



a California joint powers agency

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AGENDA
CALIFORNIA AUTHORITY OF RACING FAIRS
BOARD OF DIRECTORS MEETING
JOE BARKETT, CHAIR
3:00 P.M., TUESDAY, MAY 6, 2008

Notice is hereby given that a teleconference meeting of the California Authority of Racing Fairs' Board of Directors will commence at 3:00 P.M., Tuesday, May 6, 2008. The meeting will be held at the Kahn, Soares & Conway Sacramento office located at 1415 L Street, Suite 400, Sacramento, California 95814.

AGENDA

- I. Determination of Date, Time, and Location of Next Meeting.
- II. Approval of Minutes from April 1.
- III. Discussion and Action, if any, Regarding CDFA F&E FY 2008-09 Expenditure Plan.
- IV. Update on Equipment Replacement Fund.
- V. Discussion and Action, if any, Regarding CARF By-Laws Language Describing Eligibility to Serve on Board of Directors.
- VI. Report, Discussion and Action on Sacramento Harness Association's Unpaid Commissions to Fair Satellite Wagering Facilities.
- VII. Discussion and Action, if any, on Legislative Matters.
- VIII. Executive Director's Report.

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EXCERPTS FROM THE CARF BY-LAWS

Members

3.3 Member Representatives. Each Member shall designate a representative to act on its behalf for all matters relating to the Authority ("Representative"). Each Member shall also designate an alternate representative to represent the Member in the absence of its Representative. A Member's fair manager shall act as its Representative whenever (i) the Member has not designated a Representative, (ii) the Member's designated Representative has resigned, or (iii) the Member's designated Representative is unable to act on its behalf. Anyone is eligible to be a Representative. Each Representative shall be designated by written notice signed by the Member's Board Chair and delivered to the Executive Director. Each designated Representative shall serve until resignation or until appointment of a successor Representative.

Directors

4.2 Number and Qualifications. The Board shall consist of seven Directors. Four Directors shall be elected by the Members. One Director shall be elected by the Live Racing Committee, who shall be the Chair of that Committee. One Director shall be elected by the Simulcast Wagering South Committee, who shall be the Chair of that Committee. One Director shall be elected by the Simulcast Wagering North Committee, who shall be the Chair of that Committee. One Director elected by the Members shall be designated as the WFA Representative. Only a Members' fair manager or its board members are eligible to serve as Directors. A Director who ceases to be a Member's fair manager or a Member's board member shall cease to be a Director.

ARTICLE VIII. AMENDMENTS

These Bylaws may be amended by a majority vote of the Members, either at a meeting of the members or by mail-in ballot. The Executive Director shall give written notice of the proposed amendment and of the voting date to each Member at least 14 days prior to the voting date. Following adoption of an amendment, the Executive Director shall distribute revised Bylaws to the Members.

EXCERPT FROM THE JOINT POWERS AGREEMENT

"DEFINITIONS"

The term "**Member**" shall mean the Counties, districts and non-profit corporations which administer the parties' fairs conducting horse racing meetings and/or satellite wagering programs, and includes the California Exposition and State Fair.

The term "**Associate Member**" shall mean a legal entity administering a fair conducting horse racing and/or satellite wagering which is eligible to become a party with the Authority but instead contracts for services offered by the Authority and is not a voting member of the Authority.

KAHN, SOARES & CONWAY, LLP

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JAMES R. CUNNINGHAM
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April 17, 2008

APR 21 2008

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ivan Axelrod, President
Sacramento Harness Association
2335 American River Drive
Sacramento, California 95825

Re: Statutory Obligation to CARF Member Fairs for Live Simulcast Racing
Unpaid Commissions: \$197,597.65

Dear Mr. Axelrod:

This office represents the interests of California Authority of Racing Fairs ("CARF") and its member fairs relative to the referenced matter. As you are aware, Sacramento Harness Association ("SHA") conducted harness racing at Cal Expo from December 2007 to February 2008, under a lease agreement with California State Fair, as a night program. Pursuant to California Business and Professions Code Section 19605.3, SHA entered into an agreement with CARF satellite wagering facilities offering the racing as part of the night racing program presented at the California simulcast network. It has come to our attention that SHA has ceased operations and still owes CARF member fairs a total of \$197,597.65 in unpaid statutory commissions, pursuant to California Business and Professions Code Section 19605.7. Enclosed is an accounting showing a site-by-site and month-by-month comparison of December through February commissions generated, paid, and the net reckoning. Included in the accounting are calculations due from each site from Advanced Deposit Wagering.

The purpose of this letter is to demand you pay the above amounts, in full, within 14 days of this correspondence. Payment should be delivered to California Authority of Racing Fairs, attention Christopher Korby, Executive Director.

Please be advised this will not be the first in a series of demand letters. If you do not comply with the request contained herein, within the designated time frame, your next correspondence from this office will be in the form of a Appeal to the California Horse Racing Board for resolution of this matter. Assuming this becomes necessary, our client will seek and obtain a judgment

Ivan Axelrod, President
Sacramento Harness Association
April 17, 2008
Page 2

requiring you to pay the amount mentioned above, plus attorney's fees, costs and, if applicable, punitive damages.

If you wish to discuss this matter, please do not hesitate to contact me during normal business hours. If not, please ensure payment is made within the designated time frame.

Sincerely,

KAHN, SOARES & CONWAY, LLP

A handwritten signature in cursive script, reading "James R. Cunningham".

James R. Cunningham

Enclosed: Accounting of Unpaid Commissions

cc: Letter to NCOTW, Inc.
Letter to SCOTW, Inc.

Sacramento Harness 2% Commissions Paid Comparisions

	11/01/2007-11/30/2007			12/01/2007-12/31/2007			01/01/2008 - 01/31/2008			02/01/2008 - 02/29/2008			
Location	Amt. Owed	SHA Paid	Bal Due	Amt. Owed	SHA Paid	Bal Due	Amt. Owed	SHA Paid	Bal Due	Amt. Owed	SHA Paid	Bal Due	Total Due
Anderson	83.39	83.39	0.00	79.29		79.29	89.90		89.90	85.15		85.15	254.34
Bakersfield	1,884.18	1,884.18	0.00	1,579.30		1,579.30	1,783.43		1,783.43	2,118.65		2,118.65	5,481.38
Eureka	54.80	54.80	0.00	51.37		51.37	61.81		61.81	58.54		58.54	171.72
Ferndale	5.19			4.85		4.85	5.62		5.62	5.32		5.32	15.79
Fresno	1,324.08	1,324.08	0.00	1,188.32		1,188.32	1,530.75		1,530.75	1,222.13		1,222.13	3,941.20
Fresno Club One	1,051.24	1,051.24	0.00	734.58		734.58	744.90		744.90	940.27		940.27	2,419.75
Lake Perris	3,235.86			3,203.31	3,203.31	0.00	3,417.49		3,417.49	3,390.23		3,390.23	6,807.72
Lancaster	3,364.81			2,818.39	2,818.39	0.00	2,934.11	2,943.66	-9.55	2,832.30		2,832.30	2,822.75
Monterey	1,917.76	1,917.76	0.00	1,725.13		1,725.13	1,729.91		1,729.91	2,097.36		2,097.36	5,552.40
Pleasanton	8,438.01	8,438.01	0.00	6,735.85		6,735.85	6,750.08		6,750.08	8,287.99		8,287.99	21,773.92
Pomona	9,401.72			8,149.95		8,149.95	8,053.48		8,053.48	9,080.33		9,080.33	25,283.76
Sacramento	1,195.91			1,120.56		1,120.56	1,313.36		1,313.36	1,243.98		1,243.98	3,677.90
San Bernardino	6,754.57			5,376.24	5,376.24	0.00	5,279.43		5,279.43	6,002.97		6,002.97	11,282.40
San Jose	9,685.91			8,042.84		8,042.84	8,504.85		8,504.85	9,068.34		9,068.34	25,616.03
San Mateo County	28.54			26.43		26.43	29.50		29.50	27.94		27.94	83.87
Santa Barbara	862.76			771.75	771.75	0.00	693.62		693.62	725.10		725.10	1,418.72
Santa Maria	1,040.53	1,040.53	0.00	809.88		809.88	709.18		709.18	820.52		820.52	2,339.58
Santa Rosa	2,418.93	2,418.93	0.00	1,861.79		1,861.79	1,890.17		1,890.17	2,591.75		2,591.75	6,343.71
Shalimar (Indio)	459.06			458.74	497.57	-38.83	526.82		526.82	902.41		902.41	1,390.40
Stockton	5,737.25	5,737.25	0.00	4,805.24		4,805.24	4,750.24		4,750.24	5,392.85		5,392.85	14,948.33
Surfside Race Place	7,708.90	7,708.90	0.00	6,800.83		6,800.83	7,077.59		7,077.59	8,846.97		8,846.97	22,725.39
Tulare	367.57	367.57	0.00	374.01		374.01	267.77		267.77	329.73		329.73	971.51
Turlock	439.22	439.22	0.00	286.08		286.08	328.69		328.69	314.93		314.93	929.70
Vallejo	4,841.80	4,841.80	0.00	3,982.99		3,982.99	3,988.67		3,988.67	4,377.39		4,377.39	12,349.05
Ventura	4,622.18	4,622.18	0.00	4,065.33		4,065.33	4,041.76		4,041.76	4,448.86		4,448.86	12,555.95
Victorville	2,548.10	2,548.10	0.00	1,856.89		1,856.89	2,167.93		2,167.93	2,415.56		2,415.56	6,440.38
Totals	79,472.27	2,548.10		66,909.94	12,667.26	54,242.68	68,671.06	2,943.66	65,727.40	77,627.57	0.00	77,627.57	197,597.65

CA Authority of Racing Fairs Legislative Report

Last 10 Days
4/25/2008

[AB](#)
[1810](#)

(Galgiani) Horses: shows, competitions, and sales. (I-01/16/2008 [html](#) [pdf](#))

Status: 04/24/2008-In Senate. Read first time. To Com. on RLS. for assignment.

Current Location: 04/24/2008-S RLS.

Digest: Existing law regulates horse shows, competitions, and sales. Existing law defines "event manager" for those purposes to be the person in charge of an event, including the person responsible for registering the event with the Department of Food and Agriculture.

This bill would change that definition to be the person in charge of an event, including the entity or individual financially responsible for the event that is responsible for registering the event with the department.

Under existing law, the Secretary of Food and Agriculture is required to appoint an advisory committee, comprised of representatives from various organizations with an interest in horse shows, competitions, and sales. The committee is required to meet at least twice per year.

This bill would require the committee to meet once per year, with additional meetings to be called as deemed necessary by the chairperson.

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

Laws: An act to amend Sections 24001 and 24013.5 of the Food and Agricultural Code, relating to horses.

History:

Apr. 24 Read third time, passed, and to Senate.

Apr. 24 In Senate. Read first time. To Com. on RLS. for assignment.

