

1776 Tribute Road, Suite 205 Sacramento, CA 95815 Office: 916.927.7223 Fax: 916.263.3341 www.calfairs.com

# NOTICE CALIFORNIA AUTHORITY OF RACING FAIRS BOARD OF DIRECTORS MEETING JOHN ALKIRE, CHAIR 12:30 P.M., TUESDAY, JUNE 1<sup>st</sup>, 2010 VIA TELECONFERENCE

Notice is hereby given that a meeting of the California Authority of Racing Fairs Board of Directors will commence at 12:30 P.M., Tuesday, June 1<sup>st</sup>, 2010. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

The Public and members of the California Authority of Racing Fairs Board of Directors may participate from the locations on the following page or in person.

CARF Board of Directors Meeting Toll Free Dial In Number: (800) 791-2345 Participant Code: 83711 #



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## CALIFORNIA AUTHORITY OF RACING FAIRS Teleconference Meeting Locations

**Alameda County Fair** 4501 Pleasanton Avenue Pleasanton, CA 94566

Antelope Valley Fair 2551 West Ave. H Suite 102 Lancaster, CA 93536

**The Big Fresno Fair** 1121 S. Chance Avenue Fresno, CA 93702

California State Fair 1600 Exposition Blvd. Sacramento, CA 95815

**Humboldt County Fair** 1250 5<sup>th</sup> Street Ferndale, CA 95536

**Kern County Fair** 1142 South P Street Bakersfield, CA 93307

Monterey County Fair 2004 Fairground Road Monterey, CA 93940 National Orange Show 689 South E Street San Bernardino, CA 92408

**Riverside National Date Festival** 46-350 Arabia Street Indio, CA 92201

**San Bernardino Co. Fair** 14800 Seventh Street Victorville, CA 92395

**San Joaquin Fair** 1658 S. Airport Way Stockton, CA 95206

San Mateo County Fair 2495 South Delaware Street San Mateo, CA 94403-1027

Santa Barbara Co. Fair 937 Thornburg Street Santa Maria, CA 93458

**Shasta District Fair** 1890 Briggs Street Anderson, CA 96007 **Solano County Fair** 900 Fairgrounds Drive Vallejo, CA 94589

Sonoma County Fair 1350 Bennett Valley Road Santa Rosa, CA 95404

**Southern CA Fair** 18700 Lake Perris Dr. Perris, CA 92570

**Stanislaus County** 900 North Broadway Turlock, CA 95380

**Tulare County Fair** 215 Martin Luther King Tulare, CA 93274

Ventura County Fair 10 West Harbor Blvd Ventura, CA 93001-2706



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# AGENDA CALIFORNIA AUTHORITY OF RACING FAIRS BOARD OF DIRECTORS MEETING JOHN ALKIRE, CHAIR 12:30 P.M., TUESDAY, JUNE 1st, 2010 VIA TELECONFERENCE

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Board of Directors will commence at 12:30 P.M., Tuesday June 1<sup>st</sup>, 2010. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

### **AGENDA**

- I. Date, time and location of next meeting.
- II. Approval of minutes.
- III. Report, discussion and action, if any, on legislative matters.
- IV. Report, discussion and action, if any, on recommendations to the Joint Funding Committee and discussions with CDFA DF&E regarding FY 2009-10 project and funding allocations.
- V. Discussion and action, if any, on recommendations from the CARF Board regarding funding allocations from FY2010-11CDFA DF&E Expenditure Plan.
- VI. Report, discussion and action, if any, on CARF Equipment Replacement Fund
  - o Report
  - o Policy
  - o Confirmation of 2009-10 project plan
- VII. Report, discussion and action, if any, on implementation of Mini Satellite Wagering Facilities as joint ventures with Fairs.
- VIII. Update on JPA Agreement and by-laws review.
  - IX. Financials
  - X. Executive Director's Report

# CALIFORNIA AUTHORITY OF RACING FAIRS Board of Directors Tuesday, May 4, 2010

#### **MINUTES**

A meeting of the California Authority of Racing Fairs Board of Directors was held at 12:30 P.M., Tuesday, May 4, 2010. The meeting was hosted by the California Authority of Racing Fairs in the CARF board room located at 1776 Tribute Road, Suite 205, Sacramento, California.

CARF Board of Director members attending: John Alkire, Norb Bartosik, Mike Paluszak, Rick Pickering and Kelly Violini. Joining by conference call: Dan Jacobs and Vince Agnifili.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Amelia White, Rick Wood, Raechelle Gibbons, Mike Treacy, Rebecca Desmond, Tawny Tesconi, Stuart Titus, Louie Brown, Dave Elliott and Richard Lewis. Joining by conference call: Tom Doutrich, Chris Carpenter and Barbara Boester-Quaid.

**Agenda Item 1 – Date and Time of Next Meeting.** The next CARF Board & Live Racing Committee meetings will be held Tuesday, June 1, 2010 in Sacramento, time to be determined.

**Agenda Item 2 – Approval of Minutes.** Mr. Pickering moved to approve the meeting minutes as presented. Mr. Paluszak seconded, unanimously approved.

**Agenda Item 3 – Report, Discussion and Action, if any, on Legislative Matters.** Mr. Brown reported that the California state budget is expected to have a \$10 billion deficit in the next fiscal year. It is unclear how the deficit will effect CDFA and F&E since current law guarantees an automatic transfer and continuous appropriation from the General Fund to CDFA on July 1 of each year.

SB 1439 (Price), the Hollywood Park sponsored bill to eliminate the 20-mile protection around any facility that does not have a minimum of seven weeks of live racing in a calendar year, recently had language modified to guarantee "strict prohibition" for satellite wagering within 20-miles of a casino. This overcorrection, created to appease tribal interests, would make several existing satellites in violation by virtue of remaining in operation. Legislative staff is currently working with CDFA and F&E to have those organizations formally oppose SB 1439.

AB 2414 (Perez) would allow the Breeders' Cup Championship series to be permanently hosted in California (at Santa Anita Park). The bill, if supported and signed, would use some of the California Marketing Committee monies to fund the transition.

Agenda Item 4 – Report, Discussion and Action, if any, on Formation of a CARF Funding Committee and its Initial Meeting with CDFA F&E Regarding FY 2009-10 Project and Funding Allocations. Mr. Jacobs reported that the CARF Joint Funding Committee and F&E conducted an initial meeting on Wednesday, April 28, 2010. Participants present at that meeting were Joe Barkett, Rick Pickering, Dan Jacobs, Stuart Titus, Kelly Violini, Chris Korby, Mike Treacy, Tawny Tesconi, Rebecca Desmond and Lisa Drury.

During the meeting, Mr. Treacy reviewed objectives for the committee and the items he would like to see the committee accomplish in FY 2009-2010 as well as subsequent years. For the Live Racing Fair allocation of \$600,000 in FY 2009-2010, Mr. Treacy requested that Fairs provide a one-page proposal consisting of:

- 1. Project Description
- 2. Cost Estimate
- 3. Substantiation of Cost

The one page requests will go before the CARF Joint Funding Committee and the committee will make an "approved" or "not approved" recommendation to F&E.

For the \$500,000 Equipment Replacement Fund allocation, Mr. Korby and staff will create a recommendation for allocations by facility and present it to the committee.

The \$400,000 Mini-Satellite allocation will be based on the same request/proposal process as the Live Racing Fair allocation (one page request containing project description, cost estimate and substantiation of cost).

The \$500,000 allocation for Pleasanton will continue to be budgeted and set aside, with the caveat that F&E retain access to that money for an emergency request. The Alameda County Fair can also request those funds at any time pending the proposal process.

Mr. Jacobs closed by stating that F&E requested that monies eventually be allocated on a competitive basis and that the Joint Finance Committee educate participants and not become another policy/disbursement committee.

Mr. Jacobs moved that the CARF Finance Committee work with Mr. Korby to create policies, voted on by the Board of Directors, to serve as guidelines for the Joint Funding Committee. Mr. Treacy voiced support for that request and asked that all Fair requests be sent directly to CARF in electronic format. Mr. Pickering seconded, unanimously approved.

Agenda Item 5 – Discussion and Action, if any, on Recommendation from the CARF Live Racing Committee Regarding FY 2010-11 Funding Allocations from CDFA Division of Fairs and Expositions. Mr. Korby reported that he placed this item on the agenda to receive clarification regarding F&E funding for CARF programs for FY 2010-2011. Mr. Treacy expressed concern in regards to CARF financials and balances for unspent monies allocated by F&E to CARF in prior years, as well as the categories which support a surplus. Internally at CDFA, a 20 percent budget reduction is being calculated for FY 2010-2011 and cuts will be spread amongst all programs. Mr. Treacy suggested that CARF forecast a 20 percent reduction (\$500,000) in all F&E allocations to CARF. Mr. Treacy would like the CARF Joint Funding Committee to provide directions on which CARF programs should be reduced.

Mr. Pickering suggested that the CARF Board consider how the organization will account for the decreases in revenue due the reduction in F&E allocations and whether CARF might need to raise fees or dues to fund the organization. Mr. Palusak asked that all material distributed to the CARF Joint Funding Committee also be sent to CARF Board members.

Agenda Item 6 – Report, Discussion and Action, if any, on Implementation of Mini-Satellite Wagering Facilities as Joint Ventures with Fairs. Mr. Korby reported that the San Mateo County Fair is close to reaching an agreement with Artichoke Joe's Casino in San Bruno. Mr. Carpenter reported that the CHRB asked for full financials from Artichoke Joe's, which came as a surprise to both parties. Monterey County Fair, Humboldt County Fair, Cal Expo and Solano County Fair are in various stages of discussion and implementation in developing mini-satellite facilities.

**Agenda Item 7 – Report, Discussion and Action, if any, on Developments in MAGNA Bankruptcy Proceedings.** Mr. Korby reported that the judge in the MAGNA Bankruptcy proceedings entered an order authorizing settlement to SCOTWinc., which includes all satellite wagering facilities and special funds in California. The settlement is for the full amount of the statutory distributions, less attorney's fees (approximately 8 percent of total).

