING WEEKS.
LIU (CO-AUTHORS LEVINE, NEGRETE MCLEOD, PLESCIA, AND STRICKLAND)

Sponsor – Oaktree Racing Association

Existing law provides the California Horse Racing Board with the exclusive authority to allocate race dates with specified maximum numbers of racing weeks permitted in a year for racing associations that are not fairs.

This bill would permit the Board to authorize a thoroughbred racing association in the central zone to conduct a racing program that includes Breeders Cup prep races on 9/28/03 during a period when a fair is also conducting live racing in the central zone.

SB 141 - HORSE RACING: RACING DAYS AND WEEKS.
SOTO

Sponsor - Fairplex Pomona

Existing law, the Horse Racing Law, provides for the operation of live horse racing in this state, subject to regulation by the California Horse Racing Board. Existing law further provides the Board with the exclusive authority to allocate race dates, as specified.

This bill would make technical, nonsubstantive changes to these provisions.
Senate G.O. Committee. No hearing set. (Per authors office; spot bill)

E. RACETRACK WORKERS WELFARE

AB 658 - HORSE RACING: RACETRACK WORKERS WELFARE.
HORTON

Sponsor – Service Employees International Union (SEIU)

Existing law provides for the deduction of an allocation for purse money and commissions from the parimutuel pool. Under existing law, no horse owner's license or license to conduct a race meeting may be issued unless the applicant's liability for workers' compensation is secured. Existing law provides that any termination of liability coverage results in the immediate automatic suspension of the license during the period of that termination, and is also a ground for revocation of the license. Existing law provides that, with respect to a harness race meeting, a portion of the money allocated for purses may be used to pay for obtaining, providing, or defraying the cost of workers' compensation coverage for stable employees and drivers of licensed standardbred trainers.

This bill would require every association that conducts a horse racing meeting to distribute an unspecified percentage of the deduction for commissions to a collectively bargained health and welfare trust to cover costs associated with collective healthcare and disability benefits for designated racetrack workers.

Assembly G.O. Committee. No hearing set.

AB 1414 - HORSE RACING: RACETRACK WORKERS WELFARE.
LEVINE

Sponsor – Youbet.Com.

Existing law provides for the deduction from the parimutuel pool, an allocation for purse money and commissions. Under existing law, no horse owner's license or license to conduct a race meeting may be issued unless the applicant's liability for workers' compensation is secured. Existing law provides that any termination of liability coverage results in the immediate automatic suspension of the license during the period of that termination, and is

also a ground for revocation of the license. Existing law provides that, with respect to a harness race meeting, a portion of the money allocated for purses may be used to pay for obtaining, providing, or defraying the cost of workers' compensation coverage for stable employees and drivers of licensed standardbred trainers.

This bill would require every association that conducts a horse racing meeting to distribute an unspecified percentage of the deduction for commissions to one or both of two specific types of entities to cover costs associated with collective healthcare and disability benefits for designated racetrack workers.

Assembly G.O. Committee. No hearing set.

F. SATELLITE WAGERING FACILITIES

AB 381 - HORSE RACING: SATELLITE WAGERING FACILITIES.
STRICKLAND

Sponsor – Thoroughbred Owners of California

Existing law permits the California Horse Racing Board to authorize an association licensed to conduct a race meeting to also operate a satellite wagering facility under specified conditions and give the Board general authority to permit any fair eligible for allocation of racing days but not licensed to conduct a racing meeting, to locate a satellite wagering facility on its fairgrounds for wagering on races in its racing zone.

This bill, while leaving intact several authorizations for the board to permit named fairs to operate satellite wagering facilities, would repeal the provisions authorizing the board to permit fairs generally to operate satellite wagering facilities.

The bill would instead give the board authority, with the approval of the Department of Food and Agriculture, to authorize any fair or racing association to operate a satellite wagering facility, if it finds that it is in the best interest of horse racing. Under this new authority, a satellite facility could be located by a fair anywhere within the boundaries of the fair's district, and by any other racing association anywhere within the association's racing zone. However, no facility would be located under these provisions within 20 miles of an existing satellite wagering facility or racetrack without the consent of the existing facility or racetrack.

