

CALIFORNIA HORSE RACING BOARD  
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## LEGISLATIVE COMMITTEE MEETING

Notice is hereby given that a meeting of the **California Horse Racing Board's Legislative Committee** will be held on, **Tuesday, May 22, 2007**, commencing at **9:30 a.m.**, at the **California Department of Water Resources Auditorium**, 1416 9<sup>th</sup> Street, **Sacramento**, California.

### AGENDA

1. Report and discussion regarding **California Horse Racing Board sponsored legislation.**
2. Report and discussion regarding **horse racing related legislation.**

Additional information regarding the committee meeting may be obtained from Sue Ross, 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](http://www.chrb.ca.gov)

### LEGISLATIVE COMMITTEE

Commissioner Marie Moretti, Chairman  
Vice Chairman John Harris, Member  
Chairman Richard Shapiro, Member

## STAFF ANALYSIS

LEGISLATION INTRODUCED FOR  
THE 2007/08 LEGISLATIVE SESSIONLegislative Committee Meeting  
May 22, 2007

## BACKGROUND

The California Horse Racing Board maintains this subcommittee to hear testimony and make recommendations on positions for potential legislation. Twenty-eight bills have been introduced that affect horse racing, or that might be of interest to the Board. At this time, 20 bills are still active.

## ANALYSIS

This package includes a brief analysis for each active bill, in the following order:

- 1) **CHRB sponsored bills:**
  - AB 1616 (Garrick) to allow the use of Stewards and Hearing Officers;
  - SB 317 (Denham) to allow pre-hire testing of Official Veterinarians;
  - SB 921 (Vincent) to conform penalty guidelines to those of The Racing Testing & Medication Consortium.
- 2) **ADW bills:**
  - AB 813 (Portantino) to repeal sunset date;
  - AB 1289 (Price) to repeal sunset and redistribute current distributions.
- 3) **New funds:**
  - SB 873 (Florez) creates the Special Trust Fund for the Economic Stabilization of Fairs and Horseracing;
  - AB 765 (Evans) creates the Racing Facility Improvement Fund.
- 4) **Expansion of Satellite Wagering:**
  - AB 241 (Price) to increase sites in Los Angeles County;
  - AB 1286 (Richardson) to increase sites in Alameda and Los Angeles Counties.
- 5) **Increase of out-of-state imported races:**
  - AB 1736 (Asm. G.O.) Travers Stakes;
  - SB 379 (Denham) Dubai World Cup.
- 6) **Conditions for Simulcast Agreements:**
  - SB 125 (Harman)
  - SB 436 (Vincent)
  - Both specify distribution of simulcast funds between Los Alamitos Quarter horse and Sacramento Harness Association.
- 7) **Miscellaneous:**
  - AB 649 (Ma) Jockey minimum wages and mandatory wage increases;
  - AB 1308 (Torrico) Change in take-out rates;
  - SB 249 (Negrete-McLeod) Thoroughbred purse supplements;

SB 282 (Cox) State Fair Leasing Authority;  
AB 1016 (Plescia) Liens on Racehorses for Serviced Rendered;  
AB 14 (Laird) Uniform code language on the Civil Rights Act of 2007;  
SB 863 (Yee) Legislative Intent – Breeding.

## RECOMMENDATION

Staff recommends that:

- 1) As sponsor, the committee recommend a support position for AB 1616, SB 317, and SB 921 to the Board.
- 2) The committee hears testimony and discussion on the remaining bills.



**Bill Number:** AB 1616                      **Author:** Garrick / Jeffries  
**Version:** Amended 4/30/07              **Sponsor:** CHRB  
**Subject:** Choice in Persons Conducting Administrative Hearings

## **SUMMARY**

In 2001 the Thoroughbred Owners of California (TOC) introduced AB 1093 (Briggs) to, in part, require the CHRB to exclusively use the services of ALJs to hear, and Deputy Attorney Generals (DAGs) to represent CHRB, on any hearing involving a medication violation at the Class I, II, or III level.