Agenda Item 8 – Report, Discussion and Action, if any, on Recent Meeting with Northern California Racing Industry Stakeholders. Mr. Korby reported that racing Fairs Managers and other Northern California racing industry stakeholders met April 26-17, 2010 in Santa Rosa. The two-day meeting was coordinated by the Thoroughbred Owner's of California (TOC). Important elements of the meeting were discussions regarding the 2011 Northern California racing calendar and the implementation of mini-satellite wagering facilities. The Fair representatives at the meeting pledged to provide a first draft of the 2011 Fair component of the racing calendar by mid-June.

Agenda Item 9 – Report, Discussion and Action, if any, on Development of Operating Standards and Inspection Criteria for Satellite Wagering Facilities. Mr. Korby reported that the California Horse Racing Board (CHRB) has expressed a desire to become more involved in the inspection process, and possibly new licensing based on amenities and upgrades, for satellite wagering facilities. The meeting packet includes samples of surveys that have been conducted by CARF in prior years. It is important that the Fair satellite network be proactive in evaluating our own facilities and looking at viable upgrades or improvements.

**Agenda Item 10 – Business Plan.** Mr. Jacobs stated that the founding of the Joint Funding Committee had temporarily taken precedence over the business plan. Mr. Jacobs believes that the formation of the same policies that will help guide the Joint Funding Committee will also be beneficial with the formation of the business plan.

**Agenda Item 11 – Financials.** Mr. Jacobs reported that the CARF Agency Income Statement has been modified slightly at the request of Mr. Treacy to include year-to-date actuals. Mr. Jacobs also stated that the CARF Board has previously decided to review the P&L Statement quarterly.

Agenda Item 12 – Executive Director's Report. Mr. Korby wanted to openly discuss issues raised by a letter from the Sonoma County Fair to the CARF Board of Directors. Mr. Jacobs reported that he had spoken at length to Ms. Tesconi regarding the letter and his understanding is that Ms. Tesconi questions whether the JPA agreement is still relevant and valid since only two founding signers of the agreement are still involved with CARF; and is CARF complying with the JPA agreement. Ms. Tesconi would like the CARF Board to review the JPA agreement before she turns it over to the Sonoma County Risk Department. Mr. Pickering suggested it would be beneficial to know exactly which questions the risk department would like answered or where Ms. Tesconi feels the problems reside, so CARF legal counsel can narrow their focus in a constructive manner.

Mr. Palusak stated that he and Mr. Agnifili, appointed by Mr. Alkire to review the bylaws, have provided discussion items to Mr. Korby to review with legal counsel. Mr. Korby is meeting with legal counsel on May 29, 2010 and will report back to the Board. Ms. Tesconi reported that she is satisfied in that direction, but would appreciate a letter in response to her letter.

Mr. Korby stated that there is a CARF policy and procedures handbook for securing contracts. Mr. Alkire requested that the document be distributed to the Board.

Mr. Jacobs requested that discussion regarding the satellite equipment funds on deposit with CARF take place during the June meeting.

Mr. Alkire requested that the Board members and staff present at the meeting between CARF representative and the Sonoma County Fair Board share their opinions regarding the meeting. The overall sentiment was that the atmosphere was adversarial, but that certain Sonoma Board members asked constructive questions. Mr. Wood stated that the Sonoma Board did not seem to have confidence in some of the answers he gave, specifically regarding insurance, because Sonoma representatives are still asking the same questions. Mr. Alkire felt that the tone some members used with the CARF executive director was unprofessional and unproductive. The Sonoma Board indicated they were considering leaving the CARF membership, but stated that they would be more likely to remain if they received funding for paddock upgrades. Ms. Tesconi shared that her Board had tasked her and Richard Lewis to develop a plan for conducting the 2011 race meet as a non-CARF member.

Mr. Jacobs asked that Ms. Tesconi acknowledge in writing that the CARF Board had covered the questions presented in her letter and was taking steps to address all of her concerns. Ms. Tesconi stated that she would respond to a written response from CARF. Mr. Pickering and Mer. Korby stated that they are willing to do whatever it takes to keep Sonoma County Fair in the CARF membership.

Mr. Alkire requested that Mr. Korby prepare a recommendation regarding additions to CARF staff to help with specific projects that are above and beyond CARF's day-to-day operations with four permanent staff members.

Agenda Item 13 - Closed Session - Pending Litigation.

Respectfully submitted, Heather Haviland

### **CA Authority of Racing Fairs Legislative Report**

### - Last 10 Days 5/21/2010

AB 1152 (Anderson) Horse racing: outriders: advance deposit wagering: jockey retirement plan: welfare fund. (A-05/18/2010 html pdf)

**Status:** 05/18/2010-From committee chair, with author's amendments: Amend, and rerefer to committee. Read second time, amended, and re-referred to Com. on APPR. **Current Location:** 05/18/2010-S APPR.

**Digest:** Existing law, effective January 1, 2011, requires an outrider to be licensed by the California Horse Racing Board pursuant to certain provisions of law relating to stewards and racing officials.

This bill would delete the requirement that outriders be licensed under those provisions. Existing law requires certain persons who participate in, or have anything to do with, the racing of horses to 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.

This bill would require the licensure of outriders pursuant to those provisions. By requiring outriders to be licensed, the violation of which would be a crime pursuant to other provisions of existing law, this bill would create new crimes and would thereby impose a state-mandated local program.

This bill would require the board to adopt regulations to require outrider license applicants to pass both a written and an oral examination and to authorize outriders to exercise certain duties and powers of the board as are delegated by the board. Existing law authorizes advance deposit wagering to be conducted, with the approval of the board. Existing law requires amounts distributed under certain provisions of law relating to advance deposit wagering to be proportionally reduced by an amount equal to 0.00295 multiplied by the amount handled on advanced advance deposit wagers originating in California for each racing meeting, not to exceed \$2,000,000. This bill would exempt from that calculation amounts handled on advanced advance deposit wagers originating in California for harness racing meetings. Existing law requires the amount deducted, as per the above calculation, to be distributed as specified, with 50% of the money to the board to establish and to administer jointly with a certain jockey organization, a defined contribution retirement plan for California licensed California-licensed jockeys who retired from racing on or after January 1, 2009, and who, as of the date of retirement, had ridden in a minimum of 1,250 parimutuel races conducted in California.

This bill would delete that requirement relating to a minimum number of races ridden. This bill would require amounts distributed under certain provisions of law relating to advance deposit wagering to be proportionally reduced by an amount equal to 0.00295 multiplied by the amount handled on advance deposit wagers originating in California for each harness racing meeting, not to exceed \$500,000. The bill would require the amount deducted to be distributed to a certain welfare fund established for the benefit of horsemen and backstretch personnel, as provided, and the amount remaining, if any, for the benefit of the horsemen, as specified. By imposing new requirements on licensees under the Horse Racing Law, the violation of which would be a crime, this bill would create new crimes and would thereby impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish

procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute. Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

**Laws:** An act to amend Sections 19510, 19520, and 19604 of the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately.

### **History:**

May 18 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR.

Apr. 27 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 7. Noes 0.) (April 27).

Apr. 21 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on G.O.

Apr. 14 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on G.O.

Apr. 6 In committee: Set, first hearing. Hearing canceled at the request of author.

Mar. 17 Re-referred to Com. on G.O.

Mar. 9 Re-referred to Com. on RLS.

Mar. 8 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on B., P. & E.D.

July 8 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on B., P. & E.D.

July 6 In committee: Set, first hearing. Hearing canceled at the request of author.

June 11 Referred to Com. on B., P. & E.D.

May 27 In Senate. Read first time. To Com. on RLS. for assignment.

May 26 Read third time, passed, and to Senate. (Ayes 75. Noes 0. Page 1678.)

May 19 Read second time. To third reading.

May 18 Read second time and amended. Ordered returned to second reading.

May 14 From committee: Amend, and do pass as amended. (Ayes 11. Noes 0.) (May 12).

May 5 In committee: Hearing postponed by committee.

Mar. 26 Referred to Com. on B. & P.

Mar. 2 Read first time.

Mar. 1 From printer. May be heard in committee March 30.

Feb. 27 Introduced. To print.

### **Organization**

**CARF** 

**AB 1753 (Hall) Slot machines.** (A-04/14/2010 html pdf)

**Status:** 05/20/2010-In Senate. Read first time. To Com. on RLS. for assignment.

Current Location: 05/20/2010-S RLS.

**Digest:** Existing law, subject to exceptions, generally prohibits the possession and use of a "slot machine or device" as defined, and prohibits certain other acts and transactions pertaining to slot machines or devices. Existing law provides varying

definitions of "slot machine or device" for these purposes. Violations of these provisions are punishable by varying misdemeanor penalties.

This bill would increase those misdemeanor penalties to provide that a first offense under these provisions would be punishable by a fine of not less than \$500 nor more than \$1,000, or by imprisonment in a county jail not exceeding 6 months, or by both that fine and imprisonment, that a 2nd offense would be punishable by a fine of not less than \$1,000 nor more than \$5,000 \$10,000, or by imprisonment in a county jail not exceeding 6 months, or by both that fine and imprisonment, and that a 3rd or subsequent offense would be punishable by a fine of not less than \$5,000-\$10,000, nor more than \$10,000 \$25,000, or by imprisonment in a county jail not exceeding one year, or by both that fine and imprisonment. The bill would also provide that if the offense involved more than one machine or more than one location, an additional fine of not less than \$100-\$1,000 nor more than \$500-\$5,000 would by imposed per machine and per location. The bill would further provide that, for certain purposes, the definition of "slot machine or device" includes any machine or device that offers any prize or consideration with a value greater than the price or amount to play the machine or device, regardless of chance, or the skill or knowledge of the operator, is a slot machine or device, and that the definition of "slot machine or device" for certain other purposes includes "gambling machine" as defined in federal law.