Apr. 17 Read second time. To Consent Calendar.

Apr. 16 From committee: Do pass. To Consent Calendar. (April 16).

Apr. 3 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 8. Noes 0. Page 4480.) (April 2).

Feb. 7 Referred to Com. on AGRI.

Jan. 17 From printer. May be heard in committee February 16.

Jan. 16 Read first time. To print.

Organization
CARF

Subject
Horse
Racing

[AB](#)

(Jeffries) Sports betting pools. (I-01/30/2008 [html](#) [pdf](#))

Status: 04/16/2008-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 5. Noes 1.) (April 15).

Current Location: 04/16/2008-A APPR.

Calendar Events: 04/30/08 9 a.m. - Room 4202 ASM APPROPRIATIONS

Digest: Existing law makes it either a misdemeanor or a felony, punishable by imprisonment in either a county jail or in the state prison, for a person, whether or not for gain, hire, or reward, to make a betting pool or place a bet or wager on the result of any contest or event, including a sporting event, as specified.

This bill would create an exception to that provision, making it an infraction, punishable by a fine not to exceed five hundred dollars (\$500), for a person, not for gain, hire, or reward, other than that at stake under conditions available to every participant, to participate in a bet, wager, or betting pool with another person or group of persons who are not acting for gain, hire, or reward other than that at stake under conditions available to every participant, on the result of any contest or event, including a sporting event, as specified.

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

Laws: An act to amend Section 337a of, and to add Section 336.9 to, the Penal Code, relating to sports betting pools.

History:

Apr. 16 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 5. Noes 1.) (April 15).

Apr. 10 From committee: Do pass, and re-refer to Com. on PUB. S. Re-referred. (Ayes 13. Noes 0.) (April 9).

Feb. 21 Referred to Coms. on G.O. and PUB. S.

Jan. 31 From printer. May be heard in committee March 1.

Jan. 30 Read first time. To print.

Organization

CARF

Subject

Betting

AB
2026

(Levine) Gaming. (I-02/15/2008 [html](#) [pdf](#))

Status: 04/17/2008-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 11. Noes 0.) (April 16).

Current Location: 04/17/2008-A APPR.

Calendar Events: 04/30/08 9 a.m. - Room 4202 ASM APPROPRIATIONS

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 provides for the enforcement of those regulations by the Department of Justice.

This bill would direct the California Gambling Control Commission, in conjunction with the Department of Justice, to perform a study and report its findings to the Legislature by June 30, 2009, regarding authorizing intrastate Internet poker, as specified.

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

Laws: An act relating to gaming.

History:

Apr. 17 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 11. Noes 0.) (April 16).

Feb. 28 Referred to Com. on G.O.

Feb. 19 From printer. May be heard in committee March 20.

Feb. 15 Read first time. To print.

Organization

CARF

AB
2048

(Silva) Horse racing: harness or quarter horse races: out-of-state or out-of-country. (A-04/09/2008 [html](#) [pdf](#))

Status: 04/23/2008-Hearing postponed by committee. (Refers to 4/23/2008 hearing)

Current Location: 04/17/2008-A APPR.

Calendar Events: 04/30/08 9 a.m. - Room 4202 ASM APPROPRIATIONS

Digest: *Under existing law, the California Horse Racing Board is authorized to permit a harness or quarter horse association conducting a race meeting to accept wagers on the results of out-of-state, out-of-country, and sometimes other harness or quarter horse races, if specified conditions are met, including that the association conducts at least 7 live races and imports not more than 6 races on live racing days.*

This bill would revise that provision to instead permit the association to import not more than 8 races on live racing days.

Under existing law, revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

By providing for the importation of additional out-of-state and out-of-country races, this bill would authorize additional wagering, and would increase the amount of continuously appropriated license fees, thereby making an appropriation.

~~Existing law gives the California Horse Racing Board the authority to regulate~~

~~horse racing and parimutuel wagering on horse races in California. Existing law generally requires that any license granted to an association other than a fair shall be for only a single type of racing, except that the board may authorize the participation of thoroughbred and Appaloosa horses in quarter horse races subject to specified conditions. Existing law also provides that any association licensed to conduct quarter horse racing may apply to the board for, and be granted, the authority to conduct thoroughbred racing as part of its racing program, provided that specified conditions are met, including, among others, that the thoroughbred races are for a claiming price of not more than \$5,000. This bill would increase the claiming price to not more than \$8,000.~~

Vote: ~~majority 2/3~~ . Appropriation: ~~no~~-yes . Fiscal committee: ~~no~~-yes . State-mandated local program: no.

Laws: An act to amend Section 19596.1 of the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

History:

Apr. 17 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 11. Noes 0.) (April 16).

Apr. 10 Re-referred to Com. on G.O. In committee: Hearing postponed by committee.

Apr. 9 From committee chair, with author's amendments: Amend, and re-refer to Com. on G.O. Read second time and amended.

Feb. 28 Referred to Com. on G.O.

Feb. 20 From printer. May be heard in committee March 21.

Feb. 19 Read first time. To print.

Organization

CARF

AB
2103

(Plescia) Horse racing: thoroughbred racing: workers' compensation. (A-04/23/2008 [html](#) [pdf](#))

Status: 04/24/2008-Re-referred to Com. on APPR.

Current Location: 04/24/2008-A APPR.

Digest: Existing law, operative until January 1, 2009, provides that every thoroughbred association and fair that conducts a racing meet shall deduct a percentage of the total amount handled in exotic parimutuel pools of thoroughbred races, which shall be distributed to a thoroughbred racing association to defray costs of workers' compensation insurance in connection with thoroughbred horses that race in this state, as specified. Existing law provides that any funds that are not used to defray the cost of workers' compensation insurance shall either be carried forward to the subsequent year or used to reimburse racing associations for safety-related expenditures, as specified.

This bill would extend the operation of these provisions until January 1, 2014. The bill would also make conforming and technical, nonsubstantive changes. Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Section 19605.75 of the Business and Professions Code, relating to horse racing.

History:

Apr. 24 Re-referred to Com. on APPR.

Apr. 23 Read second time and amended.

Apr. 22 From committee: Amend, and do pass as amended, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 8. Noes 0.) (April 16).

Apr. 10 From committee: Do pass, and re-refer to Com. on INS. with recommendation: To Consent Calendar. Re-referred. (Ayes 14. Noes 0.) (April 9).

Feb. 28 Referred to Coms. on G.O. and INS.

Feb. 20 From printer. May be heard in committee March 21.

Feb. 19 Read first time. To print.

Organization

CARF

Position

Support

AB
2205

(Garrick) Horse racing: racing weeks: 22nd District Agricultural Association. (A-04/23/2008 [html](#) [pdf](#))

Status: 04/24/2008-Re-referred to Com. on APPR.

Current Location: 04/24/2008-A APPR.

Digest: Existing law generally creates district agricultural associations, which are state institutions.

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 requires the board to make allocations of racing weeks as it deems appropriate and specifies the maximum number of racing weeks that may be allocated for horse racing other than at fairs, including, for thoroughbred racing, a maximum of 44 weeks per year in the northern zone, 42 weeks per year in the central zone, and 7 weeks per year in the southern zone. This bill would, *in the event a venue used for thoroughbred racing by an association licensed to conduct thoroughbred racing in the central zone in 2008 is not available for racing in 2009 or thereafter*, permit the board to authorize the 22nd District Agricultural Association to use allocations of racing weeks from the central zone and conduct thoroughbred racing throughout the year, whether or not those racing days coincide with an annual fair, so long as the aggregate racing weeks conducted in the southern and central zones do not

exceed the total aggregate racing weeks allocated, as specified.

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

Laws: An act to add Section 19531.2 to the Business and Professions Code, relating to horse racing.

History:

Apr. 24 Re-referred to Com. on APPR.

Apr. 23 Read second time and amended.

Apr. 22 From committee: Amend, do pass as amended, and re-refer to Com. on APPR. (Ayes 12. Noes 0.) (April 16).

Apr. 3 Re-referred to Com. on G.O.

Apr. 2 From committee chair, with author's amendments: Amend, and re-refer to Com. on G.O. Read second time and amended.

Apr. 1 Referred to Com. on G.O.

Feb. 21 From printer. May be heard in committee March 22.

Feb. 20 Read first time. To print.

Organization

CARF

AB
2258

(Evans) Horse racing: license fees: shortfalls: pro rata assessment. (A-04/03/2008 [html](#) [pdf](#))

Status: 04/17/2008-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 12. Noes 0.) (April 16).

Current Location: 04/17/2008-A APPR.

Calendar Events: 04/30/08 9 a.m. - Room 4202 ASM APPROPRIATIONS

Digest: Existing law, the Horse Racing Law, provides that if the total amount paid to the state by racing associations and fairs is less than \$40,000,000 in any calendar year, all associations and fairs that conducted live racing during the year of the shortfall are required to remit certain amounts, on a pro rata basis *according to the amount handled in-state by each association or fair*, in order to attain that \$40,000,000 total.

This bill would ~~make clarifying and technical changes to this provision specify~~ *instead that if the total amount paid to the state as license fees by racing associations and fairs is less than \$40,000,000 in any calendar year, all associations and fairs that conducted live racing during the year of the shortfall shall remit to the state, on a pro rata basis according to the amount paid as license fees by each association or fair, the amount necessary to bring the total amount paid to the state as license fees to \$40,000,000 .*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~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:

Apr. 17 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 12. Noes 0.) (April 16).

Apr. 7 Re-referred to Com. on G.O.

Apr. 3 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. 22 From printer. May be heard in committee March 23.

Feb. 21 Read first time. To print.

<i>Organization</i>	<i>Position</i>
CARF	Sponsor

AB
2353

(Garcia) Tribal gaming: revenue sharing. (A-04/23/2008 [html](#) [pdf](#))

Status: 04/24/2008-Re-referred to Com. on APPR.

Current Location: 04/24/2008-A APPR.

Digest: 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 certain 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 requires the California Gambling Control Commission, for each fiscal year commencing with the 2005-06 fiscal year, to determine the anticipated total amount of shortfalls to be transferred from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund by multiplying the anticipated number of tribes that will be eligible to receive payments from the Indian Gaming Revenue Sharing Trust Fund for the next fiscal year by \$1,100,000, and reducing that amount as specified. Existing law requires the Legislature to transfer from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund an amount sufficient for each eligible recipient tribe to receive a total not to exceed \$275,000 for each quarter in the upcoming fiscal year the tribe is eligible to receive moneys, for a total not to exceed \$1,100,000 for the entire fiscal year. Existing law authorizes moneys in the Indian Gaming Special Distribution Fund to be used by the Legislature for certain purposes, including for shortfalls in payments that occur in the Indian Gaming Revenue Sharing Trust Fund. Existing law requires that revenue contributions made to the state pursuant to the terms of specified tribal-state gaming compacts be deposited in the General Fund. This bill, commencing with the 2009-10 fiscal year, would increase the quarterly amount that an eligible tribe may receive under the above provisions to

~~\$500,000, and would increase the amount that such a tribe may receive for the entire fiscal year to \$2,000,000 would require that if there are insufficient funds in the Indian Gaming Special Distribution Fund to fully fund payments to eligible recipient tribes from the Indian Gaming Revenue Sharing Trust Fund, money from payments by tribes to the General Fund pursuant to any tribal-state compact be transferred to the Indian Gaming Revenue Sharing Trust Fund in an amount equal to the deficiency, in order to supplement the payments to be made from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund .~~

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

Laws: An act to amend Section 12012.90 of the Government Code, relating to gaming.