## **PURPOSE OF THE BILL**

The intent of this bill is to

- 1) Provide hearings utilizing experienced and knowledgeable hearing officers, or stewards (as selected by defendants) familiar with horse racing law
- 2) Reduce the time and expense of hearings for plaintiff and defendant;
- 3) Allow CHRB to regain control of the CHRB budget and carry out programs in a fiscally responsible manner.

**SUPPORT:** Thoroughbred Owners of California

**OPPOSITION:** None received.

## **INDUSTRY IMPACT:**

**State:** Increases CHRB ability to stay within budgetary allocations.  
Reduces income to the AG's office and OAH.

**Associations:** No change

**Horsemen:** Potential to reduce time to settle complaints and potential for reduced legal costs.

**Public:** No change.



**Bill Number:** SB 317                      **Author:** Denham  
**Version:** As Introduced                      **Sponsor:** CHRB  
**Subject:** Authorization to Test Official Veterinarian Candidates Before Hiring

**SUMMARY**

This bill requires applicants for license as an Official Veterinarian to pass both a written and oral examination, and would establish qualifications for persons to be admitted to the Official Veterinarian examination.

**PURPOSE OF THE BILL**

This bill makes a technical correction that allows CHRB to require minimum standards for admittance to Official Veterinarian examinations, and authorize such examinations before hiring an Official Veterinarian.

**SUPPORT:** None received.

**OPPOSITION:** None received.

**INDUSTRY IMPACT:**

**State:** Provides appropriate screening of candidates for the position of Official Veterinarian.

**Associations:** None anticipated.

**Horsemen:** None anticipated.

**Public:** None anticipated.



**Bill Number:** SB 921                      **Author:** Vincent  
**Version:** Amended 3/27/07              **Sponsor:** CHRB  
**Subject:** Penalty Limits for Equine Medication Violations

## **SUMMARY**

This section currently sets a cap of \$50,000 on fines that may be assessed for medication violations pursuant to Business and Professions Code Section 19581. At the time the law was enacted (SB 31 Maddy, Ch 401/St 1991) the fine was \$10,000. In 2001 the limit was increased to \$50,000 (AB 1093, Briggs, Ch933/St 2001).

The Racing Medication & Testing Consortium (RTMC), a subcommittee of the Association of Racing Commissioners Inc. (RCI) has established guidelines for penalties for medication guidelines. At this time they recommend an upper limit of \$100,000. The purpose of setting a national standard is to insure that similar infractions for medication violations receive similar penalties, regardless of where the violation may occur. This bill will place California in conformance to this national recommendation.

## **PURPOSE OF THE BILL**

The purpose of the bill is to create uniform penalty limits for Class I, II, or III medication violations within RCI-participating states.

**SUPPORT:** None received.

**OPPOSITION:** None received.

## **INDUSTRY IMPACT:**

**State:** Potential increase in fine revenue to the General Fund, partially offset by potential increased legal costs to CHRB. Assuming the passage of AB 1616 (Garrick), this would be mitigated.

**Associations:** None expected.

**Horsemen:** Potential for increased fines at the Class I, II, or III level.

**Public:** None expected.

Comparison of ADW Bills

Bill Number	AB 688	AB 813	AB 1289
Author	Portantino	Portantino	Price
Sponsor	Los Angeles Turf Club	Hollywood Park Operating Co.	SEIU
Issues:	2-YEAR BILL:	Repeals 1/1/08 sunset date; no other changes.	1) Requires ADW hub to be in CA; 2) ADW employees must live and work in CA; 3) requires 1 employee per \$20,000 in ADW handle; 4) pays for a retirement plan for jockeys from the market access fee; 5) requires CHRB to establish and administrate this plan; 6)and extends the sunset on ADW to 1/1/11.