By expanding the scope of, and increasing the penalties for , existing crimes, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

**Laws:** An act to amend Sections 330a, 330b, and 330.1 of the Penal Code, relating to slot machines.

### **History:**

May 20 Read third time, passed, and to Senate.

May 20 In Senate. Read first time. To Com. on RLS. for assignment.

May 17 Read second time. To third reading.

May 13 From committee: Do pass. (Ayes 15. Noes 0.) (May 12).

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. with

recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Apr. 15 Re-referred to Com. on G.O.

Apr. 14 From committee chair, with author's amendments: Amend, and re-refer to Com.

on G.O. Read second time and amended.

Feb. 18 Referred to Com. on G.O.

Feb. 9 From printer. May be heard in committee March 11.

Feb. 8 Read first time. To print.

### Organization

**CARF** 

02/10/2010 <a href="https://doi.org/10.2010/jhtml">httml</a> <a href="pdf">pdf</a>)

Status: 05/13/2010-In Senate. Read first time. To Com. on RLS. for assignment.

Current Location: 05/13/2010-S RLS.

**Digest:** Existing law provides that, notwithstanding any other law and in lieu of any license fee payable to the state prescribed for or referred to in specified provisions of the Horse Racing Law, any association or fair that conducts a racing meeting shall pay its proportional amount, as determined by the formula devised by the California Horse Racing Board in consultation with the industry, as a license fee to the state to fund the board and the equine drug testing program, as provided. Existing law provides that the license fee reductions resulting from these provisions, after payments to fund the board and the equine drug testing program, shall be distributed as specified for thoroughbred racing, quarter horse racing, harness racing, and all other breeds. For quarter horse racing, 2.5% of the amount of the reduction is required to be deposited with the official registering agency and distributed as provided.

This bill would increase to 3% the amount of the reduction for quarter horse racing that is to be deposited with the official registering agency for distribution.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

**Laws:** An act to amend Section 19616.51 of the Business and Professions Code, relating to horse racing.

### **History:**

May 13 Read third time, passed, and to Senate. (Ayes 76. Noes 0. Page 5159.)

May 13 In Senate. Read first time. To Com. on RLS. for assignment.

May 10 Read second time. To Consent Calendar.

May 6 From committee: Do pass. To Consent Calendar. (May 5).

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. with

recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Feb. 18 Referred to Com. on G.O.

Feb. 11 From printer. May be heard in committee March 13.

Feb. 10 Read first time. To print.

### **Organization**

CARF

### AB 1857 (Cook) Horse racing: out-of-state thoroughbred races: importation limitation. (I-02/12/2010 <a href="https://html.pdf">httml</a> <a href="https://pdf">pdf</a>)

**Status:** 05/13/2010-In Senate. Read first time. To Com. on RLS. for assignment.

Current Location: 05/13/2010-S RLS.

**Digest:** Existing law authorizes a thoroughbred racing association or fair to distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races conducted in the United States during the calendar period the association or fair is conducting a race meeting, including days on which there is no live racing being conducted by the association or fair, without the consent of the organization that represents horsemen participating in the race meeting and without regard to the amount of purses. Existing law also provides, subject to exceptions, that the total number of thoroughbred races imported by associations or fairs on a statewide basis under these

provisions shall not exceed 32 per day on days when live thoroughbred or fair racing is being conducted in the state.

This bill would provide that, subject to exceptions, the total number of thoroughbred races imported by associations or fairs on a statewide basis under these provisions shall not exceed 36 per day on days when live thoroughbred or fair racing is being conducted in the state.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

**Laws:** An act to amend Section 19596.2 of the Business and Professions Code, relating to horse racing.

### **History:**

May 13 Read third time, passed, and to Senate. (Ayes 73. Noes 0. Page 5147.)

May 13 In Senate. Read first time. To Com. on RLS. for assignment.

May 10 Read second time. To third reading.

May 6 From committee: Do pass. (Ayes 19. Noes 0.) (May 5).

Feb. 25 Referred to Com. on G.O.

Feb. 16 From printer. May be heard in committee March 18.

Feb. 12 Read first time. To print.

OrganizationPositionCARFSupport

### AB 1992 (Portantino) Horse racing: safety standards: racing surface. (A-

03/24/2010 <a href="https://ht

**Status:** 05/13/2010-In Senate. Read first time. To Com. on RLS. for assignment.

Current Location: 05/13/2010-S RLS.

**Digest:** Existing law, the Horse Racing Law, generally regulates horse racing and parimutuel wagering on horse races and vests administration and enforcement of the Horse Racing Law in the California Horse Racing Board.

Existing law requires the board to establish safety standards governing the uniformity and content of the racing surface.

This bill would specify that the board shall establish those safety standards for racing surfaces whether the surface is synthetic or dirt, and for the maintenance of the racing surface.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

**Laws:** An act to amend Section 19481 of the Business and Professions Code, relating to horse racing.

### **History:**

May 13 Read third time, passed, and to Senate. (Ayes 76. Noes 0. Page 5159.)

May 13 In Senate. Read first time. To Com. on RLS. for assignment.

May 10 Read second time. To Consent Calendar.

May 6 From committee: Do pass. To Consent Calendar. (May 5).

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. with

recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Mar. 25 Re-referred to Com. on G.O.

Mar. 24 From committee chair, with author's amendments: Amend, and re-refer to

Com. on G.O. Read second time and amended.

Mar. 4 Referred to Com. on G.O.

Feb. 18 From printer. May be heard in committee March 20.

Feb. 17 Read first time. To print.

### Organization

**CARF** 

AB 2201 (Coto) Horse racing: harness racing: the Cane Pace. (A-04/15/2010 <a href="https://html.pdf">html pdf</a>) Status: 05/13/2010-In Senate. Read first time. To Com. on RLS. for assignment. Current Location: 05/13/2010-S RLS.

**Digest:** Existing law provides that the California Horse Racing Board may authorize a California harness racing association conducting a live racing meeting to accept wagers on the full card of races conducted by another racing association on the day that other association conducts the Breeder's Crown Stakes, the Meadowlands Pace, the Hambletonian, Kentucky Futurity, or the North American Cup.

This bill would authorize the board to permit a California harness racing association conducting a live racing meeting to accept wagers on the full card of races conducted by another racing association on the day that other association conducts the Cane Pace. The bill would also make technical, nonsubstantive changes.

Existing law provides that the California Horse Racing Board shall have the authority to allocate racing weeks and provides that the maximum number of racing weeks that may be allocated for harness racing, other than at fairs, in the northern zone is 25 weeks per year. Existing law also provides that the maximum number of racing weeks that may be allocated to a fair shall be 4 weeks each year, except as provided, including that the board may allocate additional weeks of harness racing to the California Exposition and State Fair in Sacramento or its lessee, to be raced at that fair.

This bill would provide that in the event the California Exposition and State Fair in Sacramento is not available for harness racing, or chooses not to conduct harness racing, in any given year, then 52 weeks of harness racing shall be available that year to any racing venue in the northern zone, subject to allocation by the board.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

**Laws:** An act to amend Section 19596 of the Business and Professions Code, relating to horse racing.

#### **History:**

May 13 Read third time, passed, and to Senate. (Ayes 74. Noes 0. Page 5144.)

May 13 In Senate. Read first time. To Com. on RLS. for assignment.

May 10 Read second time. To third reading.

May 6 From committee: Do pass. (Ayes 17. Noes 0.) (May 5).

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 22. Noes 0.) (April 21).

Apr. 19 Re-referred to Com. on G.O.

Apr. 15 From committee chair, with author's amendments: Amend, and re-refer to Com. on G.O. Read second time and amended.

Apr. 5 Re-referred to Com. on G.O.

Mar. 25 Referred to Com. on G.O. From committee chair, with author's amendments:

Amend, and re-refer to Com. on G.O. Read second time and amended.

Feb. 21 From printer. May be heard in committee March 23.

Feb. 18 Read first time. To print.

### **Organization**

**CARF** 

### AB 2215 (Fuentes) Horse racing: advance deposit wagering: wagering account facilities. (A-04/28/2010 <a href="https://doi.org/10.1001/jhtml">https://doi.org/10.1001/jhtml</a> pdf)

Status: 05/12/2010-In committee: Set, first hearing. Referred to APPR. suspense file.

Current Location: 05/12/2010-A APPR. SUSPENSE FILE

Calendar Events: 05/28/10 Upon Adjournment of Session - State Capitol, Room 4202

ASM APPROPRIATIONS SUSPENSE

**Digest:** Existing law authorizes advance deposit wagering to be conducted, with the approval of the California Horse Racing Board. Existing law requires the board to develop and adopt rules to license and regulate all phases of operation of advance deposit wagering for advance deposit wagering providers operating in California. This bill would authorize the board to adopt rules and regulations authorizing advance deposit wagering providers to create and administer wagering accounts at *existing* satellite wagering facilities or minisatellite wagering facilities located within this state through which persons may deposit cash funds or vouchers, issue wagering instructions, and withdraw cash funds or vouchers, subject to the approval of racing associations or satellite wagering facilities located within 10-20 miles of a facility administering those accounts, and the approval of the horsemen's organization responsible for negotiating with the racing associations or satellite wagering facilities.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

**Laws:** An act to amend Section 19604 of the Business and Professions Code, relating to horse racing.

### **History:**

May 12 In committee: Set, first hearing. Referred to APPR. suspense file.

Apr. 29 Re-referred to Com. on APPR.

Apr. 28 Read second time and amended.

Apr. 27 From committee: Amend, do pass as amended, and re-refer to Com. on APPR.

(Ayes 21. Noes 0.) (April 21).

Mar. 11 Referred to Com. on G.O.

Feb. 19 From printer. May be heard in committee March 21.

Feb. 18 Read first time. To print.

### **Organization**

**CARF** 

AB 2241 (Coto) Gambling Control Act: administration. (A-05/10/2010 html pdf)

**Status:** 05/11/2010-Read second time. To third reading.

Current Location: 05/11/2010-A THIRD READING

Calendar Events: 05/24/10 47 ASM ASSEMBLY THIRD READING FILE

**Digest:** The Gambling Control Act provides for the California Gambling Control Commission, consisting of 5 members appointed by the Governor, subject to confirmation by the Senate. Under existing law a majority of the commission members is a quorum and the concurring vote of 3 members of the commission is required for any official action.