Assembly G.O. Committee. No hearing set.

AB 401 - HORSE RACING: SATELLITE WAGERING FACILITIES.
HORTON

Sponsor – Author Sponsored

Existing law permits the California Horse Racing Board to authorize a fair to operate a satellite wagering facility at the fairgrounds, under certain circumstances. Existing law permits any fair in Shasta, San Joaquin, Humboldt, or Fresno County, with the approval of the Department of Food and Agriculture and the authorization of the Board, to operate one satellite wagering facility on leased premises within the boundaries of that fair, subject to specified conditions.

This bill would permit a fair located in the City of Sacramento, with the approval of the Department of Food and Agriculture and the authorization of the Board, to operate one satellite wagering facility within the boundaries of that fair in addition to any facility otherwise authorized at its fairgrounds, under the same conditions applied in Shasta, San Joaquin, Humboldt, or Fresno County.

Assembly G.O. Committee. 4/21/03 hearing Set.

SB 690 - HORSE RACING.

ASHBURN

Sponsor – California Authority of Racing Fairs (CARF)

Existing law authorizes the Horse Racing Board to permit fairs to operate satellite wagering facilities at their fairgrounds, under certain conditions. In addition, existing law permits any fair in San Joaquin, Humboldt, Fresno, or Shasta County, with the approval of the Department of Food and Agriculture and the authorization of the Board, to operate one satellite wagering facility within the boundaries of the fair, as specified. Existing law permits any fair in Kern County to operate a satellite wagering facility at its fairgrounds under specified circumstances.

This bill would permit any fair in Kern County, with the approval of the Department of Food and Agriculture and the authorization of the Board, to operate one satellite wagering facility within the boundaries of the fair, on the same conditions as apply in Shasta County.

Senate Committee on Appropriations. No hearing set.

G. MISCELLANEOUS

AB 388 - HORSE RACING: DEDUCTIONS

STRICKLAND

Sponsor – Del Mar Thoroughbred Club

Existing law specifies the percentages to be deducted from the parimutuel pools by a racing association or fair. These deductions are based on the type of bet and type of racing.

This bill would permit the California Horse Racing Board, notwithstanding these statutory percentages, to set the deduction for any new type of wager introduced after January 1, 2004, in an amount of not less than 10 nor more than 30% at the joint request of the association or fair and the horsemen's organization for the meeting of the association or fair accepting the new wager. Also sets a fixed license fee of 3% for these new types of wagers

Assembly G.O. Committee. 4/21/03 hearing Set.

AB 870 - HORSE RACING: ADVANCE DEPOSIT WAGERING

STRICKLAND

Sponsor – Youbet.Com.

Existing law provides that an advance deposit wager is a method of making a parimutuel

wager in which a person in California or elsewhere establishes an account with a licensee, betting system, or multijurisdictional wagering hub, and subsequently issues wagering instructions concerning the funds in this account, thereby authorizing the entity holding the account to place wagers on the account owner's behalf. Existing law authorizes any racing association or fair to accept advance deposit wagers, or to allow these wagers through a betting system or multijurisdictional wagering hub, during the calendar period of its live racing meeting upon approval by the California Horse Racing Board, and to form partnerships, joint ventures, or any other affiliation to further this purpose. Existing law requires the board to develop and adopt rules to license and regulate all phases of operation of advance deposit wagering for licensees, betting systems, and multijurisdictional wagering hubs located in California.

This bill would require the board to encourage, to the extent practical and feasible, the creation and retention of jobs for persons residing in this state when developing rules and regulations for the operation of advance deposit wagering.

Assembly G.O. Committee. No hearing set.

AB 900 - HORSE RACING.

COMMITTEE ON GOVERNMENTAL ORGANIZATION

Existing law requires the California Horse Racing Board to make an annual report to the Governor and the Legislature of its proceedings and the state of the business of horse racing in the preceding fiscal year.

This bill would require the Board, prior to January 1, 2005, to prepare a study and submit a report to the Governor and the Legislature on the current and future status of the California horse racing industry.

Assembly G.O. Committee. 4/21/03 hearing set.