Fiscal Impact of ADW

	2003	2004	2005	2006
State of CA*	\$259,334	\$345,820	\$402,373	\$491,357
Track	\$14,261,938	\$18,250,235	\$23,175,973	\$24,484,051
Purses	\$13,923,803	\$17,816,602	\$22,625,940	\$23,982,589
Breeders	\$1,206,434	\$1,571,233	\$1,989,109	\$2,020,022
Equine Lab	\$275,932	\$351,681	\$446,222	\$472,711
Location Fee	\$5,016,945	\$6,305,072	\$7,649,902	\$11,569,910
Hub Fee	\$14,047,026	\$18,178,500	\$22,492,303	\$23,908,016
Host Fee	\$3,671,834	\$4,852,212	\$6,586,148	\$6,885,395
Host Fee OOS	\$3,241,680	\$4,322,749	\$5,029,663	\$6,146,245
Backstretch	\$413,898	\$527,521	\$669,333	\$709,067
Workers Comp	\$0	\$535,886	\$961,132	\$1,117,552
DIR or Problem Gambling**	\$0	\$0	\$0	\$128,921
Total ADW Handle	\$313,754,484	\$403,041,782	\$507,161,712	\$553,117,491

\* State receives 8% of the contractual amount paid to the host association by the ADW company.

\*\* Up to .03% of handle for specified audits; remainder to Problem Gambling.

Current transferrable balance is approximately \$212,000 for 2002-2005



**Bill Number:** AB 813      **Author:** Portantino  
**Version:** As Introduced      **Sponsor:** Hollywood Park  
**Subject:** Advance Deposit Wagering

**SUMMARY**

This bill would repeal the sunset date in ADW law; no other changes.

**PURPOSE OF THE BILL**

The purpose of this bill is to remove a sunset date for ADW operations, thus allowing ADW wagering to continue past January 1, 2008.

**SUPPORT:** Thoroughbred Owners of California  
California Thoroughbred Breeders' Association  
Santa Anita Park  
Golden Gate Fields

**OPPOSITION:** None received.

**INDUSTRY IMPACT:**

**State:** No change from current law.

**Associations:** No change from current law.

**Horsemen:** No change from current law.

**Public:** No change from current law.





**Bill Number:** AB 1289      **Author:** Price  
**Version:** Amended 4/9/07      **Sponsor:** Service Employees  
International Union  
**Subject:** Advance Deposit Wagering

## SUMMARY

This bill would:

- Require a hub for ADW to be located in California.
- Require that ADW employees live and work in California.
- Require that one employee be hired for every \$20,000 in ADW wagers.
- Require that from the current Market Access Fee deductions be made for a defined contribution retirement plan for jockeys.
- Require the CHRB to establish and administrate the above plan for jockeys.
- Extend the sunset for ADW wagering to January 1, 2011.

## PURPOSE OF THE BILL

This bill

- Allows the continuation of ADW by moving the sunset date to January 1, 2011.
- Furthers union efforts in providing California jobs for employees working in ADW
- Creates a retirement plan for jockeys; and
- Expands the duties of the CHRB to include pension administration for jockeys.

**SUPPORT:** Service Employees International Union

**OPPOSITION:** None received.

## INDUSTRY IMPACT:

**State:** Increased ongoing CHRB operating costs to administer the pension plan; approximately 4 Personnel Years (PYs), \$100,000 start-up costs and \$310,000 in ongoing annual costs thereafter.

**Associations:** Reduction in distribution from the Market Access Fee due to deduction for the pension plan.

**Horsemen:** Reduction in distribution from the Market Access Fee due to deduction for the pension plan.

**Public:** No change.

AB 1289 Impact on Commissions and Purses

Current ADW Distributions	Percent	Dollars	Proposed ADW Distributions	Dollars
To ADW Hub	6.500%	\$7,189,000	6.500%	\$7,189,000
To Host Association	3.500%	\$3,871,000	3.500%	\$3,871,000
<b>Market Access fee</b>				
Maddy Lab	0.110%	\$121,660	0.110%	\$121,660
Dept. Ind. Relations	0.030%	\$33,180	0.030%	\$33,180
Backstretch pensions	0.083%	\$91,245	0.083%	\$91,798
Backstretch welfare	0.083%	\$91,245	0.083%	\$91,798
Jockey Pension Plan		\$0	0.395%	\$436,870
Satellite commissions *				
1st \$250 mil	2.000%		2.000%	
2nd \$250 mil	1.500%		1.500%	
over \$500 mil	1.000%	\$1,106,000	1.000%	\$1,106,000
Remainder;				
Commissions	44.347%	\$49,047,782	44.1495%	\$48,829,347
Purses	44.347%	\$49,047,782	44.1495%	\$48,829,347