This bill would instead require a majority of the appointed members of the commission to constitute a quorum and the concurring affirmative vote of a majority of those members present at a meeting of the commission shall be required for any official action of the commission to render a decision, to pass a motion, or for the exercise of any of the commission's duties, powers, or functions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

**Laws:** An act to amend Section 19819 of the Business and Professions Code, relating to gaming.

### **History:**

May 11 Read second time. To third reading.

May 10 Read second time and amended. Ordered returned to second reading.

May 6 From committee: Amend, and do pass as amended. (Ayes 13. Noes 2.) (May 5).

Mar. 11 Referred to Com. on G.O.

Feb. 21 From printer. May be heard in committee March 23.

Feb. 18 Read first time. To print.

### **Organization**

CARF

### AB 2414 (John A. Perez) Horse racing: thoroughbred racing: Breeders' Cup: wagering deduction: promotion. (A-04/15/2010 html pdf)

Status: 05/19/2010-In committee: Set, first hearing. Referred to APPR. suspense file.

Current Location: 05/19/2010-A APPR. SUSPENSE FILE

Calendar Events: 05/28/10 Upon Adjournment of Session - State Capitol, Room 4202

ASM APPROPRIATIONS SUSPENSE

**Digest:** Existing law authorizes a thoroughbred association or fair, subject to approval by the California Horse Racing Board, to deduct from the parimutuel pool for any type of wager, a specified percentage for the meeting of the thoroughbred association or fair that accepts the wager.

This bill would authorize a thoroughbred association hosting Breeders' Cup races, upon filing a written notice with the board, to deduct from *the total amount handled in* the parimutuel pool for any type of wager made during the days on which Breeders' Cup races are held, a specified percentage an amount of not less than 10% nor more than 25%. The bill would require the written notice to include the written agreement of the thoroughbred association and the horsemen's organization. The bill would require the amount deducted to be distributed as prescribed in the Horse Racing Law.

Existing law permits racing associations, fairs, and the organization responsible for contracting with racing associations and fairs with respect to the conduct of racing

meetings, to form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing, and to obtain, provide, or defray the cost of workers' compensation coverage for stable employees and jockeys of thoroughbred trainers.

This bill would, for every year that the organization operating the Breeders' Cup Championship series chooses to conduct the Breeders' Cup Championship series of races in California, require the statewide marketing organization to enter into an agreement, in consultation and cooperation with the California Tourism Commission, with the organization that operates the Breeders' Cup Championship series to sponsor and promote the Breeders' Cup Championship series of races. The bill would require the agreement to provide for assistance with a minimum value of \$2,000,000 annually in support of the organization operating the Breeders' Cup Championship series and to promote the Breeders' Cup Championship series. By imposing new requirements under the Horse Racing Law, the violation of which would be a crime, this bill would create new crimes and would thereby impose a state-mandated local program.

This bill would also declare the Legislature's intent to later amend this bill to provide that a percentage of the takeout that is attributable to the Breeders' Cup races that otherwise would not have been generated absent the Breeders' Cup races occurring in this state, be eligible to be made available to support the statewide marketing organization and the state horse racing industry.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: no-yes . State-mandated local program: no-yes .

**Laws:** An act to add Sections 19601.02 and 19605.74 to the Business and Professions Code, relating to horse racing.

#### **History:**

May 19 In committee: Set, first hearing. Referred to APPR. suspense file.

May 5 In committee: Hearing postponed by committee.

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. with

recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Apr. 19 Re-referred to Com. on G.O.

Apr. 15 From committee chair, with author's amendments: Amend, and re-refer to Com.

on G.O. Read second time and amended.

Mar. 11 Referred to Com. on G.O.

Feb. 22 Read first time.

Feb. 21 From printer. May be heard in committee March 23.

Feb. 19 Introduced. To print.

### **Organization**

**CARF** 

 Current Location: 05/13/2010-S RLS.

**Digest:** Existing law authorizes a thoroughbred horse racing association or fair to distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races conducted in the United States during the calendar period the association or fair is conducting a race meeting, including days on which there is no live racing being conducted by the association or fair, without the consent of the organization that represents horsemen participating in the race meeting and without regard to the amount of purse. Existing law prohibits the total number of thoroughbred races imported by associations or fairs on a statewide basis from exceeding 32 per day on days when live thoroughbred or fair racing is being conducted in the state. However, that limitation excludes imported races that are part of the race card of the Kentucky Derby, Kentucky Oaks, and other specified races.

This bill would add races that are part of the race card of the Arlington Million to the list of imported races not subject to the limitation of 32 races per day.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

**Laws:** An act to amend Section 19596.2 of the Business and Professions Code, relating to horse racing.

### **History:**

May 13 Read third time, passed, and to Senate. (Ayes 73. Noes 0. Page 5147.)

May 13 In Senate. Read first time. To Com. on RLS. for assignment.

May 10 Read second time. To third reading.

May 6 From committee: Do pass. (Ayes 19. Noes 0.) (May 5).

Mar. 25 Referred to Com. on G.O.

Mar. 18 From printer. May be heard in committee April 17.

Mar. 17 Read first time. To print.

### **Organization**

**CARF** 

### AB 2792 (Committee on Governmental Organization) Horse racing law intent: licenses. (I-03/17/2010 html pdf)

**Status:** 05/17/2010-Read second time. To third reading. **Current Location:** 05/17/2010-A THIRD READING

Calendar Events: 05/24/10 57 ASM ASSEMBLY THIRD READING FILE

**Digest:** Existing law, the Horse Racing Law, generally regulates horse racing and vests the administration and enforcement of the Horse Racing Law in the California Horse Racing Board.

Existing law provides that the intent of the Horse Racing Law is to allow parimutuel wagering on horse races while, among other things, supporting the network of California fairs.

This bill would delete from that statement of intent supporting the network of California fairs

Existing law requires all licenses granted under the Horse Racing Law to, among other things, contain such conditions as are deemed necessary or desirable by the board for the purposes of the Horse Racing Law.

This bill would instead require those licenses to contain such conditions as are deemed necessary or desirable by the board for the best interests of horse racing and the purposes of the Horse Racing Law. The bill would also make technical, nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

**Laws:** An act to amend Sections 19401 and 19460 of the Business and Professions Code, relating to horse racing.

### **History:**

May 17 Read second time. To third reading.

May 13 From committee: Do pass. (Ayes 11. Noes 0.) (May 12).

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. with

recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Mar. 25 Referred to Com. on G.O.

Mar. 18 From printer. May be heard in committee April 17.

Mar. 17 Read first time. To print.

### **Organization**

**CARF** 

### AB 2794 (Committee on Governmental Organization) Tribal gaming. (A-

04/14/2010 html pdf)

**Status:** 05/13/2010-In Senate. Read first time. To Com. on RLS. for assignment.

Current Location: 05/13/2010-S RLS.

**Digest:** Existing federal law, the Indian Gaming Regulatory Act of 1988, provides for the negotiation and execution of tribal-state gaming compacts for the purpose of authorizing certain types of gaming on Indian lands within a state. The California Constitution authorizes the Governor to negotiate and conclude compacts, subject to ratification by the Legislature.

Existing law ratifies a number of tribal-state gaming compacts between the State of California and specified Indian tribes. Existing law creates in the State Treasury the Indian Gaming Revenue Sharing Trust Fund and the Indian Gaming Special Distribution Fund for the receipt and deposit of moneys received by the state from Indian tribes pursuant to the terms of gaming compacts entered into with the state, and authorizes moneys in those funds to be used for certain purposes. Existing law establishes the method of calculating the distribution of appropriations from the Indian Gaming Special Distribution Fund for grants to local government agencies impacted by tribal gaming.

This bill would reorganize and make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

**Laws:** An act to add Title 16.5 (commencing with Section 98020) to, to repeal Sections 12012.25, 12012.30, 12012.35, 12012.40, 12012.45, 12012.46, 12012.465, 12012.47, 12012.475, 12012.48, 12012.485, 12012.49, 12012.495, 12012.5, 12012.51, 12012.515, 12012.52, 12012.53, 12012.75, 12012.85, and 12012.90 of, to repeal Chapter 7.5

(commencing with Section 12710) of Part 2 of Division 3 of Title 2 of, and to repeal Chapter 3 (commencing with Section 98055) of Title 16.5 of, the Government Code, relating to gaming.

#### **History:**

May 13 Read third time, passed, and to Senate. (Ayes 76. Noes 0. Page 5162.)

May 13 In Senate. Read first time. To Com. on RLS. for assignment.

May 10 Read second time. To Consent Calendar.

May 6 From committee: Do pass. To Consent Calendar. (May 5).

Apr. 15 Re-referred to Com. on G.O.

Apr. 14 From committee chair, with author's amendments: Amend, and re-refer to Com.

on G.O. Read second time and amended.

Mar. 25 Referred to Com. on G.O.

Mar. 18 From printer. May be heard in committee April 17.

Mar. 17 Read first time. To print.

### Organization

**CARF** 

SB 899 (Denham) Horse racing: satellite wagering: out-of-country thoroughbred races. (I-01/26/2010 html pdf)

**Status:** 05/13/2010-To Com. on G.O. **Current Location:** 05/13/2010-A G.O.

**Digest:** Existing law authorizes a thoroughbred racing association or fair to distribute the audiovisual signal and accept wagers on the results of out-of-country thoroughbred races during the calendar period the association or fair is conducting a race meeting, without the consent of the participating horsemen's organization. These imported races are subject to specified conditions, including the condition that the total number of out-of-country thoroughbred races on which wagers are allowed to be accepted statewide in any given year does not exceed the total number of out-of-country thoroughbred races on which wagers were accepted in 1998.