History:

Apr. 24 Re-referred to Com. on APPR.

Apr. 23 Read second time and amended.

Apr. 22 From committee: Amend, do pass as amended, and re-refer to Com. on APPR. (Ayes 8. Noes 2.) (April 16).

Apr. 7 Re-referred to Com. on G.O.

Apr. 3 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. 22 From printer. May be heard in committee March 23.

Feb. 21 Read first time. To print.

Organization

CARF

AB
2627

(Mendoza) Gambling regulation. (A-04/03/2008 [html](#) [pdf](#))

Status: 04/24/2008-From committee: Do pass. (Ayes 16. Noes 1.) (April 23).

Current Location: 04/23/2008-A SECOND READING

Calendar Events: 04/28/08 18 ASM SECOND READING FILE

Digest: (1) 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 provides for the enforcement of those activities by the Department of Justice. ~~Existing law authorizes the department to summarily seize, remove, and impound any equipment, supplies, documents, or records from any premises licensed under these provisions for examination and inspection.~~

~~This bill would delete the authorization for the department to take those actions~~

summarily.

~~(2) Existing~~

Existing law provides that an owner of a gambling enterprise that is not a natural person shall not be eligible for a state gambling license unless certain persons individually apply for and obtain a state gambling license, except as specified. This bill would require that, if the owner is a limited liability company, every officer, manager, member, or owner apply for and obtain a state gambling license as described above.

~~(3)~~

(2) Existing law requires the department to investigate an applicant for a gambling license. Existing law provides that, if denial of the application, or approval of the license with restrictions or conditions on the license, is recommended, the head of the entity within the department that is responsible for enforcing these provisions shall prepare and file with the commission his or her written reasons upon which the recommendation is based. This bill would, in addition, require the head of that entity within the department to file with the commission the reasons for his or her recommendation if he or she recommends approval of the license with restrictions or conditions.

~~(4)~~

(3) Existing law requires a limited partnership to comply with specified requirements in order to obtain a gambling license, including a requirement that the limited partnership be formed under the laws of this state. This bill would delete the above requirement, and would impose on general partnerships the requirements for obtaining a gambling license that are applicable to limited partnerships. The bill would also require that limited liability companies comply with specified requirements in order to obtain a gambling license.

~~(5)~~

(4) Existing law requires that, to the extent required by specified provisions of law, certain persons associated with a limited partnership that holds or applies for a license to own a gambling enterprise be licensed individually. This bill would include members and managers among the persons to whom the above requirement applies and would impose the requirement, in addition, on those persons if they are associated with a limited liability company that holds or applies for a license to own a gambling enterprise.

~~(6)~~

(5) Existing law prohibits certain security interests from being enforced without the prior approval of the commission and compliance with certain regulations, including a security interest in a security issued by a partnership, except as specified.

This bill would, in addition, prohibit enforcement of a security interest without the above approval if the security interest is in a security issued by a limited partnership or limited liability company.

~~(7)~~

(6) Existing law requires an order of the commission denying an application for a work permit to be reviewed in accordance with specified provisions of law.

This bill would, in addition, apply the above requirement ~~on~~*to* an order of the commission placing restrictions or conditions on a work permit.

(8)

(7) Existing law authorizes the commission to issue an order summarily suspending a person's work permit upon a finding that the suspension is necessary for the immediate preservation of the public peace, health, safety, or general welfare. Existing law provides that the person whose work permit is summarily suspended has a right to a hearing to commence within a specified period.

This bill would require that a hearing described above be conducted in accordance with specified provisions governing the conduct ~~to~~*of* hearings by the commission.

(9)

(8) Existing law provides that any person aggrieved by a final decision or order of the commission that limits, conditions, suspends, or revokes any previously granted license or approval, made after hearing by the commission, may petition the Superior Court for the County of Sacramento for judicial review pursuant to specified provisions of law. Existing law provides that the court may summarily deny the petition, or the court may issue an alternative writ directing the commission to certify the whole record of the department in the case to the court. Existing law requires that, if an alternative writ issues, the cause be heard on the whole record of the department as certified by the commission.

This bill would, instead, with respect to the above alternative writ, authorize the court to issue that writ to certify the whole record in the case to the court, and would require that, if the alternative writ issues, the cause be heard on the whole record as certified by the commission.

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

Laws: An act to amend Sections 19852, 19868, 19890, 19893, 19900, 19912, 19913, and 19932 of, and to amend the heading of Article 6 (commencing with Section 19890) of Chapter 5 of Division 8 of, the Business and Professions Code, relating to gambling.

History:

Apr. 24 From committee: Do pass. (Ayes 16. Noes 1.) (April 23).

Apr. 10 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 11. Noes 0.) (April 9).

Apr. 7 Re-referred to Com. on G.O.

Apr. 3 From committee chair, with author's amendments: Amend, and re-refer to Com. on G.O. Read second time and amended.

Mar. 13 Referred to Coms. on G.O. and JUD.

Feb. 25 Read first time.

Feb. 24 From printer. May be heard in committee March 25.

Feb. 22 Introduced. To print.

Organization
CARF

AB
3072

(Committee on Governmental Organization) Tribal gaming: compacts. (A-04/03/2008 [html](#) [pdf](#))

Status: 04/24/2008-From committee: Do pass. To Consent Calendar. (April 23).

Current Location: 04/24/2008-A SECOND READING

Calendar Events: 04/28/08 74 ASM SECOND READING FILE

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.

This bill would reorganize these provisions.

~~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.~~

~~This bill would state the intent of the Legislature to codify statutes relating to tribal-state gaming compacts in a specified location within the provisions of law applicable to the Governor.~~

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

Laws: An act to add Article 9 (commencing with Section 12093.01) to Chapter 1 of Part 2 of Division 3 of Title 2 of, and 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, and 12012.52, of, the Government Code, relating to gaming.

History:

Apr. 24 From committee: Do pass. To Consent Calendar. (April 23).

Apr. 7 Re-referred to Com. on G.O.

Apr. 3 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.

Mar. 14 From printer. May be heard in committee April 13.

Mar. 13 Read first time. To print.

Organization
CARF

AB
3073

(Committee on Governmental Organization) Horse racing: racing days. (I-03/13/2008 [html](#) [pdf](#))

Status: 04/24/2008-From committee: Do pass. (Ayes 14. Noes 0.) (April 23).

Current Location: 03/24/2008-A SECOND READING

Calendar Events: 04/28/08 76 ASM SECOND READING FILE

Digest: Existing law provides that the jurisdiction and supervision over meetings in this state where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board. This jurisdiction includes the authority to allocate racing days and weeks to racing associations and fairs, as provided. Existing law permits the board to allocate up to 14 racing days to a fair each year, with specified exceptions, and provides that these 14 days shall be during the period in which general fair activities are conducted. This bill would delete the requirement that the racing days be during the period in which general fair activities are conducted. The bill would also make conforming changes.

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

Laws: An act to amend Section 19549 of the Business and Professions Code, and to amend Section 4058 of the Food and Agricultural Code, relating to horse racing.

History:

Apr. 24 From committee: Do pass. (Ayes 14. Noes 0.) (April 23).

Mar. 24 Referred to Com. on G.O.

Mar. 14 From printer. May be heard in committee April 13.

Mar. 13 Read first time. To print.

Organization
CARF

AB
3074

(Committee on Governmental Organization) Horse racing. (I-03/13/2008 [html](#) [pdf](#))

Status: 04/17/2008-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 11. Noes 0.) (April 16).

Current Location: 04/17/2008-A APPR.

Calendar Events: 04/30/08 9 a.m. - Room 4202 ASM APPROPRIATIONS

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, 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 Kentucky Futurity.

Under existing law, all revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

This bill would authorize additional wagering, and would increase correspondingly the amount of continuously appropriated license fees, thereby making an appropriation. This bill would also result in a change in state taxes for the purpose of increasing state revenues within the meaning of Section 3 of Article XIII A of the California Constitution, thereby requiring a 2/3 vote for passage.

Vote: 2/3. Appropriation: yes. 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, and making an appropriation therefor.

History:

Apr. 17 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 11. Noes 0.) (April 16).

Mar. 24 Referred to Com. on G.O.

Mar. 14 From printer. May be heard in committee April 13.

Mar. 13 Read first time. To print.

Organization

CARF

SB 567 (Aanestad) State property. (A-07/17/2007 [html](#) [pdf](#))

Status: 04/14/2008-In Assembly. Held at Desk.

Current Location: 04/14/2008-A DESK

Digest: ~~(1)-Existing~~

Existing law authorizes the Director of General Services to dispose of state surplus property, subject to specified conditions, including authorization by the Legislature.

This bill would authorize the director to sell, exchange, or lease for fair market value upon those terms and conditions determined by the director, 6 specified parcels of state property. It would provide that, unless otherwise provided by

law, the net proceeds of the conveyance would be paid into the Deficit Recovery Bond Retirement Sinking Fund Subaccount, which is a continuously appropriated subaccount in the Budget Stabilization Account, thereby making an appropriation. The bill would require reimbursement to the Department of General Services for any cost or expense incurred in the disposition of the property from the net proceeds of the disposition.

~~(2) The California Environmental Quality Act (CEQA) requires a lead agency to evaluate whether an activity is a project subject to CEQA or comes within an exemption, and if the activity is determined to be a project to prepare, or cause to be prepared, and certify the completion of, an environmental impact report or to adopt a negative declaration, as required. CEQA provides for specified exemptions from its provisions.~~

~~This bill would provide that any sale, exchange, sale combined with an exchange, lease, or transfer of the parcels described in the bill would be exempt from certain provisions of CEQA.~~

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

Laws: An act relating to state property, and making an appropriation therefor.

History:

Apr. 14 From Inactive File to Unfinished Business. Returned to Assembly for further action.

Apr. 14 In Assembly. Held at Desk.

Sept. 11 Read third time. Passed. (Ayes 78. Noes 0. Page 3233.) To Senate.

Sept. 11 In Senate. To unfinished business.

Sept. 11 Placed on inactive file on request of Senator Aanestad.

Aug. 30 From Consent Calendar to third reading.

Aug. 27 Read second time. To Consent Calendar.