\* 1% used in example comparison

Assume take-out of 20% on handle of \$553,000,000:

\$110,600,000



**Bill Number:** SB 873                      **Author:** Florez  
**Version:** Amended 4/25/07              **Sponsor:** Author  
**Subject:** Special Trust Fund for the Economic Stabilization of Fairs and Horse Racing

## **SUMMARY**

This is a major bill. It would revise the distribution of revenues from parimutuel wagering, and create a Special Trust Fund for the Economic Stabilization of Fairs and Horse Racing (Trust) from what is now the Fair and Expositions 192 Fund. It would require \$60 million annually to be deposited into the Trust from Tribal Gaming Compacts and specifies the distribution of these funds. A chart of the changes follows. Note: The bill contains some technical errors, such as the percentage to be used in determining the CHRB budget. Staff will be working with the author's office on this.

## **PURPOSE OF THE BILL**

The purpose of this bill is to mitigate adverse impacts on the horse racing industry by alternative gaming, such as Indian casino gaming.

**SUPPORT:** None specified as of 5/10/07.

**OPPOSITION:** None specified as of 5/10/07.

## **INDUSTRY IMPACT:**

**State:** Replaces specified revenue streams to the State with payments from Indian compacts. Potential to increase funding for Fairs and Expositions, including the CHRB.

**Associations:** Allows associations to retain license fees; potential for increased revenue to associations.

**Horsemen:** Potential for increased purses to horsemen.

**Public:** No direct impact on the public.

Description	Current Law**	After SB 873
To GF 001		
Parimutuel License Fees	\$785,331	All License fees would be retained by Racing Associations
Fines	\$234,966	Fines would go from GF 001 to F&E Fund 191
Breakage	\$1,060,000	Breakage would go from GF 001 to the Trust
Unclaimed Tickets	\$190,755	Uncashed tickets would go to the F&E 191 Fund.
Racetrack Security	\$1,455,483	No change.
Occupational Licenses	\$1,211,108	No change; to GF 001
TOTAL:	\$4,937,643	
To F&E 191	\$24,392,063	Remainder of Trust ,after expenses, to F&E 191
To F&E 192	\$12,573,205	\$15,000,000 cap to F&E 192 Fund from Trust
From Compacts (max)	\$0	\$60,000,00 from compacts to the Trust
Used For:		
CHRB Budget (CY)	\$9,076,776	CHRB budget capped at .052% of in-state handle for the previous year, or \$1,092,025 for FY 2006-07.
CHRB Testing	\$1,300,000	Same as current law
Associations	\$172,770,288	Associations retain license fees
Horsemen	\$185,273,894	Same purse supplements as current law.
	Chart based on CHRB 2006 Statistical Report (draft)	
	* 0.052% x FY 05-06 in state (only) handle of \$2.1B (per CHRIMS)	
	** From CHRB Annual Report 2005-2006	



**Bill Number:** AB 765      **Author:** Evans  
**Version:** Amended 4/11/07      **Sponsor:** CARF  
**Subject:** Racing Facility Improvement Fund

## SUMMARY

This bill would allow specified locations to elect to raise takeout by 1 percent, and direct that 1 percent to a newly formed fund, the Racing Facility Improvement Fund (Fund). This would affect Northern California fairs racing at their own locations, the San Mateo County Fair racing at Bay Meadows, and the Sacramento Harness Association racing at Cal Expo. The additional take-out would apply to on-track, off-track, and ADW wagering. It would not apply to interstate wagering, per the sponsor. No racing meeting would be required to make this deduction. Staff is concerned that pursuant to ADW law, the 1 percent takeout would be added to the Market Access Fund and distributed according to provisions of B&P Code section 19604, and suggests that clarifying language might be needed in this bill as it moves forward. As this distribution to the Fund is elective, it is unknown if any distribution will flow to the Fund. The sponsor estimates \$1.5 million annually will be directed to the Fund.