This bill would delete that condition that limits the total number of out-of-country thoroughbred races on which wagers are allowed to be accepted statewide in any given year.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

**Laws:** An act to amend Section 19596.3 of the Business and Professions Code, relating to horse racing.

### **History:**

May 13 To Com. on G.O.

Apr. 29 Read third time. Passed. (Ayes 34. Noes 0. Page 3376.) To Assembly.

Apr. 29 In Assembly. Read first time. Held at Desk.

Apr. 28 Read second time. To third reading.

Apr. 27 From committee: Do pass. (Ayes 7. Noes 0. Page 3357.)

Mar. 10 Set for hearing April 27.

Feb. 11 To Com. on G.O.

Jan. 27 From print. May be acted upon on or after February 26.

Jan. 26 Introduced. Read first time. To Com. on RLS. for assignment. To print.

Organization

**CARF** 

SB 1072 (Calderon) Horse racing: statewide marketing organization. (I-

02/17/2010 html pdf)

**Status:** 05/20/2010-To Com. on G.O. **Current Location:** 05/20/2010-A G.O.

**Digest:** Existing law permits racing associations, fairs, and the organization responsible for contracting with racing associations and fairs with respect to the conduct of racing meetings, to form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing, and to obtain, provide, or defray the cost of workers' compensation coverage for stable employees and jockeys of thoroughbred trainers. Existing law requires the marketing organization to annually submit to the California Horse Racing Board a statewide marketing and promotion plan and a thoroughbred trainers' workers' compensation defrayal plan for thoroughbred and fair horse racing. A specified percentage of the amount handled by each satellite wagering facility is required to be distributed to the marketing organization for the promotion of thoroughbred and fair horse racing, and for workers' compensation defrayal, as specified. Existing law repeals these provisions on January 1, 2011.

This bill would extend the operation of these provisions until January 1, 2014, when they would be repealed.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no

**Laws:** An act to amend Section 19605.73 of the Business and Professions Code, relating to horse racing.

### **History:**

May 20 To Com. on G.O.

May 3 Read third time. Passed. (Ayes 34. Noes 0. Page 3412.) To Assembly.

May 3 In Assembly. Read first time. Held at Desk.

Apr. 28 Read second time. To Consent Calendar.

Apr. 27 From committee: Do pass. To Consent Calendar. (Ayes 7. Noes 0. Page 3357.)

Mar. 10 Set for hearing April 27.

Feb. 25 To Com. on G.O.

Feb. 18 From print. May be acted upon on or after March 20.

Feb. 17 Introduced. Read first time. To Com. on RLS. for assignment. To print.

OrganizationPositionCARFSupport

SB 1439 (Price) Horse racing: minisatellite wagering facilities. (A-04/28/2010 <a href="https://doi.org/html">httml</a> pdf)

**Status:** 05/18/2010-Set for hearing May 24. **Current Location:** 04/28/2010-S APPR.

Calendar Events: 05/24/10 11 a.m. - John L. Burton Hearing Room (4203) SEN

APPROPRIATIONS

**Digest:** Existing law authorizes the California Horse Racing Board to approve an additional 15 minisatellite wagering sites in each zone under certain conditions, including that no site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. Existing law provides that if the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board. Existing law requires the written consent of the San Mateo County Fair be obtained prior to the approval of any minisatellite wagering site located within a 20-mile radius of its fairground. This bill would replace the 20-mile radius requirement in the above provisions with a 15-mile radius requirement and would provide that the requirement that the approval of a racetrack, satellite wagering facility, tribal casino that has a satellite wagering facility, or fair be obtained if the proposed minisatellite wagering facility is within 15 miles shall only apply to those facilities that are operated by tribal casinos, racetracks, or fairs that actually conduct 2 weeks or more of live racing in the preceding year. The bill would authorize the board, if a satellite wagering facility or tribal casino does not consent to a minisatellite wagering facility being situated within 15 miles, to conduct a one-year test at the proposed site in order to determine its impact on total parimutuel revenues and on attendance and wagering at existing satellite wagering facilities. With respect to the one-year test, the bill would provide that the board may approve only one minisatellite wagering facility per existing satellite wagering facility and the minisatellite wagering facility must be located within 10 miles of the satellite wagering facility. The bill would authorize a certain impact fee, as provided.

This bill would specify how mileages are to be measured for purposes of the above provisions.

This bill would, notwithstanding the above provisions, prohibit the establishment of a satellite wagering facility or minisatellite wagering facility within 20 miles of a tribal casino. By establishing a prohibition under the Horse Racing Law, the violation of which would be a crime, the bill would impose a state-mandated local program. This bill would make clarifying and other technical changes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no-yes.

**Laws:** An act to amend Section 19605.25 of the Business and Professions Code, relating to horse racing.

### **History:**

May 18 Set for hearing May 24.

May 17 Hearing postponed by committee.

May 7 Set for hearing May 17.

Apr. 28 Read second time. Amended. Re-referred to Com. on APPR.

Apr. 27 From committee: Do pass as amended, but first amend, and re-refer to Com. on APPR. (Ayes 8. Noes 0. Page 3181.)

Apr. 6 From committee with author's amendments. Read second time. Amended. Rereferred to Com. on G.O.

Mar. 16 Set for hearing April 13.

Mar. 11 To Com. on G.O.

Feb. 20 From print. May be acted upon on or after March 22.

Feb. 19 Introduced. Read first time. To Com. on RLS. for assignment. To print.

OrganizationPositionCARFOppose

### SB 1485 (Committee on Governmental Organization) Gambling Control Act: licenses. (I-

03/08/2010 html pdf)

**Status:** 05/06/2010-In Senate. Held at Desk. **Current Location:** 05/06/2010-S DESK

**Digest:** The Gambling Control Act provides for the licensure of certain individuals and establishments involved in various gambling activities, and for the regulation of those activities, by the California Gambling Control Commission. Existing law requires certain persons employed in the operation of a gambling enterprise, known as key employees, to apply for and obtain a key employee license.

This bill would include surveillance managers or supervisors in the definition of "key employee" and make other technical changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

**Laws:** An act to amend Section 19805 of the Business and Professions Code, relating to gambling.

### **History:**

May 6 Returned to Senate for further action.

May 6 In Senate. Held at Desk.

Apr. 29 Read third time. Passed. (Ayes 33. Noes 0. Page 3380.) To Assembly.

Apr. 29 In Assembly. Read first time. Held at Desk.

Apr. 27 Read second time. To Consent Calendar.

Apr. 26 From committee: Be placed on second reading file pursuant to Senate Rule 28.8 and be placed on Consent Calendar.

Apr. 16 Set for hearing April 26.

Apr. 14 From committee: Do pass, but first be re-referred to Com. on APPR with recommendation: To Consent Calendar. (Ayes 10. Noes 0. Page 3182.) Re-referred to Com. on APPR.

Mar. 16 Set for hearing April 13.

Mar. 11 To Com. on G.O.

Mar. 9 From print. May be acted upon on or after April 8.

Mar. 8 Introduced. Read first time. To Com. on RLS. for assignment. To print.

### Organization

**CARF** 

**Total Position Forms: 16** 

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DRAFT June , 2010

Mr. Mike Treacy Division of Fairs and Expositions California Department of Food and Agriculture 1010 Hurley Way Sacramento, CA 95825 VIA e-mail and USPS

Dear Mike,

As it has done annually, the California Authority of Racing Fairs Board of Directors would like to offer the following recommendations for allocations from the CDFA Division of Fairs and Expositions' FY 2010-11 Expenditure Plan. These recommendations pertain to the section of the Expenditure Plan entitled *Racing and Satellite Wagering Support* and include the programs below.

• Track Safety and Maintenance

\$600,000

• Facility Upgrades, Planning, Development

\$2,000,000

- o Satellite Equipment Replacement Fund
- o Racing and satellite facility upgrades
- o Mini-satellite facility planning and development

**TOTAL** 

\$2,600,000

CARF appreciates that the current economic environment may require across-the-board reductions to all state programs, including those funded through the CDFA F&E Expenditure Plan. We recommend that any such budget reductions apply equally to CARF programs in the same manner and percentages as would apply to other programs which receive funding through the CDFA F&E Expenditure Plan.

We would note that the continuing appropriation of \$1.1 Million for supplementing purses at Fairs is separately specified in B&P Code Section 19606.3.

The Board of Directors formally adopted these recommendations at its meeting on , 2010.

Our Board would like to thank you for your on-going support. We appreciate the opportunity to continue our effective work together.

Respectfully, /s/ Christopher Korby Executive Director

### **DRAFT**

### CALIFORNIA AUTHORITY OF RACING FAIRS

## RECOMMENDED ALLOCATIONS FROM CDFA DIVISION OF FAIRS AND EXPOSITIONS EXPENDITURE PLAN FISCAL YEAR 2010-11

Allocation: \$2,600,000

**Track Safety and Maintenance Program** 

600,000

**Parimutuel Facilities Improvement** 

2,000,000

Satellite Equipment Replacement Fund......500,000

- Racing and Satellite facility upgrades
- Mini-satellite facility planning and development

Total \$2,600,000

The CARF Board appreciates that the current economic environment may require across-the-board reductions to all state programs, including those funded through the CDFA F&E Expenditure Plan. We recommend that any such budget reductions apply equally to these CARF programs in the same manner and percentages as would apply to other programs which receive funding through the CDFA F&E Expenditure Plan.

NOTE: The continuing appropriation of \$1.1 Million for supplementing purses at Fairs is separately specified in B&P Code Section 19606.3.

### DRAFT

### CALIFORNIA AUTHORITY OF RACING FAIRS EQUIPMENT REPLACEMENT FUND POLICY

### DEVELOPMENT OF ANNUAL EQUIPMENT REPLACEMENT FUND PLAN

- 1. CARF Staff will present a Draft Annual Equipment Replacement Fund (ERF) Plan to the Finance Committee for ERF expenditures in the coming year. The Finance Committee will review Staff's Draft Plan and forward the Committee's recommendation to the full CARF Board. The CARF Board shall then determine and approve a Final Annual ERF Plan. The Annual ERF Plan, as approved by the CARF Board, will be provided to the Division of Fair & Expositions (F&E).
- 2. In the event of an emergency or an "opportunity purchase," the Executive Director, with the approval of both the Board Chair & Finance Committee Chair, may expend up to \$75,000 of ERF monies. The Executive Director will report any such expenditure to the full CARF Board at the next Regular Board Meeting.