Aug. 23 From committee: Do pass. To Consent Calendar. (Ayes 16. Noes 0.)

July 17 Read second time. Amended. Re-referred to Com. on APPR.

July 16 From committee: Do pass as amended, but first amend, and re-refer to Com. on APPR. (Ayes 8. Noes 0.)

July 5 From committee: Do pass, but first be re-referred to Com. on NAT. RES. (Ayes 8. Noes 0.) Re-referred to Com. on NAT. RES.

June 26 Set, second hearing. Failed passage in committee. Reconsideration granted.

June 14 From committee with author's amendments. Read second time.

Amended. Re-referred to Com. on B. & P.

June 12 Set, first hearing. Hearing canceled at the request of author.

May 31 From committee with author's amendments. Read second time.

Amended. Re-referred to Com. on B. & P.

May 17 To Com. on B. & P.

Apr. 26 Read third time. Passed. (Ayes 39. Noes 0. Page 760.) To Assembly.

Apr. 26 In Assembly. Read first time. Held at Desk.

Apr. 25 To Special Consent Calendar.

Apr. 24 Read second time. To third reading.
 Apr. 23 From committee: Do pass. (Ayes 17. Noes 0. Page 688.)
 Apr. 12 From committee: Do pass, but first be re-referred to Com. on APPR.
 (Ayes 8. Noes 0. Page 540.) Re-referred to Com. on APPR. Set for hearing April
 23.
 Apr. 9 From committee with author's amendments. Read second time. Amended.
 Re-referred to Com. on G.O.
 Mar. 14 Set for hearing April 10.
 Mar. 8 To Com. on G.O.
 Feb. 23 From print. May be acted upon on or after March 25.
 Feb. 22 Introduced. Read first time. To Com. on RLS. for assignment. To print.

Organization
 CARF

Subject
 Property

SB 1201 (Battin) Tribal gaming: gaming device licenses. (A-03/25/2008 [html](#) [pdf](#))

Status: 04/22/2008-Do pass as amended.

Current Location: 04/22/2008-S G.O.

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 executed in 1999. Those compacts set certain limits on the number of gaming device licenses available to each tribe. Existing law provides that any other tribal-state gaming compact entered into between the State of California and a federally recognized Indian tribe that is executed after September 10, 1999, is ratified if certain circumstances exist.

This bill would enact statutory provisions relating to matters addressed in the compacts ratified as described above ~~the~~. *The bill would provide that the aggregate limit of gaming device licenses available for issuance under those compacts shall be 122,000 , and would further provide that certain gaming device licenses available for issuance under subsequent compact amendments shall not be counted in determining whether that aggregate limit has been reached .* The bill would require that, upon application by a tribe with a tribal-state gaming compact ratified as described above, the California Gambling Control Commission allocate gaming device licenses to the tribe in accordance with the tribe's gaming compact, but would prohibit the number of licenses allocated to a tribe from exceeding the maximum number of gaming device licenses allowed under the gaming compact.

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

Laws: An act to amend Section 12012.25 of the Government Code, relating to gaming.

History:

Mar. 27 Hearing postponed by committee.

Mar. 25 From committee with author's amendments. Read second time.

Amended. Re-referred to Com. on G.O.

Mar. 13 Set for hearing April 8.

Feb. 20 To Com. on G.O.

Feb. 14 From print. May be acted upon on or after March 15.

Feb. 13 Introduced. Read first time. To Com. on RLS. for assignment. To print.

Organization

CARF

SB 1335 (Wyland) Horse racing: thoroughbred racing: stabling and vanning. (I-

02/20/2008 [html](#) [pdf](#))

Status: 04/23/2008-Read second time. To Consent Calendar.

Current Location: 04/23/2008-S CONSENT CALENDAR

Calendar Events: 04/28/08 64 SEN CONSENT CALENDAR

Digest: Existing law requires an amount not to exceed 1.25% of the total amount handled by satellite wagering facilities on thoroughbred races in the central or southern zone to be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed as specified to administer, pursuant to supervision of the California Horse Racing Board, a fund to provide reimbursement for offsite stabling at board-approved auxiliary training facilities for additional stalls and for vanning, as provided.

This bill would increase the amount that is required to be deducted to an amount not to exceed 1.26%.

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

Laws: An act to amend Section 19607 of the Business and Professions Code, relating to horse racing.

History:

Apr. 23 Read second time. To Consent Calendar.

Apr. 22 From committee: Do pass. To Consent Calendar. (Ayes 10. Noes 0. Page 3549.)

Mar. 19 Set for hearing April 22.

Feb. 28 To Com. on G.O.

Feb. 21 From print. May be acted upon on or after March 22.

Feb. 20 Introduced. Read first time. To Com. on RLS. for assignment. To print.

Organization

CARF

SB 1570 (Vincent) Tribal gaming: satellite wagering. (A-04/23/2008 [html](#) [pdf](#))

Status: 04/23/2008-From committee with author's amendments. Read second time. Amended. Re-referred to Com. on APPR.

Current Location: 04/23/2008-S APPR.

Calendar Events: 05/05/08 10:00 a.m. - John L. Burton Hearing Room 4203
SEN APPROPRIATIONS

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.

This bill would provide that, when negotiating with a tribal government for a tribal-state gaming compact pursuant to those provisions of the California Constitution, the Governor shall use his or her best efforts to ensure that satellite wagering on horse racing is one of the forms of gaming offered at any gaming facility authorized under the compact. The bill would require any payments to the state for receiving the audio-visual signal on horse racing to be deposited in the ~~Maddy-Vincent-Maddy~~ Fund for Horse Racing, as established by the bill, and would require certain amounts in that fund to be used for specified purposes. ~~The bill also would require that, if SCA 20 of the 2007-08 Regular Session is approved by the voters at the next statewide primary or general election, and if future compact negotiations between the state and tribal governments relating to granting tribal casinos the authority to play craps or roulette generate additional funds for the state, any additional funds generated by SCA 20 be deposited into the Maddy-Vincent Fund for Horse Racing.~~ The bill would continuously appropriate all moneys in the ~~Maddy-Vincent-Maddy~~ Fund for Horse Racing to the Horse Racing Board for the benefit of the fair racing associations, racing associations, and the horsemen and horsewomen involved in horse racing, as specified.

By establishing a continuously appropriated fund, this bill would make an appropriation.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to add Section 12012.91 to the Government Code, relating to gaming, and making an appropriation therefor.

History:

Apr. 23 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on APPR.

Apr. 16 From committee: Do pass, but first be re-referred to Com. on APPR. (Ayes 8. Noes 1. Page 3431.) Re-referred to Com. on APPR.
Apr. 10 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on G.O.
Apr. 3 Hearing postponed by committee. Set for hearing April 15.
Apr. 2 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on G.O.
Mar. 13 Set for hearing April 8.
Mar. 6 To Com. on G.O.
Feb. 25 Read first time.
Feb. 24 From print. May be acted upon on or after March 25.
Feb. 22 Introduced. To Com. on RLS. for assignment. To print.

Organization

CARF

SB 1616(Florez) Problem gambling: therapist training and treatment programs. (A-

04/09/2008 [html](#) [pdf](#))

Status: 04/21/2008-Placed on APPR. suspense file.

Current Location: 04/21/2008-S APPR. SUSPENSE FILE

Digest: Existing law establishes the Office of Problem and Pathological Gambling in the State Department of Alcohol and Drug Programs. The office is responsible for developing a problem gambling prevention program and a program to support treatment services for California residents with problem and pathological gambling issues. Existing law requires that implementation of these programs be based upon allocation priorities established by the State Department of Alcohol and Drug Programs, subject to appropriation of funding for these purposes. The problem gambling prevention program is given first priority for funding appropriated to the office.

This bill would ~~authorize~~ *require* the office, *subject to appropriation by the Legislature*, to establish a program, through grant or contract, to increase the number of qualified problem and pathological gambling treatment therapists and to establish a stepped-care plan of treatment to provide comprehensive care to problem and pathological gamblers and their families. The bill would require the office, *subject to appropriation by the Legislature*, to award funds to design therapist training and statewide treatment programs for problem and pathological gambling, together with a statewide training and treatment oversight system, as specified. The bill would require the office, beginning July 1, 2009, and annually each July 1 thereafter, subject to appropriation by the Legislature, to award grants in connection with the therapist training and treatment programs, and the oversight system. ~~The bill would require the Bureau of State Audits, beginning July 1, 2012, and every 3 years thereafter, to report to the Governor and the Legislature on the effectiveness and use of funding of the therapist training and treatment programs.~~

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

Laws: An act to amend Section 4369 of the Welfare and Institutions Code, relating to gambling.

History:

Apr. 21 Placed on APPR. suspense file.

Apr. 10 Set for hearing April 21.

Apr. 9 Read second time. Amended. Re-referred to Com. on APPR.

Apr. 8 From committee: Do pass as amended, but first amend, and re-refer to Com. on APPR. (Ayes 7. Noes 3. Page 3286.)

Mar. 19 Set for hearing April 2.

Mar. 6 To Com. on HEALTH.

Feb. 25 Read first time.

Feb. 23 From print. May be acted upon on or after March 24.

Feb. 22 Introduced. To Com. on RLS. for assignment. To print.

Organization

CARF

SB 1635 (Negrete McLeod) **Horse racing: out-of-state thoroughbred races: number of races.** (I-02/22/2008 [html](#) [pdf](#))

Status: 04/16/2008-From committee: Do pass, but first be re-referred to Com. on APPR. (Ayes 10. Noes 0. Page 3432.) Re-referred to Com. on APPR.

Current Location: 04/16/2008-S APPR.

Calendar Events: 05/05/08 10:00 a.m. - John L. Burton Hearing Room 4203
SEN APPROPRIATIONS

Digest: Existing law, the Horse Racing Law, provides that a thoroughbred racing association or fair may distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races during the calendar period the association or fair is conducting a race meeting, provided that the total number of thoroughbred races on which wagers are accepted statewide in any given year does not exceed the total number of thoroughbred races on which wagers were accepted in 1998. Existing law further prohibits the total number of thoroughbred races imported by associations or fairs on a statewide basis from exceeding 23 per day on days when live thoroughbred or fair racing is being conducted in the state, except as provided.

This bill would eliminate the ceiling on the number of races as were wagered on in 1998 and would change the total number of thoroughbred races authorized to be imported by associations or fairs on a statewide basis to 40 per day.

Under existing law, revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for

various regulatory and general governmental purposes.

This bill would authorize additional wagering and additional races, and would increase the amount of continuously appropriated license fees, thereby making an appropriation.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Section 19596.2 of the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

History:

Apr. 16 From committee: Do pass, but first be re-referred to Com. on APPR. (Ayes 10. Noes 0. Page 3432.) Re-referred to Com. on APPR.

Apr. 3 Hearing postponed by committee. Set for hearing April 15.