## PURPOSE OF THE BILL

The purpose of the bill is to provide a revenue stream dedicated to the improvement of racing facilities at Northern California fair facilities.

**SUPPORT:** California Authority of Racing Fairs (sponsor)

**OPPOSITION:** Unknown

## INDUSTRY IMPACT:

**State:** To the extent that the increased takeout generates funding, reliance on the Fair and Exposition Fund to finance facility improvements may be reduced. Concerns: 1) clarify distribution from ADW; 2) by making the distribution elective, a revenue stream cannot be estimated. If enacted, the revenue stream cannot be utilized for long-term funding of projects as it could increase or decrease based on the election of many different entities.

**Associations:** No direct impact; potential for improved facilities without expense to the associations.

**Horsemen:** No direct impact; to the extent that improved facilities are safer or more desirable to use, horsemen could benefit.

**Public:** Tax increase to the wagering public. A 1 percent increase in deduction from handle would be the equivalent of a 4.5 percent tax increase on an exotic wager (1% added to 22.02%) for fairs.

## Expansion of Satellite Wagering

SB241	AB 1286
Price	Richardson
1) Adds 5 satellite wagering facilities to LA County	1) Adds 2 satellite wagering facilities within Alameda County, and 1 new facility in Los Angeles County
2) Includes parking lots within the definition of inclosure.	2) Requires concurrence of Golden Gate Fields for any new facility in the City of Oakland
3) Must be mutually agreed upon by entities within 20 miles of site.	3) Allows Golden Gate Fields to invest in the new facility
4) May invest in new satellite if an entity is within 30 miles of the new site.	4) Requires any new facility in Los Angeles county to be within 20 miles of the LA County Fair (Fairplex).
5) Special provisions for participation by Del Mar and Los Alamitos.	5) if the new LA County facility is within 20 miles of an existing racetrack, consent of the track is required prior to approval by CHR.B.
6) Special provisions for operating a satellite in Inglewood.	
7) special provisions for distribution of handle for purses and commissions.	



**Bill Number: AB 241 Author: Price**  
**Version: Amended 4/9/07 Sponsor:**  
**Subject: Expansion of Satellite Wagering**

## SUMMARY

This bill would:

- 1) Add up to 5 new satellite wagering facilities to Los Angeles County;
- 2) Redefine the inclosure to include the parking lot;
- 3) Specifies that new facilities will be in the central zone, and allows The Los Angeles County Fair, the 50<sup>th</sup> Agricultural district (Lancaster) and/or the 51<sup>st</sup> Agricultural District (San Fernando Valley) to site such a facility. Allows participation by Del Mar and Los Alamitos.
- 4) Any existing race track or satellite facility within 30 miles of the new location, or the TOC or CTT may have the opportunity to invest in the ownership and operation of the new facility.
- 5) If the proposed facility is within 20 miles of a race track situated in Inglewood, that business may be licensed to conduct satellite wagering.
- 6) Distributions for purses and commissions may be made subject to an agreement rather than usual satellite distributions.

## PURPOSE OF THE BILL

The purpose of this bill is to make horse racing easier to access by residents of California.

**SUPPORT:** None on File

**OPPOSITION:** None on File

## INDUSTRY IMPACT:

- State:**
- 1) To the extent that new sites expand satellite wagering, revenue could increase. To the extent that existing sites experience annibalization of handle, revenues might decrease.
  - 2) As the inclosure was originally defined to exclude parking lots so that CHRB would not have oversight of parking lots, this bill might substantially increase CHRB workload. This could result in unknown increased budgetary needs in personnel years and dollars.
- Associations:** Potential for revenue increases through expanded satellite wagering, but also potential for expanded costs to the extent the associations participate in ownership and operation of the new sites.
- Horsemen:** Potential for revenue increases through expanded satellite wagering, but also potential for expanded costs to the extent the associations participate in ownership and operation of the new sites.
- Public:** Expansion of sites would make it easier for the public to participate in horse racing.