### Fairs with Equipment Replacement Funds on Deposit with CARF

- 1. Pursuant to the Division of Fairs and Expostions' 1998 directive in establishing the Equipment Replacement Fund, various Fairs have deposited funds at CARF. These funds will continue to be held by CARF, in trust, in segregated accounts, for the future use of the Fair, at such time as the Division of Fairs and Expositions might cease to fund the ERF. In the event that CARF is dissolved, those funds will revert to the Fairs on whose behalf they were held by CARF.
- 2. The Deposit shall remain roughly equal to the estimated cost required for the Fair to replace all the electronic equipment in their Satellite Wagering Facility. For the purposes of the ERF, electronic equipment is defined as satellite receiving dishes, head-end assemblies and television monitors or screens. This electronic equipment is specified as the responsibility of satellite receiving facilities in B&P Code Section 19608.2 The CARF ERF shall not be responsible for replacement of such items as the general electrical distribution system, food services, general & emergency lighting systems, parking lot lighting, or other such items associated with general facility maintenance.
- 3. CARF shall provide each Fair with an estimated cost to replace its electronic equipment based on current inventory of electronic equipment as described above.
- 4. If a CARF member Fair chooses to withdraw its Deposit from the ERF, aid Fair will not be allowed to receive any further benefits from CARF's Equipment Replacement Plan, or the equipment replacement funding provided to CARF by F&E. A Fair may only rejoin the ERF by re-depositing an amount equal to the amount that said Fair withdrew from the ERF.
- 5. If a Fair chooses to close its Satellite Wagering Facility, then CARF shall be given the first right of refusal to take ownership and possession (at no cost) of any or all of said

Fair's Electronic Equipment. If a Fair chooses to downsize its Satellite Wagering Facility, CARF shall determine the amount of Electronic Equipment that will be relocated from the existing Satellite Wagering Facility into the smaller facility. CARF shall be given the first right of refusal to take ownership and possession (at no cost) of any Electronic Equipment that is not relocated into the smaller Satellite Wagering Facility.

Updated May 25, 2010 May 18, 2010

	Action	Cost (Estimated)	Date	Priority	Status
Redwood acres	TVs removed along with decoders  Control equipment remains				
	Control equipment remains				
	Install OTB in Bear River Casino	\$15,000	3/21/10	1	Pending
		<b>¥10,000</b>			
Turlock	Replace 6 - 42" TVs	\$6,337	12/2/09		Completed
Vallejo	Visit Pending; Big Screen TVs	\$8,000			Pending
	in the KIOSK area are 12 years old				
	Need to be replaced				
Lancaster	26 - 9" Phillips have button issues	\$5,500		1	Done
	Replaced with 10" LCDs	<b>4</b> 0,000			250
	·				
	Would like 7 additional Sec Cameras	\$3,000		2	Approved 50%
Perris	1. Install 9-42" LCDs in Bar;	\$8,300		1	Done
	3 - 53 " LCDs in Bar	\$4,700			Done
	JR Soufettes (9)	\$3,500			Done
	Installation	\$2,000			Done
	2. Move 2 - 35" LCDs to bar area Install 4- 42 LCDs above tote stands	\$1,000 \$6,000		2 2	
	3. Install 8 - 15" LCDs in bar area	\$3,000		3	
	4. Install 12 - 10" LCDs in carolls	\$2,250		3	
	5. Repair TV mounts for Smoking Area.	\$250		· ·	
	6. Replace Modulators	\$14,000		3	Done
Nadii Osassas	4. 44. 40"   00"   4. 50"   00"   1. 1. 1.	¢40.000			Davis
Nat'l Orange	1. 11 - 42" LCDs; 1 - 53"LCD in bar JR Soufettes- (11)	\$10,000 \$3,600		1	Done
	Installation	\$2,000			
	2. Sports bar - same set up	\$15,600		2	Pending
	3. 4 - 53" LCDs in entrance way	\$9,000		2	Pending
	4. 14 - 15" LCDs in Clubhouse	\$4,500		2	Pending
	5. Move tote display - install cabinet	\$12,000		3	Pending
	with 8 tvs. Similar to Turlock				
	Due 10 swapout (Maint comp only)	\$90,639		0	
Santa Maria	Due 09 swapout (Maint comp only)	\$36,000		0	
	Replaced Defective TVs only	*******			
Santa Rosa	1. 11 - 42" LCDs; 1 - 53"LCD in bar	\$10,000		1	Pending
Junu Nosa	JR Soufettes- (11)	\$3,600		'	reliaing
	Installation	\$2,000			
	2. Install 10" LCD Tvs in Clubhouse	\$3,000		1	Pending
Santa Barbara	All equipment removed 12/18/2009				

Indio	Due 09 Swapout (Maint Comp only)	\$37,000		0	
	Replace 4 projectors - old NECs	\$6,000		1	Done
	Replace remaining 8 -32" with LCDs	\$9,600		1	Pending
	Replace 15 soufettes	\$6,000		1	Pending
Fresno	Maintenance Only				
Alameda	Install 11 - 42" LCDs in Bar	\$13,500	12/8/09		Completed
	Replace Modulators	\$14,000		1	
Tulare	Pending replacement with Sports Bar				
Tulaic	Tvs for outside patio	\$8,000		1	Jun-10
	1 vs for outside patio	φ0,000		2	3411-10
Monterrey	Audio Upgrade	\$1,200		1	Completed
	Bar and Tvs for sports bar concept	\$12,000		2	Pending
	OTB in Salinas	\$15,000		1	Pending
Victorville	Purchase 6 - 42" & 2 52" LCDs	\$10,584	12/15/09	1	Done
	Simo Fac moved		1/30/10		Done
Ventura	Replaced tvs in clubhouse	\$3,500			Done
Anderson	Due 10 Swapout	\$16,306			
	Visit April 18				
Total		\$406,160			

7.71 34.42 0.00 22.38 37.97 8.51 76.70 21.88 50.62 36.16 0.00 11.23		Location Adjustment  0.00 0.00 0.00 0.00 0.00 0.00 0.00 0	220.82 71.09 0.00 212.73 205.14 617.90 529.32 1,024.04 162.50 999.86 0.00	Balance @ 03/31/2010  48,938.53 15,755.51 0.00 47,145.11 45,463.12 136,936.41 117,306.01 226,945.93 36,013.13 221,586.02
7.71 34.42 0.00 22.38 37.97 8.51 76.70 21.88 50.62 36.16 0.00 11.23 0.00		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	220.82 71.09 0.00 212.73 205.14 617.90 529.32 1,024.04 162.50 999.86	48,938.53 15,755.51 0.00 47,145.11 45,463.12 136,936.41 117,306.01 226,945.93 36,013.13 221,586.02
7.71 34.42 0.00 22.38 37.97 8.51 76.70 21.88 50.62 36.16 0.00 11.23 0.00		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	220.82 71.09 0.00 212.73 205.14 617.90 529.32 1,024.04 162.50 999.86	48,938.53 15,755.51 0.00 47,145.11 45,463.12 136,936.41 117,306.01 226,945.93 36,013.13 221,586.02
7.71 34.42 0.00 22.38 37.97 8.51 76.70 21.88 50.62 36.16 0.00 11.23 0.00		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	220.82 71.09 0.00 212.73 205.14 617.90 529.32 1,024.04 162.50 999.86	48,938.53 15,755.51 0.00 47,145.11 45,463.12 136,936.41 117,306.01 226,945.93 36,013.13 221,586.02
7.71 34.42 0.00 22.38 37.97 8.51 76.70 21.88 50.62 36.16 0.00 11.23 0.00		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	220.82 71.09 0.00 212.73 205.14 617.90 529.32 1,024.04 162.50 999.86	48,938.53 15,755.51 0.00 47,145.11 45,463.12 136,936.41 117,306.01 226,945.93 36,013.13 221,586.02
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44.42 0.00 22.38 67.97 8.51 76.70 21.88 50.62 86.16 0.00 11.23 0.00		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	71.09 0.00 212.73 205.14 617.90 529.32 1,024.04 162.50 999.86	15,755.51 0.00 47,145.11 45,463.12 136,936.41 117,306.01 226,945.93 36,013.13 221,586.02
44.42 0.00 22.38 67.97 8.51 76.70 21.88 50.62 86.16 0.00 11.23 0.00		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	0.00 212.73 205.14 617.90 529.32 1,024.04 162.50 999.86	0.00 47,145.11 45,463.12 136,936.41 117,306.01 226,945.93 36,013.13 221,586.02
0.00 62.38 67.97 8.51 76.70 21.88 60.62 86.16 0.00 11.23 0.00		0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	212.73 205.14 617.90 529.32 1,024.04 162.50 999.86	47,145.11 45,463.12 136,936.41 117,306.01 226,945.93 36,013.13 221,586.02
77.97 8.51 76.70 21.88 50.62 86.16 0.00 11.23 0.00		0.00 0.00 0.00 0.00 0.00 0.00 0.00	205.14 617.90 529.32 1,024.04 162.50 999.86	45,463.12 136,936.41 117,306.01 226,945.93 36,013.13 221,586.02
77.97 8.51 76.70 21.88 50.62 86.16 0.00 11.23 0.00		0.00 0.00 0.00 0.00 0.00 0.00	617.90 529.32 1,024.04 162.50 999.86	45,463.12 136,936.41 117,306.01 226,945.93 36,013.13 221,586.02
8.51 76.70 21.88 50.62 86.16 0.00 11.23 0.00		0.00 0.00 0.00 0.00 0.00	529.32 1,024.04 162.50 999.86	117,306.01 226,945.93 36,013.13 221,586.02
76.70 21.88 50.62 36.16 0.00 11.23 0.00		0.00 0.00 0.00 0.00	1,024.04 162.50 999.86	226,945.93 36,013.13 221,586.02
50.62 36.16 0.00 11.23 0.00		0.00 0.00 0.00	162.50 999.86	36,013.13 221,586.02
50.62 36.16 0.00 11.23 0.00		0.00 0.00	999.86	221,586.02
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0.00			0.00	0.00
0.00		0.00		0.00
		0.00	891.19	197,502.41
20.60		0.00	0.00	0.00
33.63		0.00	513.94	113,897.57
27.85		0.00	686.84	152,214.69
(0.00)		0.00	0.00	(0.00)
14.94		0.00	226.25	50,141.19
14.83		0.00	466.62	103,411.45
09.08		0.00	211.27	46,820.34
59.73		0.00	1,252.71	277,622.44
48.11		0.00	85.43	18,933.54
50.95		0.00	26.52	5,877.47
34.12		0.00	604.82	134,038.94
40.81	0.00	0.00	9,009.00	1,996,549.80
	14.94 14.83 19.08 59.73 18.11 50.95 34.12	14.94 14.83 19.08 59.73 18.11 50.95 34.12 40.81 0.00	14.94     0.00       14.83     0.00       09.08     0.00       59.73     0.00       48.11     0.00       50.95     0.00       34.12     0.00	14.94     0.00     226.25       14.83     0.00     466.62       19.08     0.00     211.27       19.73     0.00     1,252.71       148.11     0.00     85.43       150.95     0.00     26.52       34.12     0.00     604.82       40.81     0.00     9,009.00