Mar. 13 Set for hearing April 8.

Mar. 6 To Com. on G.O.

Feb. 25 Read first time.

Feb. 24 From print. May be acted upon on or after March 25.

Feb. 22 Introduced. To Com. on RLS. for assignment. To print.

Organization

CARF

SB 1664 (Yee) **Gambling: regulation.** (I-02/22/2008 [html](#) [pdf](#))

Status: 04/17/2008-In Assembly. Read first time. Held at Desk.

Current Location: 04/17/2008-A 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 provides for the enforcement of those activities by the Department of Justice. Existing law makes it a crime for specified persons to fail to apply for and obtain from the commission, and to thereafter maintain, a valid key employee license. Existing law defines "key employee" as any natural person employed in the operation of a gambling enterprise in a supervisory capacity or empowered to make discretionary decisions that regulate gambling operations, including, without limitation, pit bosses, shift bosses, credit executives, cashier operations supervisors, gambling operation managers and assistant managers, managers or supervisors of security employees, or any other natural person designated as a key employee by the department for reasons consistent with the policies of the act.

This bill would expand the scope of those included in the definition of key employee by providing that the discretionary decisions made by a key employee are those made with regard to gambling operations rather than those that regulate gambling operations. The bill would delete pit bosses and shift bosses

from the definition and add instead shift managers. The bill would, in addition, include surveillance managers and supervisors within the definition of key employee. By increasing the scope of persons subject to a crime, this bill would impose a state-mandated local program upon local government.

Existing law provides that, except as may be provided by regulation of the Department of Justice, specified security interests, including an interest in a security issued by a partnership that is a holder of a gambling license in this state, shall not be enforced without the prior approval of the commission and compliance with regulations adopted by the department.

This bill would remove the department's authority to adopt the above regulations and would authorize the commission to adopt them. The bill would modify the above description of a security interest in a security issued by a partnership that is a holder of a gambling license in this state to include, in addition, a security interest in a security issued by a limited partnership.

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 19805, 19900, and 19961.1 of the Business and Professions Code, relating to gambling.

History:

Apr. 17 Read third time. Passed. (Ayes 38. Noes 0. Page 3462.) To Assembly.

Apr. 17 In Assembly. Read first time. Held at Desk.

Apr. 16 To Special Consent Calendar.

Apr. 15 Read second time. To third reading.

Apr. 14 From committee: Be placed on second reading file pursuant to Senate Rule 28.8.

Mar. 27 Set for hearing April 14.

Mar. 25 From committee: Do pass, but first be re-referred to Com. on APPR. (Ayes 10. Noes 0. Page 3176.) Re-referred to Com. on APPR.

Mar. 13 Set for hearing March 25.

Mar. 6 To Com. on G.O.

Feb. 25 Read first time.

Feb. 24 From print. May be acted upon on or after March 25.

Feb. 22 Introduced. To Com. on RLS. for assignment. To print.

Organization

CARF

Status: 04/15/2008-Read second time. To third reading.

Current Location: 04/15/2008-S THIRD READING

Calendar Events: 04/28/08 22 SEN THIRD READING FILE

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. Under existing law, the commission issues and regulates certain licenses, including gambling licenses and key employee licenses, as defined. The act defines "license" for purposes of these provisions as a gambling license or key employee license.

This bill would add to the above definition of "license" any other license issued by the commission pursuant to the Gambling Control Act or a regulation adopted pursuant to that act.

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:

Apr. 15 Read second time. To third reading.

Apr. 14 From committee: Be placed on second reading file pursuant to Senate Rule 28.8.

Mar. 27 Set for hearing April 14.

Mar. 25 From committee: Do pass, but first be re-referred to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 10. Noes 0. Page 3177.) Re-referred to Com. on APPR.

Mar. 19 Set for hearing March 25.

Mar. 13 To Com. on G.O.

Feb. 25 Read first time.

Feb. 24 From print. May be acted upon on or after March 25.

Feb. 22 Introduced. To Com. on RLS. for assignment. To print.

Organization

CARF

[SB 1695](#) (Florez) Tribal gaming: casino location. (A-04/16/2008 [html](#) [pdf](#))

Status: 04/17/2008-Set for hearing April 28.

Current Location: 04/16/2008-S APPR.

Calendar Events: 04/28/08 Anticipated Hearing SEN APPR.

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 with federally recognized tribes, subject to ratification by the Legislature.

This bill would prohibit the Governor from negotiating or concluding a gaming compact with a tribe that does not have land held in trust on which the gaming is to occur ~~and-or~~ that is not federally recognized.

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

Laws: An act to add Section 12012.92 to the Government Code, relating to gaming.

History:

Apr. 17 Set for hearing April 28.

Apr. 16 Read second time. Amended. Re-referred to Com. on APPR.

Apr. 15 From committee: Do pass as amended, but first amend, and re-refer to Com. on APPR. (Ayes 9. Noes 1. Page 3432.)

Apr. 10 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on G.O.

Apr. 3 Hearing postponed by committee. Set for hearing April 15.

Mar. 19 Set for hearing April 8.

Mar. 13 To Com. on G.O.

Feb. 25 Read first time.

Feb. 24 From print. May be acted upon on or after March 25.

Feb. 22 Introduced. To Com. on RLS. for assignment. To print.

Organization

CARF

SB 1697 (Florez) **Gambling licenses: inactive status.** (A-04/21/2008 [html](#) [pdf](#))

Status: 04/21/2008-Read second time. Amended. Re-referred to Com. on APPR.

Current Location: 04/21/2008-S APPR.

Calendar Events: 05/05/08 10:00 a.m. - John L. Burton Hearing Room 4203
SEN APPROPRIATIONS

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 specified persons involved in those gambling activities to obtain and maintain gambling licenses or key employee licenses issued by the commission.

This bill would allow the holder of a gambling license or key employee license to petition the commission to place that license on an inactive status for no more than 3 years. The bill would prohibit a licensee, while his or her license is

inactive, from ~~owning~~, working in, or operating, a gambling establishment pursuant to the inactive license. The bill would require a licensee, in order to place a license on inactive status and maintain that status, to pay to the commission, each year, 50% of the license fee that would be required for an active license.

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

Laws: An act to add Section 19851.5 to the Business and Professions Code, relating to gambling.

History:

Apr. 21 Read second time. Amended. Re-referred to Com. on APPR.

Apr. 17 Joint Rule 62(a) file notice suspended. (Ayes 23. Noes 13. Page 3468.)

From committee: Do pass as amended, but first amend, and re-refer to Com. on APPR. (Ayes 6. Noes 0. Page 3489.)

Apr. 14 From committee with author's amendments. Read second time.

Amended. Re-referred to Com. on RLS. Re-referred to Com. on G.O. Set for hearing April 17 pending rules waiver.

Mar. 13 To Com. on RLS.

Feb. 25 Read first time.

Feb. 23 From print. May be acted upon on or after March 24.

Feb. 22 Introduced. To Com. on RLS. for assignment. To print.

Organization

CARF

Total Position Forms: 22

**California Authority of Racing Fairs
Agency Income Statement
March 31, 2008**

	2006	2007	2008	2008	2008	2008
	Year End	Year End	YTD	Budget	Variance	% Budget
Revenue:						
Other Revenue	9,233	13,560	82	500	(418)	16%
Interest Income	48,441	92,352	25,354	50,000	(24,646)	51%
Member Dues	261,477	257,268	64,317	257,276	(192,959)	25%
CARF South Programs Admin Fee	39,146	34,731	7,473	34,425	(26,952)	22%
CARF Projects Admin Fee	126,364	158,277	4,422	195,000	(190,578)	2%
CARF Live Racing Admin Fee	132,433	155,333	23,939	143,958	(120,019)	17%
Total Revenue	617,094	711,520	125,587	681,159	(555,572)	18%
Expenses:						
Salaries	204,210	207,576	54,515	286,912	232,397	19%
Employee Benefits	21,363	16,639	5,879	30,000	24,121	20%
Post Retirement Benefits	27,118	31,509	7,898	35,000	27,102	23%
Payroll Taxes	11,471	9,960	4,413	13,500	9,087	33%
Accounting Costs	16,965	16,270	4,067	16,250	12,183	25%
Advertising Expense	800	0	0	0	0	0%
Audit Services	4,815	5,875	0	5,875	5,875	0%
Automobile Expense	0	3,788	2,500	3,000	500	83%
Contracted Services	1,198	2,214	59	3,000	2,941	2%
Depreciation	16,682	13,195	2,034	13,000	10,966	16%
Dues & Subscriptions	30,475	29,509	3,430	31,000	27,570	11%
Insurance Expense	37,763	38,824	10,158	38,151	27,993	27%
Legal Expenses	6,620	5,575	0	10,000	10,000	0%
Legislative Expenses	49,888	56,089	13,976	60,000	46,024	23%
Meetings Expense	6,861	3,420	985	6,000	5,015	16%
Misc. Bank Fees	29	17	0	1,000	1,000	0%
Office Supplies	17,074	15,953	4,531	15,000	10,469	30%
Postage & Shipping	3,570	4,168	960	4,000	3,040	24%
Rent (Tribute Road)	35,777	35,770	8,942	35,770	26,828	25%
Repairs & Maintenance	370	359	0	1,000	1,000	0%
Telephone Expense	10,660	10,921	1,576	11,000	9,424	14%
Training	0	0	0	2,500	2,500	0%
Travel Expense	24,886	27,308	2,725	27,500	24,775	10%
Total Expenses	528,593	534,936	128,649	649,458	520,809	20%
Agency Income (Loss)	88,500	176,584	(3,062)	31,701	(34,763)	
Southern Program Income (Loss)	14,398	16,026	2,013	2,475	(462)	
Total Balance Sheet Net Income (Loss)	102,899	192,610	(1,050)	34,176	(35,226)	

**California Authority of Racing Fairs
Southern Region Income Statement
March 31, 2008**

	2006	2007	2008	2008	2008	2008
	Year End	Year End	YTD	Budget	Variance	% Budget
Program Revenue:						
Program Sales	493,939	463,076	99,636	459,000	(359,365)	22%
Other Revenue	0	0	0	0	0	0%
Royalties/Fees Due Host	(440,394)	(411,359)	(90,150)	(417,000)	326,850	22%
Total Revenue	53,545	51,718	9,486	42,000	(32,514)	23%
Expenses:						
Legal Expenses	0	0	0	2,500	2,500	0%
Meetings Expense	0	539	0	1,000	1,000	0%
Misc Exp.(Storage)	0	0	0	1,000	1,000	0%
Postage & Shipping	0	0	0	100	100	0%
Telephone Expense	0	0	0	500	500	0%
Total Expenses	0	961	0	5,100	5,100	0%
Operating Income (Loss)	53,545	50,757	9,486	36,900	(27,414)	26%
CARF Admin Fee	39,146	34,731	7,473	34,425	26,952	22%
Rebate						
Income (Loss)	14,398	16,026	2,013	2,475	(462)	81%