**Bill Number:** AB 1286      **Author:** Richardson  
**Version:** As Introduced      **Sponsor:** Alameda County Fair  
**Subject:** Expansion of Satellite Wagering: Authorization of New Locations

## SUMMARY

This bill authorizes new satellite wagering facilities in Alameda and Los Angeles counties, and specifies approvals and conditions necessary to do so. It allows, for the first time, for a fair and a racing association to jointly participate in the ownership and operation of a satellite facility if such facility is sited in the City of Oakland. In Southern California, the new facility must be within 20 miles of the Los Angeles County Fair and, if the new facility is within 20 miles of another racetrack, the racetrack(s) must provide consent prior to approval of the board.

## PURPOSE OF THE BILL

This bill would make it more convenient for the public to participate in horseracing.

**SUPPORT:** Alameda County Fair (Sponsor)

**OPPOSITION:** Unknown

## INDUSTRY IMPACT:

- State:** Costs will be incurred to build and operate new facilities, but would be expected to generate revenue to offset these costs and return revenue to the state. There may be some cannibalization of existing locations, but without specifying where the new facilities will be sited, impact – if any – cannot be determined.
- Associations:** To the extent that additional handle is generated, distributions as commissions to associations would increase.
- Horsemen:** To the extent that additional handle is generated, distributions as purses to horsemen would increase.
- Public:** Additional facilities in underserved locations open up horse racing to potential new fans, make it easier to access wagering opportunities, and increase the general interest in horse racing.





**Bill Number:** AB 1736      **Author:** Assembly Committee  
On Governmental Organization

**Version:** As Introduced      **Sponsor:** Author

**Subject:** Imported Simulcast Races

**SUMMARY**

This bill adds the Travers Stakes race to the list of specified races that are currently exempted from the 23 race-per-day limit on imported races for satellite wagering in California. (This bill is similar to SB 279, which would exempt the Dubai World Cup.)

**PURPOSE OF THE BILL**

The purpose of this bill is to allow wagering on the full card for the day of the Travers Stakes race, without affecting other, imported simulcast races.

**SUPPORT:** Thoroughbred Owners of California

**OPPOSITION:** None received.

**INDUSTRY IMPACT:** For all segments of the industry, potential for increased revenue due to the expansion of simulcast racing for a special event.

**State:**  
**Associations:**  
**Horsemen:**  
**Public:**



**Bill Number:** SB 125 **Author:** Harman  
**Version:** Amended 3/12/07 **Sponsor:** Los Alamitos  
Race Track  
**Subject:** Conditions for Simulcast Agreements Between Northern  
Harness and Southern Quarter Horse Associations

## **SUMMARY**

SB 746 (Vincent), enacted in 2006 as Ch 368, Statutes of 2006, specified conditions for simulcasting races between Los Alamitos and Cal Expo Harness. The bill also specified how the additional funds received by the harness association would be distributed, but was silent as to quarter horses. This bill specifies the same distribution of the additional funds for harness and quarter horses.

## **PURPOSE OF THE BILL**

The purpose is to codify in law how the additional funds for quarter horse meetings will be distributed between the association and horsemen.

**SUPPORT:** Pacific Coast Quarter Horse Racing Association  
Los Alamitos Race Course

**OPPOSITION:** None received.

## **INDUSTRY IMPACT:**

**State:** None.

**Associations:** Codifies existing practice.

**Horsemen:** Codifies existing practice.

**Public:** None.



**Bill Number:** SB 436                      **Author:** Vincent  
**Version:** Amended 3/12/07              **Sponsor:** Kirk Breed  
**Subject:** Conditions for Simulcast Agreements Between Northern  
Harness and Southern Quarter Horse Associations

### **SUMMARY**

SB 746 (Vincent), enacted in 2006 as Ch 368, Statutes of 2006, specified conditions for simulcasting races between Los Alamitos and Cal Expo Harness. The bill also specified how the additional funds received by the harness association would be distributed, but was silent as to quarter horses. This bill specifies the same distribution of the additional funds for harness and quarter horses. NOTE: this is the same as SB 125 (Harman).