### MEMORANDUM OF UNDERSTANDING

RECIPROCAL CONSENT BY AND BETWEEN PACIFIC RACING ASSOCIATION (PRA)
AND SAN MATEO COUNTY EVENT CENTER – JOCKEY CLUB (SMCEC-JC)
FOR IMPLEMENTATION OF MINI-SATELLITE FACILITIES IN THE SAN FRANCISCO BAY
AREA

Pacific Racing Association (PRA) dba Golden Gate Fields and the San Mateo County Event Center – Jockey Club (SMCEC-JC) hereby agree that in the best interest of horse racing in the State of California to work cooperatively on opening mini Satellites in Northern California. To that end, both PRA and SMCEC-JC give their reciprocal consent to implementation of mini-satellite facilities within their respective 20-mile radius zones as follows.

The SMCEC-JC will have the full support and consent of PRA to open mini satellites in San Mateo County, subject to licensure by the California Horse Racing Board. PRA agrees that no portion of the 2% satellite location fee paid to a satellite facility or facilities in San Mateo County will be paid to PRA, even if such facilities are located within 20 miles of PRA. Reciprocally, PRA will have the full support and consent of SMCEC-JC to open mini satellites in the City and County of San Francisco, subject to licensure by the California Horse Racing Board. SMCEC-JC agrees that no portion of the 2% satellite location fee paid to a satellite facility or facilities in the City and County of San Francisco will be paid to SMCEC-JC, even if such facilities are located within 20 miles of SMCEC-JC.

Each party will be individually responsible to obtain any additional regulatory approvals necessary for licensing and operation of mini-satellites noted above. Both PRA and SMCEC-JC agree that neither party will invoke the 20-mile radius restriction to impede the opening a mini satellite in the Counties outlined above.

Robert Hartman, General Manager

Pacific Racing Association

Chris Carpenter, General Manager

San Mateo Coupty Event Center - Jockey Club

### CALIFORNIA AUTHORITY OF RACING FAIRS BALANCE SHEET April 30, 2010

### **ASSETS**

ASSEIS		
	CURRENT YTD	PRIOR YTD
Current Assets	4/30/10	4/30/09
CASH - LAIF & INVESTMENTS	3,785,214	4,448,766
CASH - OPERATING	513,665	526,194
MARKETABLE SECURITIES	4,232,725	4,163,818
A/R - DUES	76,035	30,139
A/R - PROGRAMS	83,508	195,078
	•	· · · · · · · · · · · · · · · · · · ·
A/R - RACING FAIRS	472,232	331,279
A/R - F&E SUPPLEMENTAL PURSE/OTHER A/R	2,055,762	1,376,079
LOAN RECEIVABLE	0	0
PREPAIDS/DEPOSITS	33,887	33,433
Total Current Assets	11,253,028	11,104,785
Fixed Assets		
	4.010	10.006
AUTOMOBILE	4,018	10,906
FURNITURE & EQUIPMENT	2,239	3,259
COMPUTER HARDWARE/SOFTWARE	10,071	10,445
TRACK EQUIPMENT	59,400	89,100
Total Fixed Assets (Net of Depr.)	75,728	113,711
TOTAL ASSETS	11,328,756	11,218,496
		/ /
LIABILITIES & NET ASSETS		
Current Liabilities		
A/P & WITHHOLDINGS	201 764	215,511
	281,764	
A/P - PROGRAM ROYALTIES TO HOST	76,966	118,414
RACING DISTRIBUTIONS	(78,081)	(230,887)
PURSES	1,293,990	1,725,955
TRACK SAFETY/MAINT.	802,030	745,609
INFOTEXT UPGRADE	159,129	156,521
MISC PROJECT FUNDS	0	0
LOU-1 - TIMING/TRACK SURFACE/AREA ENHANC	0	0
LOU-2 - SPECIAL EVENT CENTERS	0	0
LOU-3 - SATELLITE SURVEY/TURF STUDY	0	0
EQUIPMENT REPLACEMENT FUND	1,362,869	1,158,229
LOU-5 - SYMPOSIUM	3,805	4,248
FACILITY IMPROVEMENTS & UPGRADES	514,613	751,015
CAPITAL IMPROVEMENT FUND	3,162,324	1,637,373
Total Current Liabilities	7,579,410	6,281,987
Non-Current Liabilities		
CHRIMS FUNDS	89,718	88,248
CHANGE FUND	1,014,000	1,014,000
FAIRS - EQUIP REPLACEMENT FUNDS	1,996,550	2,107,900
Total Non-Current Liabilities	3,100,267	3,210,148
		, ,
TOTAL LIABILITIES	10,679,677	9,492,135
TOTAL LIABILITIES	10,079,077	9,492,133
Net Assets		
FUND EQUITY	633,880	1,730,990
F&E Net Assets	22,275	14,850
CARF@GG	0	0
RETIREMENT CONTINGENCY	0	0
NET INCOME/LOSS	(7,076)	(19,479)
Total Net Assets	649,079	1,726,361
TOTAL LIABILITIES & NET ASSETS	11,328,756	11,218,496

### California Authority of Racing Fairs Agency Income Statement April 30, 2010

IX.

	2008 Year End Actual	2009 Year End Actual	2008 YTD Actual	2009 YTD Actual	2010 YTD Actual	2010 Annual Budget	2010 Budget Variance	2010 % Budget
Revenue:	1100001	1100001	1100001	1100001	1100001	Dauget	, ununce	
Other Revenue	12,384	148	679	15	30	500	(470)	6%
Interest Income	96,705	30,515	25,427	3,769	7,272	30,000	(22,728)	24%
Member Dues	282,520	282,532	128,634	141,266	146,457	292,913	(146,457)	50%
CARF South Programs Admin Fee	29,295	25,351	7,473	6,908	5,665	26,250	(20,585)	22%
CARF Projects Admin Fee	175,639	66,063	4,422	9,543	8,422	195,000	(186,578)	4%
CARF Live Racing Admin Fee	149,334	112,869	26,433	16,338	15,459	136,723	(121,264)	11%
CARF @ Leased Facility Revenue	0	(311,170)	0	0	0	0	0	0%
<b>Total Revenue</b>	745,876	206,308	193,068	177,839	183,304	681,386	(498,082)	27%
Expenses:								
Salaries	245,914	226,671	74,494	74,494	73,890	304,423	230,533	24%
Employee Benefits	26,800	23,714	8,711	8,711	5,583	30,000	24,417	19%
Post Retirement Benefits	31,614	758,272	15,969	15,969	11,490	32,896	21,406	35%
Payroll Taxes	12,509	12,487	5,262	5,262	5,029	13,500	8,471	37%
Accounting Costs	16,337	17,209	6,126	6,126	4,067	18,750	14,683	22%
Audit Services	6,188	7,125	0	0	7,128	6,500	(628)	110%
Automobile Expense	3,236	435	10	10	3,668	4,000	332	92%
Contracted Services	659	543	369	369	381	2,000	1,619	19%
Depreciation	13,729	13,881	3,558	3,558	3,394	13,500	10,106	25%
Dues & Subscriptions	14,388	36,048	13,775	13,775	5,391	37,000	31,609	15%
Insurance Expense	40,542	37,784	12,595	12,595	12,382	41,000	28,618	30%
Legal Expenses	1,740	11,413	3,743	3,743	11,105	10,000	(1,105)	111%
Legislative Expenses	54,869	53,508	18,078	18,078	13,450	60,000	46,550	22%
Meetings Expense	3,758	5,398	2,324	2,324	1,223	5,000	3,777	24%
Misc. (Ag Day Sponsor)	204	2,482	2,074	2,074	200	2,500	2,300	8%
Office Supplies	19,576	23,754	9,957	9,957	10,768	20,000	9,232	54%
Postage & Shipping	4,343	5,987	1,628	1,628	581	6,000	5,419	10%
Rent (Tribute Road)	39,413	38,916	12,806	12,806	13,248	39,744	26,496	33%
Repairs & Maintenance	0	0	0	0	674	1,000	326	67%
Telephone Expense	8,132	7,390	2,306	2,306	2,541	10,000	7,459	25%
Training	0	0	0	0	895	2,500	1,605	36%
Travel Expense	23,216	25,280	8,612	8,612	6,560	27,500	20,940	24%
Total Expenses	567,165	1,308,295	202,399	202,399	193,647	687,813	494,166	28%
Agency Income (Loss)	178,712	(1,101,986)	(9,331)	(24,560)	(10,342)	(6,427)	(3,915)	
Southern Program Income (Loss)	9,592	7,142	4,885	5,081	3,267	5,250	(43,153)	
<b>Total Balance Sheet Net Income (Loss)</b>	188,304	(1,094,845)	(4,446)	(19,479)	(7,076)	(1,177)	(47,069)	
<b>Total Restricted Reserves CARF</b> @								
Leased Facility	0	0	0	0	0	0	0	

### California Authority of Racing Fairs Southern Region Income Statement April 30, 2010

IX.