**California Authority of Racing Fairs
Project Management Income Statement
March 31, 2008**

	2006	2007	2008	2008	2008	2008
	Year End	Year End	YTD	Budget	Variance	% Budget
Revenue:						
CARF Admin Fee	126,419	158,277	4,422	195,000	(190,578)	2%
Project Management	76,158	79,648	20,428	78,522	(58,094)	26%
Total Revenue	202,578	237,925	24,850	273,522	(248,672)	9%
Expenses:						
Salaries Expense	56,190	58,942	15,732	54,172	38,440	29%
Employee Benefits	6,595	7,510	1,965	8,000	6,035	25%
Payroll Taxes	3,065	3,060	938	3,000	2,062	31%
Accounting Costs	6,780	6,500	1,625	6,500	4,875	25%
Audit Services	1,870	2,350	0	2,350	2,350	0%
Automobile Expense	0	0	0	1,000	1,000	0%
Contracted Services	0	0	0	1,000	1,000	0%
Telephone Expense	1,015	647	167	1,500	1,333	11%
Travel Expense	144	85	0	500	500	0%
Misc. Storage	555	555	0	500	500	0%
Total Expenses	76,214	79,648	20,428	78,522	58,094	26%
CARF Admin Fee	126,364	158,277	4,422	195,000	190,578	2%

**California Authority of Racing Fairs
Live Racing Income Statement
March 31, 2008**

	2006	2007	2008	2008	2008	2008
	Year End	Year End	YTD	Budget	Variance	% Budget
Revenues:						
Change Fund Admin Fee	42,690	53,293	17,920	40,000	(22,080)	45%
Racing Fairs Admin Fee	67,743	80,040	6,019	81,958	(75,939)	7%
Supplemental Purses Admin Fee	22,000	22,000	0	22,000	(22,000)	0%
NCOTWINC Reimbursement	29,000	29,000	0	29,000	(29,000)	0%
Racing Fairs Reimbursement	959,886	1,120,049	80,251	1,059,773	(979,522)	8%
Advertising Revenue	3,425	4,827	0	4,000	(4,000)	0%
Total	1,124,744	1,309,208	104,190	1,236,731	(1,132,541)	8%
Expenses:						
Salaries	137,045	138,623	34,277	120,448	86,171	28%
Employee Benefits	32,501	35,050	9,280	35,000	25,720	27%
Payroll Taxes	9,178	23,536	2,491	10,500	8,009	24%
Accounting Costs	44,070	42,250	10,562	42,250	31,688	25%
Audit Services	12,155	15,275	0	15,275	15,275	0%
Automobile Expense	811	4,065	147	3,000	2,853	5%
Dues & Subscriptions, NTRA	28,125	28,125	3,380	30,000	26,620	11%
Legal Expenses	9,232	23,520	1,000	6,000	5,000	17%
Meetings Expense	3,429	3,643	187	5,000	4,813	4%
Misc. Exp (Storage,Bank fee)	0	80,000	0	0	0	0%
Telephone Expense	932	582	112	1,000	888	11%
Travel Expense	28,650	48,187	2,848	35,000	32,152	8%
Sub-Totals	306,128	442,855	64,284	303,473	239,189	21%
Racing Support Services:						
Announcer	33,513	24,870	0	30,000	30,000	0%
Condition Bk/Program Cover	19,540	15,237	654	23,000	22,346	3%
Racing Operations Support	73,176	74,441	5,024	78,000	72,976	6%
TC02 Testing	50,341	56,200	0	72,000	72,000	0%
Marketing	2,095	3,432	84	20,000	19,916	0%
Network Management	2,748	4,817	1,465	5,000	3,535	29%
Paymaster	8,860	5,160	986	10,000	9,014	10%
Program Production	169,347	196,134	2,337	205,000	202,663	1%
Racing Office System	60,889	56,097	902	60,000	59,098	2%
Recruitment	13,257	16,385	2,207	15,000	12,793	15%
Jumbo Screen	151,025	137,700	0	175,000	175,000	0%
Supplies	17,968	15,316	28	9,500	9,472	0%
Tattooing	16,724	21,741	2,280	16,800	14,520	14%
Timing/Clocker	29,472	26,010	0	30,000	30,000	0%
Transportation	3,350	4,660	0	5,000	5,000	0%
TV Production/Simulcast	33,879	52,822	0	35,000	35,000	0%
Sub-Totals	686,183	711,020	15,967	789,300	773,333	2%
Total Expenses	992,311	1,153,876	80,251	1,092,773	1,012,522	7%
CARF Admin Fee	132,433	155,333	23,939	143,958	120,019	17%
Net Income(Unbilled Expenses)	0	0	0	0	0	0%

Meeting Handouts

**Proposed
Satellite Wagering
Equipment Replacement Fund**

ECONOMIC MODEL



California Authority of Racing Fairs

ADOPTED BY CARF BOARD DECEMBER 1990



California Authority of Racing Fairs

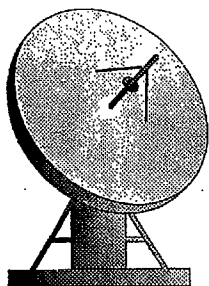
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- Executive Summary
- Background
- Fund Model
- Fixed Asset Inventory System
- Conclusion

Model

- Anderson
- Bakersfield
- CARF Spare Equipment
- Del Mar
- Eureka
- Fresno
- Indio
- Lancaster
- Monterey
- Pomona
- Sacramento
- San Bernardino
- San Jose
- Santa Barbara
- Santa Maria
- Santa Rosa
- Stockton
- Transportable
- Tulare
- Vallejo
- Ventura
- Victorville



Satellite Wagering Equipment Replacement Fund

PROPOSAL

Executive Summary

Establishment of a Satellite Wagering Equipment Replacement Fund, as proposed, accomplishes four objectives.

- Provides a *predictable, line-item expense* on Fair budgets that includes insurance, maintenance, and replacement of all satellite and television equipment
- Provides a *fixed asset inventory system* to identify assets, track maintenance and repair, forecast replacement expenditures, and support Fund administration
- Provides *scheduled replacement of equipment* that guarantees new, state of the art equipment on a *predictable interval*
- Provides a revenue and expense model to assure that Fairs can sustain a *self-perpetuating* Fund into the foreseeable future

Background

Preparation of a Fund model, consistent with the objectives listed above, required assembly and evaluation of data according to the following guidelines.

- Determine equipment investment, including installation, for each site
- Project maintenance and service costs
- Estimate insurance cost
- Project administrative costs
- Project anticipated equipment lifetimes

Fund Model

Once the requisite information had been assembled and evaluated, we set out to formulate a model that would achieve our objectives. After consultation with Coopers and Lybrand, we based the initial models on a straight-line depreciation over the interval of service with administration, insurance, and

maintenance costs factored in. These models revealed that certain Fairs, which had had equipment in service the longest, had accumulated depreciation in such amounts that the "catch-up" payments could represent a financial hardship. This circumstance was presented to the Division of Fairs and Expositions (F&E). After a review of the economic models, F&E agreed to 1) a non-refundable grant based on 25% of original equipment cost at all sites, and 2) a bridging loan to allow deferment of accumulated depreciation payments. Subsequently we prepared the model, here proposed, based on the following assumptions.

- *Cost* is based on equipment purchased and installed, classified by Effective Acquisition Date and by projected lifetime in months.
- *Replacement value* is cost plus inflation factor of 5% per annum over equipment lifetime.
- *Rate of return* is based on Fund Deposits at 6% simple interest. *Interest* begins when deferred payments have been made.
- *Deposit due* is 25% of original cost, funded by the Division of Fairs and Expositions as a non-refundable grant.
- *Replacement balance due* equals replacement cost of the equipment, less deposit of 25%.
- *Service fee* is based on 3% per annum of replacement value.

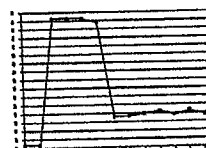
- *Administration fee* is based on 2% replacement value annually.
- *Insurance fee* is estimated at 1% per annum, based on replacement value.
- Model assumes *zero salvage value* on equipment.
- *Service life* is based on 48 or 84 months, and calculated using an effective date rather than the acquisition date. Model determines effective date as follows.

Actual Acquisition Date	Semi-Annual Effective Date
Jan 1 - Mar 31	Dec 31
Apr 1 - Jun 30	Jun 30
Jul 1 - Sep 1	Jun 30
Oct 31 - Dec 31	Dec 31

• *Funds to cover the deferment payments* have been allocated by F&E. Funds will be repaid on a semi-annual basis beginning June 30, 1992.

As the economic model line charts illustrate, the Fund will reach a state of equilibrium after deferred depreciation and the F&E refundable loans have been paid down. After this equilibrium has been reached, our model projects that Fund assessments will remain stable into the foreseeable future.

Example: Santa Barbara



Fixed Asset Inventory System

We have established a fixed asset inventory system to support administration of the Fund. This computerized system will provide ready identification of all assets, track maintenance and repairs, forecast replacement expenditures, and cross-reference any categories necessary or desirable for prudent management of satellite technical operations. The system combines the following features.

Identifies Assets

- Reports location of assets
- Records value of each item
- Marks assets with bar-coded asset tags
- Records the serial number of each item
- Provides portable bar-code readers for future inventory control

Tracks Maintenance and Repairs

- Provides for service chronology on each piece of equipment throughout its service life
- Calculates Mean Time Between Failures
- Cross-references trouble reports
- Reports on any equipment out for repair
- Logs service calls to each site

Cross-references Assets with Service Duration

- Classifies data entry for each item
- Generates reports by item, by cost, and by duration of service to forecast Fund expenditures
- Reports equipment purchase value and calculates depreciated value

Supports Fund Management

- Reports excessive failures of any single component
- Provides portable system hardware
- Reports on equipment approaching end of projected lifetime
- Reports and calculates in compliance with accepted accounting standards
- Provides an active data-base foundation for generation of reports not presently anticipated

Conclusion

The proposed economic model for a Satellite Wagering Equipment Replacement Fund meets the objectives set out for its establishment. It forecasts equipment replacement at predictable intervals, supports a fixed asset inventory system, provides a model for its own perpetuation into the foreseeable future, and assists Fairs in their budget forward planning.