### **PURPOSE OF THE BILL**

The purpose is to codify in law how the additional funds for quarter horse meetings will be distributed between the association and horsemen.

**SUPPORT:** Kirk Breed & Associates (sponsor)

**OPPOSITION:** None received.

### **INDUSTRY IMPACT:**

**State:** None.

**Associations:** Codifies existing practice.

**Horsemen:** Codifies existing practice.

**Public:** None.

**Bill Number: AB 649****Author: Ma****Version: Amended 5/1/07****Sponsor: Jockey's Guild****Subject: Jockeys: Minimum wage, mandatory rate increases.****SUMMARY**

- Effective January 1, 2008, the scale of minimum jockey riding fees already established by the CHRB shall be increased, by the same rate of increase, each time the California Minimum Wage is increased.
- No jockey shall be paid less than the minimum riding fee; and
- CHRB may increase the minimum riding fee above the minimum level required by this bill.

**PURPOSE OF THE BILL**

The purpose of the bill is to guarantee minimum riding fee increases for jockeys at each time the California Minimum Wage is raised.

**SUPPORT:** The Jockey's Guild (sponsor)  
California Teamsters Public Affairs Council  
Service Employees International Union

**OPPOSITION:** Previous opposition by TOC has been withdrawn.

**INDUSTRY IMPACT:**

**State:** Would require revision of rules pertaining to minimum wages each time the minimum jockey wage is increased, but workload would be absorbable.

**Associations:** None anticipated.

**Horsemen:** Unknown increase in costs for jockeys.

**Public:** None anticipated.



**Bill Number:** AB 1308      **Author:** Torrico  
**Version:** As Introduced      **Sponsor:**  
**Subject:** Changes in Take-Out Rates

### **SUMMARY**

This bill would allow thoroughbred or fair racing meetings, with the approval of CHRB, to change the amount of takeout on any or all wagers. The new rate must be between 10% and 25%

### **PURPOSE OF THE BILL**

This bill creates an opportunity for thoroughbred racing associations and fairs to utilize differentiated takeout rates to market their racing product. The percentages paid from takeouts would remain the same.

**SUPPORT:** Golden Gate Fields  
CTBA  
Los Angeles Turf Club  
CTT  
Del Mar Thoroughbred Club

**OPPOSITION:** None received.

**INDUSTRY IMPACT:** Same impact on all segments of the industry: To the extent that takeout is reduced, all distributions from takeout will be reduced. This might be offset by increased wagering due to more being returned to the public, but this is uncertain. To the extent that takeout is increased, all distributions from takeout will be increased. To the extent that increased takeout reduces total wagers, any increases could be offset by a decline in wagering.

**State:** See above.  
**Associations:** See above.  
**Horsemen:** See above.  
**Public:** See above.



**Bill Number:** SB 249                      **Author:** Negrete-McLeod  
**Version:** As Introduced              **Sponsor:** TOC  
**Subject:** Supplements to Thoroughbred Purses

## **SUMMARY**

This bill allows purses for thoroughbred races to be supplemented from funds other than the wagering handle. It allows the TOC to supplement purses with funds from purse supplements, sponsorship contributions, or promotional funds.

## **PURPOSE OF THE BILL**

The purpose of this bill is to increase purses for horsemen, making it more attractive to race in California.

**SUPPORT:** TOC (sponsor)  
Los Angeles county Fair (Fairplex)

**OPPOSITION:** None received.

## **INDUSTRY IMPACT:**

**State:** Potential for increased revenue if this bill attracts more horses to race in California.

**Associations:** Allows for increased purses, which may expand number of horses available to race.

**Horsemen:** May increase purses for specified races and attract more horsemen to race in California.

**Public:** May enhance the racing program and attract more wagers that would increase the amount returned to the public.



**Bill Number:** SB 282                      **Author:** Cox  
**Version:** As Introduced              **Sponsor:** Cal Expo  
**Subject:** State Fair Leasing Authority

### **SUMMARY**

This bill would establish the State Fair Leasing Authority, to be comprised of representatives from various state agencies and Cal Expo. The intent of this leasing authority, modeled after the Del Mar Leasing Authority, is to enter into long-term leases and agreements for long-range development and improvement of Cal Expo.