	2008	2009	2008	2009	2010	2010	2010	2010
	Year End	Year End	YTD	YTD	YTD	Annual	Budget	% Budget
	Actual	Actual	Actual	Actual	Actual	Budget	Variance	
<b>Program Revenue:</b>								
Program Sales	397,688	343,634	129,964	120,573	81,701	350,000	(268,299)	23%
Other Revenue	0	0	0	0	0	0	0	0%
Royalties/Fees Due Host	(358,703)	(311,141)	(117,509)	(108,585)	(72,769)	(318,500)	245,731	23%
<b>Total Revenue</b>	38,985	32,493	12,455	11,989	8,932	31,500	(22,568)	28%
Expenses:								
Legal Expenses	0	0	0	0	0	0	0	0%
Meetings Expense	98	0	98	0	0	0	0	0%
Misc Exp.(Storage)	0	0	0	0	0	0	0	0%
Office Supplies	0	0	0	0	0	0	0	0%
Paper Expense	0	0	0	0	0	0	0	0%
Postage & Shipping	0	0	0	0	0	0	0	0%
Printing Supplies	0	0	0	0	0	0	0	0%
Rent & Utility Expenses	0	0	0	0	0	0	0	0%
Repairs & Maintenance	0	0	0	0	0	0	0	0%
Telephone Expense	0	0	0	0	0	0	0	0%
Travel Expense	0	0	0	0	0	0	0	0%
<b>Total Expenses</b>	98	0	98	0	0	0	0	0%
Operating Income (Loss)	38,887	32,493	12,358	11,989	8,932	31,500	(22,568)	28%
CARF Admin Fee Rebate	29,295	25,351	7,473	6,908	5,665	26,250	20,585	22%
Income (Loss)	9,592	7,142	4,885	5,081	3,267	5,250	(43,153)	62%

### California Authority of Racing Fairs Project Management Income Statement April 30, 2010

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	2008 Year End	2009 Year End	2008 YTD	2009 YTD	2010 YTD	2010 Annual	2010 Budget	2010 % Budget
	Actual	Actual	Actual	Actual	Actual	Budget	Variance	
Revenue:								
CARF Admin Fee	175,639	66,063	4,422	9,543	8,422	195,000	(186,578)	4%
Project Management	67,608	79,199	25,933	23,859	24,246	77,191	(52,945)	31%
<b>Total Revenue</b>	243,247	145,262	30,355	33,402	32,668	272,191	(239,523)	12%
Expenses:								
Salaries Expense	49,043	58,723	19,820	17,504	18,399	56,341	37,942	33%
Employee Benefits	6,150	7,287	2,644	2,854	2,844	8,000	5,156	36%
Payroll Taxes	2,204	2,832	1,079	1,050	1,071	3,000	1,929	36%
Accounting Costs	6,500	6,500	2,167	2,167	1,625	8,000	6,375	20%
Audit Services	2,475	2,550	0	0	0	0	0	0%
Automobile Expense	0	0	0	0	0	0	0	0%
Contracted Services	0	0	0	0	0	0	0	0%
Telephone Expense	678	708	224	242	238	1,000	762	24%
Travel Expense	0	42	0	42	68	250	182	27%
Misc. Storage	558	558	0	0	0	600	600	0%
<b>Total Expenses</b>	67,608	79,199	25,933	23,859	24,246	77,191	52,945	31%
CARF Admin Fee	175,639	66,063	4,422	9,543	8,422	195,000	186,578	4%

### California Authority of Racing Fairs Live Racing Income Statement April 30, 2010

IX.

	2008 Year End Actual	2009 Year End Actual	2008 YTD Actual	2009 YTD Actual	2010 YTD Actual	2010 Annual Budget	2010 Budget Variance	2010 % Budget
Revenues:	Actual	Actual	netuai	Actual	Hetuai	Duuget	variance	
Change Fund Admin Fee	46,470	17,065	17,920	4,865	4,596	20,000	(15,404)	23%
Racing Fairs Admin Fee	80,538	74,561	8,513	11,473	10,863	94,723	(83,860)	11%
Supplemental Purses Admin Fee	22,000	22,000	0	0	0	22,000	(22,000)	0%
NCOTWINC Reimbursement	29,000	29,000	0	0	0	29,000	(29,000)	0%
Racing Fairs Reimbursement	1,074,554	1,059,854	113,507	152,974	144,844		(1,118,127)	11%
Advertising Revenue	5,010	4,100	0	0	0	4,000	(4,000)	0%
Total	1,257,573	1,206,580	139,940	169,312	160,303	1,432,694	(1,272,391)	11%
E								
Expenses:	201,995	220 562	12 216	62 669	74 626	227 492	152,847	33%
Salaries Employee Bonefits	40,160	230,562 44,792	43,246 12,396	63,668 15,121	74,636 15,734	227,483 46,000		33% 34%
Employee Benefits	10,824			4,002	4,660		30,266	
Payroll Taxes		11,877	2,800			13,500	8,840	35%
Accounting Costs Audit Services	42,250	52,250	14,083	14,083	10,562	48,000	37,438	22%
	16,088	16,575	0	0	0	16,088	16,088	0%
Automobile Expense	742	1,182	147	0	0	5,100	5,100	0%
Depreciation	12.506	12.296	0	0 5.096	0	17,000	11.045	0%
Dues & Subscriptions, NTRA	13,596	12,286	6,761	5,986	5,055	17,000	11,945	30%
Insurance Expense	2 101	0	1,000	0	0	10,000	10,000	0%
Legal Expenses	2,101	1 111	1,000	200	1.760	10,000	10,000	0%
Meetings Expense	1,803	1,111	673	208	1,760	5,000	3,240	35%
Misc. Exp (Harness, Storage, Bank fee)		58	140	0	1 226	2,000	1.674	0%
Telephone Expense	1,773	3,363	149	902	1,326	3,000	1,674	44%
Travel Expense	55,224	45,184	3,608	4,324	2,440	45,000	42,560	5%
Sub-Totals  Reging Support Services	386,555	419,240	84,863	108,293	116,173	436,171	319,998	27%
Racing Support Services:	26,000	26.506	0	0	0	26 900	26,000	00/
Announcer	26,000	26,596	0 654	0	0 222	36,800	36,800	0%
Condition Bk/Program Cover	27,509 0	22,491		443	0	30,500 0	30,278	1%
Courier Service (Pgm Distribution)	103,242	70.601	0 022			105,000	100.462	0%
Racing Operations Support TC02 Testing	60,010	79,601	8,923 0	12,564	4,538		100,462	4%
Marketing	3,225	54,880 1,783	1,076	0 769	0 381	72,000 20,000	72,000 19,619	0% 2%
<u> </u>	3,223	3,321	1,568	1,007	527	6,000	5,473	2% 9%
Network Management	10,825	20,298	1,385	910	2,043	11,500	9,457	18%
Paymaster Program Production	191,389	178,814	2,359	2,886	3,436	205,000	201,564	2%
Racing Office System	55,840	53,156	1,078	2,593	695	68,000	67,305	1%
Recruitment	17,970	22,721	9,200	18,969	12,187	15,000	2,813	81%
Jumbo Screen	137,700	125,000	9,200	18,909	12,187	181,000	181,000	0%
	15,478	19,158	121	1,811	177	20,000	19,823	1%
Supplies Tattooing	17,057	20,469	2,280	2,729	4,465	19,000	19,823	24%
Timing/Clocker	21,851	22,430	2,280	2,729	4,403	30,000	30,000	0%
Transportation	2,900	3,465	0	0	0	5,000	5,000	0%
TV Production/Simulcast	27,582	20,288	0	0	0	35,000	35,000	
Sub-Totals	721,684	674,471	28,644	44,681	28,671	859,800	831,129	3%
Total Expenses	1,108,239	1,093,711	113,507	152,974	144,844	1,295,971	1,151,127	11%
- Cur Linponson	1,100,237	1,0/0,/111	110,007	102,717	111,017	-,-,,,,,,	1,101,127	11/0
CARF Admin Fee	149,334	112,869	26,433	16,338	15,459	136,723	121,264	11%
Net Income(Unbilled Expenses)	0	0	0	0	0	0	0	0%

California Authority of Racing Fairs										
CARF @ Leased Facility IX.										
April 30, 2010										
	2008	2009	2008	2009	2010	2010	2010	2010		
	Year End	Year End	YTD	YTD	YTD	Annual	Budget	% Budget		
	Actual	Actual	Actual	Actual	Actual	Budget	Variance			
Revenues:										
Commissions - CARF@GG	0	2,859,642	0	0	0	0	0	0%		
Non Wagering Revenue - CARF@GG	0	0	0	0	0	0	0	0%		
Total	0	2,859,642	0	0	0	0	0	0%		
Expenses:										
PRA - Labor (Sal,Bene,Tax)	0	96,106	0	0	0	0	0	0%		
PRA - COGS	0	0	0	0	0	0	0	0%		
PRA - Financial Dept. Allocation	0	0	0	0	0	0	0	0%		
PRA - Direct Invoices	0	2,998,791	0	0	0	0	0	0%		
CARF Direct Invoices	0	18,531	0	0	0	0	0	0%		
CARF Billback Allocation	0	57,383	0	0	0	0	0	0%		
Sub-Totals	0	3,170,811	0	0	0	0	0	0%		
CARF @ Leased Facility Net Income	0	(311,170)	0	0	0	0	0	0%		