Christopher Korby
23 November 1990



Richard P. Cain, Executive Director

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*Economic Model prepared by
Jim Oller*

*Documents prepared by
Mona Goodwin*

ECONOMIC MODEL



California Authority of Racing Fairs

California Authority of Racing Fairs
Equipment Replacement Fund

Shasta District Fair, Anderson (27th DAA)

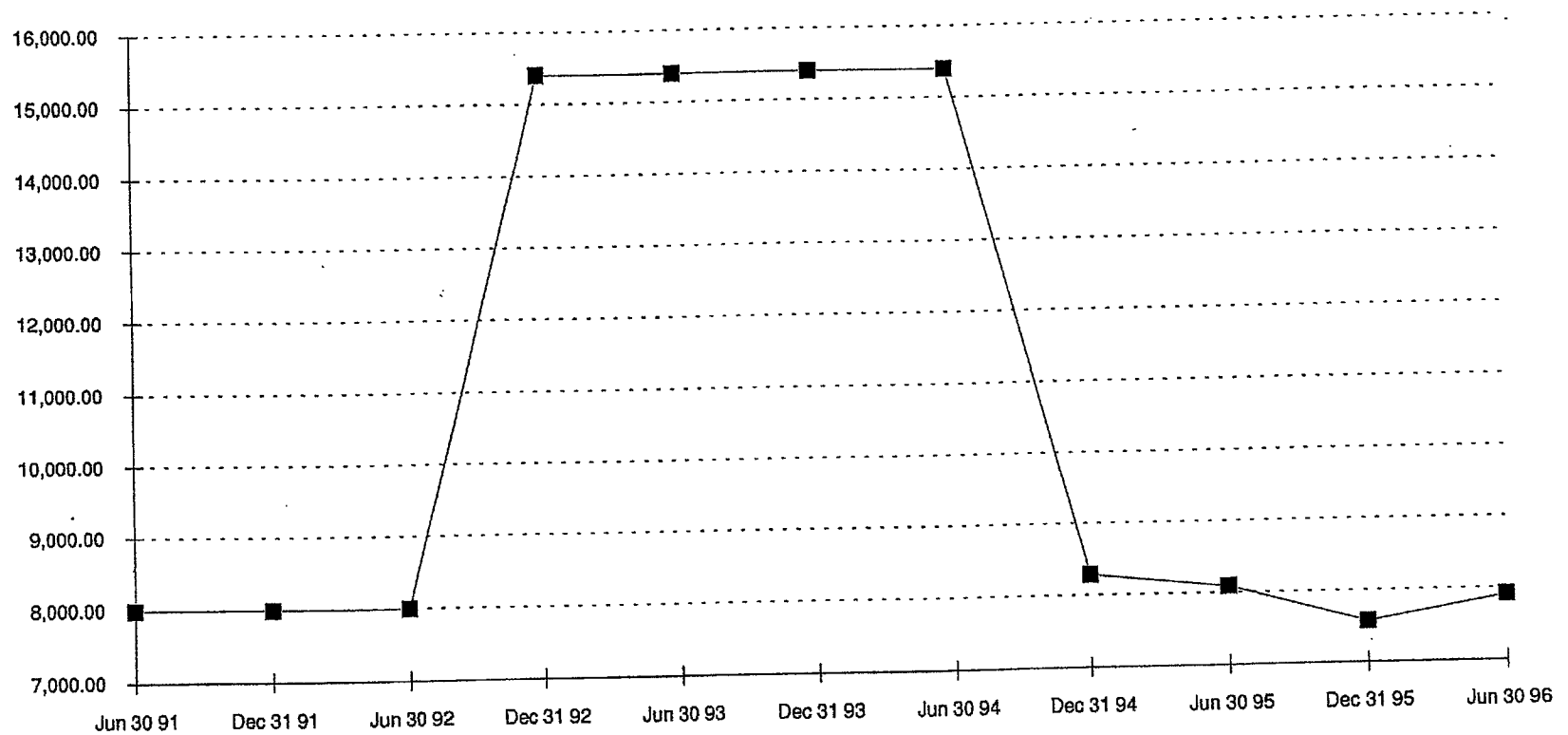
Description	Cost	Replacemt Value	Dep Due Mar 31 91	Replacemt Bal Due	Due Jun 30 91	Due Dec 31 91	Due Jun 30 92	Due Dec 31 92	Due Jun 30 93	Due Dec 31 93	Due Jun 30 94	Due Dec 31 94	Due Jun 30 95	Due Dec 31 95	Due Jun 30 96
Electronics (6/88)(48)	38,673.97	47,008.60	9,668.49	37,340.11	13,856.96	13,856.96	13,856.96	7,286.33	7,286.33	7,286.33	7,286.33	7,286.33	7,286.33	7,286.33	7,286.33
Hardware (6/88)(84)	12,171.82	17,126.97	3,042.96	14,084.02	2,078.70	2,078.70	2,078.70	2,078.70	2,078.70	2,078.70	2,078.70	2,078.70	2,078.70	1,737.16	1,737.16
Electronics (12/89)(48)	217.91	264.87	54.48	210.39	43.01	43.01	43.01	43.01	43.01	43.01	41.05	41.05	41.05	41.05	41.05
Electronics (6/90)(48)	13.00	15.80	3.25	12.55	2.27	2.27	2.27	2.27	2.27	2.27	2.27	2.45	2.45	2.45	2.45

Credit-Simple Interest @ 6% annually													(1,126.51)	(1,316.52)	(1,501.31)	(1,156.50)
Deferred Payment					(7,990.47)	(7,990.47)	(7,990.47)	5,992.85	5,992.85	5,992.85	5,992.85					
Total	51,076.70	64,416.24	12,769.18	51,647.07	7,990.47	7,990.47	7,990.47	15,403.16	15,403.16	15,403.16	15,401.21	8,282.02	8,092.01	7,565.69	7,910.50	
Current Fund Balance			12,769.18		18,827.16	24,885.14	30,943.12	(2,594.80)	10,875.87	24,346.55	37,550.40	43,884.14	50,043.66	38,549.89	44,527.91	
Amount Disbursed							(47,008.60)			(264.87)	(15.80)		(17,126.97)		(47,008.60)	

Annual Fees	
Electronics (6/88)(48)	2,820.52
Hardware (6/88)(84)	1,027.62
Electronics (12/89)(48)	15.89
Electronics (6/90)(48)	0.95

SAMPLE

Equipment Replacement Fund Payment Schedule - Anderson



11/23/90 KORBAND

SAMPLE

DEPARTMENT OF FOOD AND AGRICULTURE



1010 Hurley Way, Suite 200
Sacramento, CA 95825

January 29, 1992

SW 92-1

TO: All Satellite Wagering Fairs
SUBJECT: Audio-Visual Equipment Fund

Any fairs receiving Division funding for audio-visual equipment are required to be involved in the CARF Audio-Visual Equipment Fund. Amounts due to this fund are to be delineated in the annual fair budget submitted to the Division and must be remitted to CARF in a timely manner.

If you have any questions regarding this letter please contact me at your convenience:

Thank you,

A handwritten signature in cursive script, reading "Norm Towne", is written over the typed name.

Norm Towne
Director of Horse Racing
and Satellite Wagering
Division of Fairs and Expositions
(916) 924-2232

cc: Rick Cain
Chris Korby
Stan Wirth

DEPARTMENT OF FOOD AND AGRICULTURE

1010 Hurley Way, Suite 200
Sacramento, CA 95825



August 6, 1998

TO: All Satellite Wagering Fairs

SUBJECT: Status of Equipment Replacement Fund and Creation of a Sinking Fund
for Satellite Wagering Facilities

The Division of Fairs and Expositions (F&E) has approved a proposal from the California Authority of Racing Fairs (CARF) to fund the equipment replacement fund (ERF) from the satellite wagering account (SWA). For the current year and all subsequent years, barring a change in state policy, F&E will allocate \$500,000 to the ERF. This allocation will become a standard feature of F&E's annual expenditure plan, replacing the contributions that CARF member fair organizations currently make into a pooled fund.

RATIONALE

The horse racing planning group (HRPG) discussed the policy implications of CARF's ERF proposal. The HRPG recommended that F&E approve this change in funding policy, in recognition that it is analogous to the state lottery commission's absorption of all costs for placing and maintaining lottery-playing equipment in all locations, statewide. In other words, CARF's proposal reflects the following realities:

- ⌘ The equipment in satellite wagering facilities (SWFs) is the most critical factor in enabling patrons to wager.
- ⌘ The state has a revenue interest to protect by ensuring that the technology available is appropriate and adequate to facilitate wagering.

Furthermore, all fair organizations in the statewide network have a revenue interest in the success and profitability of the racing and wagering enterprise. Thus, it makes sense to approve an annual allocation from the SWA to ensure that wagering equipment is maintained at a high technological standard throughout the system.

ELIGIBILITY

As before, CARF will administer the equipment replacement fund, including the replacement schedule and process. Any questions regarding administration or eligibility should be directed to CARF.

COMFORT AND AESTHETIC STANDARDS

CARF is currently conducting an inventory of satellite wagering facilities at 10 sites throughout the state. The inventory entails a detailed assessment of equipment and conditions in SWFs ("conditions" means furnishings, carpeting, paint colors, rest rooms, kitchens, and other amenities). When this study has been completed, which is projected to be in October 1998, CARF committees will collaborate with the HRPG to develop standards for SWF comfort and aesthetics. The purpose of this activity is, once again, to ensure that the facilities the network of California fairs maintains and operates are attractive and inviting to both new and regular patrons.

DEPRECIATION ACCOUNT

The annual allocation of \$500,000 from the SWA to the equipment replacement fund will free up funds that local fair organizations should have been paying to CARF for this purpose. Effective immediately, F&E will require fair organizations that operate SWFs to add a new line item to their operating budgets for satellite wagering. Specifically, the new line item will be a "sinking fund," or reserve account, for the exclusive purpose of maintaining the SWF at high comfort and aesthetic standards.

Budgeting for this line item should represent *not less than* the amount previously assessed by CARF for equipment replacement. The fair organization will retain control of the sinking fund account.

By this time next year, CARF and the HRPG will have completed work on a set of comfort and aesthetic standards. F&E will ensure that every fair organization with a SWF will receive these standards. Planning for SWF refurbishment can then proceed in keeping with a schedule -- similar in concept to the equipment replacement schedule -- and F&E will monitor those expenditures.

Satellite Wagering Fairs
August 6, 1998
Page 3

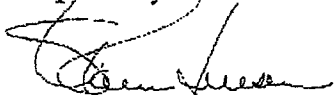
POLICY AND PROFITABILITY REVIEW

Over the next few months, a financial management consultant will conduct an analysis of profitability in the satellite wagering enterprise. We are undertaking this study to obtain information that will support a comprehensive review of current funding and oversight policies pertaining to satellite wagering. The HRPB believes that various current policies unnecessarily impede wagering's profitability at the site level. Before we can make policy changes that will further standardize financial management practices in SWFs, we need to know whether those practices currently vary from site to site and, if so, how and which ones should be replicated throughout the system.

CLOSING

You will receive additional details on the sinking fund account in the instructions for 1999 budgets. In the meantime, please call me or Rick Cain of CARF at 916-263-3346 if you have questions.