### **PURPOSE OF THE BILL**

This bill would facilitate long-range planning and funding of these plans by creating a leasing authority with the ability to enter into leases and long-term financial commitments.

**SUPPORT:** California Exposition and State Fair (Sponsor)

**OPPOSITION:** None received.

### **INDUSTRY IMPACT:**

**State:** No direct State impact; Cal Expo is a self-sufficient entity.

**Associations:** None.

**Horsemen:** No direct impact. To the extent that long-term leases become available, this may make Cal Expo more attractive as a racing venue.

**Public:** None anticipated.



**Bill Number:** AB 1016      **Author:** Plescia  
**Version:** Amended 4/13/07      **Sponsor:**  
**Subject:** Liens on Racehorses for Services Rendered

### **SUMMARY**

The bill creates an expedited method by which the holder of a racehorse service lien may sell the racehorse in order to recover payment due to them. The bill sets forth the procedure for doing so.

### **PURPOSE OF THE BILL**

The purpose of this bill is to provide service providers with a mechanism whereby they may recover losses through placing liens on racehorses.

**SUPPORT:**

- CTBA
- PQHRA
- CTT
- TOC
- Del Mar Thoroughbred Club
- Oak Tree Racing Association
- Santa Anita Park
- Golden Gate Fields
- Los Alamitos Race Course
- Bay Meadows Race Track
- Hollywood Park Race Track

**OPPOSITION:**

- Los Angeles County District Attorney's Office
- California Horsemen's Alliance
- California Organization of Police and Sheriffs
- The Humane Society of the United States
- California Peace Officers Association
- California Federation for Animal Legislation

### **INDUSTRY IMPACT:**

**State:** This bill defines steps in a civil procedure; there would be no impact on CHRB or the state.

**Associations:** To the extent that an association might be a lienholder, the bill would simplify resolution of the lien. Otherwise, no impact.

**Horsemen:** This bill could have a significant impact on horsemen as it would be easier for trainers, for example, to use this method to collect unpaid funds from owners.

**Public:** No impact on the general public.





**Bill Number: AB 14**

**Author: Laird**

**Version: Amended 4/12/07**

**Sponsor: Equality California  
California State Conference of  
the NAACP**

**Subject: Discrimination: Civil Rights Act of 2007**

**SUMMARY**

This bill would standardize the language of nondiscrimination provisions in various sections of California law.

**PURPOSE OF THE BILL**

The purpose of the bill is to include the same language regarding nondiscrimination in all sections of California law, including Section 19572 of the Horse Racing Law.

**SUPPORT:**

AFSCME  
Asian Pacific American Legal Center  
CSEA  
California Teachers' Association  
California Professional Firefighters  
East Bay Municipal Utility District  
Gay and Lesbian Adolescent Social Services, Inc.  
Gay-Straight Alliance Network  
Inland Counties Stonewall Democrats  
Lambda Letters Project  
Protection and Advocacy  
Transgender Law Center

**OPPOSITION:** None received.

**INDUSTRY IMPACT:**

**State:** No effect on CHRB; creates uniformity in state law.

**Associations:** No impact.

**Horsemen:** No impact.

**Public:** No impact.



**Bill Number:** SB 863                      **Author:** Yee  
**Version:** As Introduced                  **Sponsor:** Author  
**Subject:** Horseracing: Breeding

**SUMMARY**

This bill states a Legislative intent to, in part, encourage breeding of horses and helping to ensure a sufficient supply of horses for horse racing in California.

**PURPOSE OF THE BILL**

The purpose of this bill is to state a Legislative intent.

**SUPPORT:** Bay Meadows  
CARF  
PCQHRA  
Teamsters Public Affairs Council  
Western Fairs Association

**OPPOSITION:** California Federation for Animal Legislation

**INDUSTRY IMPACT:** No impact at any level, as the bill states an intent only.

**State:**

**Associations:**

**Horsemen:**

**Public:**