Respectfully,



Sharon Jensen, Director
Division of Fairs and Expositions
(916) 263-2952

cc: Darrell Guensler, CDFA
Rick Cain, CARF
Brian Davie, CFSA
Steve Chambers, WFA
Steve Lucas, CCA

**California Authority of Racing Fairs
Equipment Replacement Fund
Facility Inventories**

Inventory Ending:

	12/31/2003	12/31/2004	12/31/2005	12/31/2006	12/31/2007
Anderson	\$ 79,288.07	\$ 79,288.07	\$ 79,288.07	\$ 79,288.07	\$ 79,288.07
Bakersfield	\$ 58,105.60	\$ 58,105.60	\$ 58,105.60	\$ 71,747.24	\$ 76,311.27
Cal Expo	\$ 354,845.35	\$ 353,598.99	\$ 357,248.80	\$ 357,248.80	\$ 357,248.80
Del Mar	\$ 410,601.40	\$ 421,267.86	\$ 437,972.61	\$ 429,973.11	\$ 429,973.11
Eureka	\$ 65,235.18	\$ 65,235.18	\$ 65,235.18	\$ 65,235.18	\$ 65,235.18
Fresno	\$ 162,231.05	\$ 186,375.78	\$ 211,029.63	\$ 213,021.93	\$ 216,191.51
Indio	\$ 140,550.66	\$ 137,761.09	\$ 167,636.98	\$ 167,636.98	\$ 167,636.98
Lancaster	\$ 176,681.14	\$ 185,333.46	\$ 202,404.30	\$ 211,667.08	\$ 219,601.03
Monterey	\$ 158,495.54	\$ 157,776.94	\$ 174,904.94	\$ 174,904.94	\$ 174,904.94
National Orange Show	\$ 408,662.20	\$ 408,382.16	\$ 443,828.12	\$ 443,828.12	\$ 440,991.62
Perris	\$ 229,662.37	\$ 258,239.76	\$ 267,125.46	\$ 287,931.99	\$ 299,396.85
Pleasanton	\$ 333,799.26	\$ 333,799.26	\$ 327,812.51	\$ 326,311.31	\$ 342,721.93
Santa Barbara	\$ 138,108.22	\$ 138,198.82	\$ 154,341.80	\$ 153,997.40	\$ 153,419.46
Santa Maria	\$ 133,833.12	\$ 153,650.58	\$ 160,798.63	\$ 160,798.63	\$ 160,798.63
Santa Rosa	\$ 250,461.07	\$ 264,259.24	\$ 294,122.70	\$ 319,883.21	\$ 309,969.85
Stockton	\$ 307,167.38	\$ 307,381.63	\$ 306,626.88	\$ 306,626.88	\$ 305,205.91
Tulare	\$ 85,006.07	\$ 85,006.07	\$ 85,006.07	\$ 85,006.07	\$ 85,006.07
Turlock	\$ 207,719.63	\$ 234,008.11	\$ 234,301.73	\$ 234,301.73	\$ 224,243.38
Vallejo	\$ 154,325.31	\$ 190,725.98	\$ 190,725.98	\$ 190,725.98	\$ 190,725.98
Ventura	\$ 313,314.34	\$ 362,902.69	\$ 375,951.46	\$ 375,751.57	\$ 368,906.84
Victorville	\$ 109,152.15	\$ 109,999.07	\$ 127,947.81	\$ 127,947.81	\$ 119,617.59
Total Inventory	\$ 4,277,245.10	\$ 4,491,296.32	\$ 4,722,415.25	\$ 4,783,834.02	\$ 4,787,394.98

**California Authority of Racing Fairs
Equipment Replacement Fund
Projected Equipment Replacement 2008 - 2014**

		12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Eureka	Replacement Equipment Needed	\$ 69,149.29	\$ 12,051.73	\$ 13,678.01	\$ 14,127.75	\$ 14,480.50	\$ 14,795.65	\$ 15,145.95
	Ending Inventory	\$ 69,149.29	\$ 73,298.25	\$ 77,696.14	\$ 82,357.91	\$ 87,299.39	\$ 92,537.35	\$ 98,089.59
Santa Barbara	Replacement Equipment Needed	\$ 162,624.80	\$ 28,343.18	\$ 32,167.85	\$ 33,225.53	\$ 34,055.14	\$ 34,796.31	\$ 35,620.13
	Ending Inventory	\$ 162,624.80	\$ 172,382.29	\$ 182,725.22	\$ 193,688.74	\$ 205,310.06	\$ 217,628.66	\$ 230,686.38
Vallejo	Replacement Equipment Needed	\$ 202,169.51	\$ 35,235.26	\$ 39,989.95	\$ 41,304.83	\$ 42,336.17	\$ 43,257.57	\$ 44,281.71
	Ending Inventory	\$ 202,169.51	\$ 214,299.68	\$ 227,157.66	\$ 240,787.12	\$ 255,234.34	\$ 270,548.41	\$ 286,781.31
Victorville	Replacement Equipment Needed	\$ 126,597.46	\$ 22,064.13	\$ 25,041.50	\$ 25,864.86	\$ 26,510.68	\$ 27,087.66	\$ 27,728.97
	Ending Inventory	\$ 126,597.46	\$ 134,193.31	\$ 142,244.91	\$ 150,779.61	\$ 159,826.38	\$ 169,415.96	\$ 179,580.92
Indio	Replacement Equipment Needed	\$ 36,953.66	\$ 187,753.36	\$ 29,476.28	\$ 33,520.91	\$ 34,749.51	\$ 35,599.49	\$ 36,501.65
	Ending Inventory	\$ 177,695.19	\$ 187,753.36	\$ 199,018.56	\$ 210,959.68	\$ 223,617.26	\$ 237,034.29	\$ 251,256.35
Santa Maria	Replacement Equipment Needed	\$ 35,426.46	\$ 180,120.77	\$ 31,392.48	\$ 35,628.62	\$ 36,856.49	\$ 37,669.01	\$ 38,534.16
	Ending Inventory	\$ 170,446.55	\$ 180,120.77	\$ 190,928.02	\$ 202,383.70	\$ 214,526.72	\$ 227,398.33	\$ 241,042.23
Stockton	Replacement Equipment Needed	\$ 67,279.08	\$ 341,830.63	\$ 59,576.20	\$ 67,615.49	\$ 69,945.73	\$ 71,487.70	\$ 73,129.58
	Ending Inventory	\$ 323,518.26	\$ 341,830.63	\$ 362,340.47	\$ 384,080.90	\$ 407,125.75	\$ 431,553.30	\$ 457,446.49
Anderson:	Replacement Equipment Needed	\$ 17,478.13	\$ 19,726.31	\$ 93,559.92	\$ 16,306.16	\$ 18,535.83	\$ 19,118.38	\$ 19,563.40
	Ending Inventory	\$ 84,045.35	\$ 89,088.08	\$ 93,559.92	\$ 99,173.52	\$ 105,123.93	\$ 111,431.36	\$ 118,117.25
National Orange	Replacement Equipment Needed	\$ 97,211.41	\$ 109,715.61	\$ 520,370.19	\$ 90,693.09	\$ 103,094.28	\$ 106,334.36	\$ 108,809.53
	Ending Inventory	\$ 467,451.11	\$ 495,498.18	\$ 520,370.19	\$ 551,592.41	\$ 584,687.95	\$ 619,769.23	\$ 656,955.38
Monterey	Replacement Equipment Needed	\$ 38,555.82	\$ 43,515.11	\$ 44,749.33	\$ 216,882.04	\$ 37,867.35	\$ 42,907.91	\$ 44,311.60
	Ending Inventory	\$ 185,399.24	\$ 196,523.19	\$ 208,314.58	\$ 216,882.04	\$ 229,894.96	\$ 243,688.66	\$ 258,309.98
Perris	Replacement Equipment Needed	\$ 65,998.96	\$ 74,487.80	\$ 76,600.45	\$ 371,251.49	\$ 64,820.07	\$ 73,448.34	\$ 75,851.13
	Ending Inventory	\$ 317,360.66	\$ 336,402.30	\$ 356,586.44	\$ 371,251.49	\$ 393,526.58	\$ 417,138.17	\$ 442,166.46
Tulare	Replacement Equipment Needed	\$ 18,738.60	\$ 21,148.91	\$ 21,748.76	\$ 105,407.53	\$ 18,404.03	\$ 20,853.81	\$ 21,536.02
	Ending Inventory	\$ 90,106.43	\$ 95,512.82	\$ 101,243.59	\$ 105,407.53	\$ 111,731.98	\$ 118,435.90	\$ 125,542.05
Fresno	Replacement Equipment Needed	\$ 47,656.69	\$ 53,786.94	\$ 55,312.53	\$ 56,361.37	\$ 281,049.29	\$ 48,982.88	\$ 55,592.70
	Ending Inventory	\$ 229,163.00	\$ 242,912.78	\$ 257,487.55	\$ 272,936.80	\$ 281,049.29	\$ 297,912.25	\$ 315,786.98
Santa Rosa	Replacement Equipment Needed	\$ 68,453.29	\$ 77,108.85	\$ 79,280.90	\$ 80,782.95	\$ 402,768.73	\$ 70,196.84	\$ 79,669.30
	Ending Inventory	\$ 328,568.04	\$ 348,282.12	\$ 369,179.05	\$ 391,329.79	\$ 402,768.73	\$ 426,934.85	\$ 452,550.95
Lancaster	Replacement Equipment Needed	\$ 48,571.58	\$ 54,622.75	\$ 56,152.31	\$ 57,215.39	\$ 58,374.64	\$ 298,393.22	\$ 52,005.68
	Ending Inventory	\$ 232,777.10	\$ 246,743.72	\$ 261,548.34	\$ 277,241.25	\$ 293,875.72	\$ 298,393.22	\$ 316,296.81
Pleasanton	Replacement Equipment Needed	\$ 83,738.29	\$ 87,074.22	\$ 88,798.24	\$ 90,418.61	\$ 92,263.55	\$ 468,559.40	\$ 81,663.21
	Ending Inventory	\$ 372,991.60	\$ 395,371.10	\$ 419,093.36	\$ 444,238.97	\$ 470,893.30	\$ 468,559.40	\$ 496,672.96
Turlock	Replacement Equipment Needed	\$ 49,431.85	\$ 55,790.17	\$ 57,372.55	\$ 58,460.45	\$ 59,644.56	\$ 24,821.81	\$ 318,425.59
	Ending Inventory	\$ 237,697.98	\$ 251,959.86	\$ 267,077.45	\$ 283,102.10	\$ 300,088.23	\$ 318,093.52	\$ 318,425.59
Ventura	Replacement Equipment Needed	\$ 81,599.04	\$ 91,760.23	\$ 94,329.26	\$ 96,115.07	\$ 98,062.48	\$ 40,827.97	\$ 523,377.82
	Ending Inventory	\$ 391,041.25	\$ 414,503.73	\$ 439,373.95	\$ 465,736.39	\$ 493,680.57	\$ 523,301.41	\$ 523,377.82