



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

AGENDA
CALIFORNIA AUTHORITY OF RACING FAIRS
LIVE RACING COMMITTEE MEETING
JOHN ALKIRE, CHAIR
11:00 A.M., TUESDAY, SEPTEMBER 7, 2010
VIA TELECONFERENCE

Notice is hereby given that a teleconference meeting of the Live Racing Committee will commence at 11:00 A.M., Tuesday, September 7, 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 on formation of CFO Working Group.
- V. Report and re-cap of summer Fair to date.
- VI. Report, discussion and action, if any, on racing dates for 2011 and beyond.
- VII. Executive Director's Report



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
LIVE RACING COMMITTEE MEETING
JOHN ALKIRE, CHAIR
11:00 A.M., TUESDAY, SEPTEMBER 7, 2010
VIA TELECONFERENCE

Notice is hereby given that a teleconference meeting of the Live Racing Committee will commence at 11:00 A.M., Tuesday, September 7, 2010. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

CARF Live Racing Committee Meeting
Toll Free Dial In Number: (800) 791-2345
Participant Code: 62745 #

The Public and members of the Live Racing Committee may participate from the following locations:

Alameda County Fair
4501 Pleasanton Ave.
Pleasanton, CA 94566

Humboldt County Fair
1250 5th Street
Ferndale, CA 95536

Solano County Fair
900 Fairgrounds Drive
Vallejo, CA 94589

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

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

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

California State Fair
1600 Exposition Blvd.
Sacramento, CA 95815

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

CALIFORNIA AUTHORITY OF RACING FAIRS
Live Racing Committee
Tuesday, June 1, 2010

MINUTES

A meeting of the California Authority of Racing Fairs Live Racing Committee was held at 11:00 A.M., Tuesday, June 1, 2010. The meeting was hosted at the California Authority of Racing Fairs board room located at 1776 Tribute Road, Suite 205, Sacramento, California.

CARF Live Racing Committee members attending: John Alkire, Norb Bartosik, Debbie Cook, Mike Paluszak, Rick Pickering and Stuart Titus. Joining by conference call: Tawny Tesconi.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Tom Doutrich, Amelia White, Louie Brown, Raechelle Gibbons, Stuart Titus, Kelly Violini, Dave Elliott, Mitch Slater, Dan Jacobs, Rebecca Desmond and Richard Lewis . Joining by conference call: Kate Phariss and Chris Carpenter.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board & Live Racing Committee meetings will be held Tuesday, September 7, 2010 in Sacramento, time to be determined.

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

Agenda Item 3 – Report, Discussion and Action, if any, on Legislative Matters. Item deferred to CARF Board of Director’s meeting.

Agenda Item 4 – Report on NTRA Accreditation Program. Mr. Korby reported that the NTRA Safety and Integrity Alliance has developed a set of standards and an accreditation program to ensure that qualifying racing associations meet specific safety and integrity compliance standards. The accreditation program is voluntary and focuses on human and equine safety as well as wagering security. The accreditation process includes a written application and on-site inspection by an Alliance safety team. In California, Golden Gate Fields, Santa Anita, Hollywood Park, Del Mar and Oak Tree Racing Association have received accreditation. Mr. Korby has been in communication with the NTRA about receiving a discount for inspecting the Fair circuit facilities.

Mr. Swartzlander reported that Dr. Mick Peterson, a University of Maine professor of mechanical engineering and a recognized expert in racetrack surface research, has developed a

robotic device that duplicates the force and speed of a horse's hoof as it runs on a race track. Data generated by these and other tests will work in conjunction with a national injury database to help distinguish and correct the origin of equine injuries.

Agenda Item 5 – Report, Discussion and Action, if any, on Track Safety and Maintenance Program and Equipment Leases. Mr. Swartzlander reported that \$80,000 is set aside each year from the F&E Track Safety and Maintenance Fund allocation for the purchase of new equipment. CARF currently owns five tractors, two graders and six harrows and has not purchased new equipment in the prior three years. Staff feels that a sixth tractor is needed to meet the needs of the evolving circuit program. In addition, CARF has three 1999 John Deere 8250T tractors that will not meet future Federal environmental regulations (required in 2014). Those tractors will need to be phased out of the track maintenance program or retrofitted to meet the new requirements.

Staff has secured three bids for a John Deere 8295RT tractor and recommends that the Committee move to approve the bid supplied by Mid-Cal Tractor based on: 1) Price of bid (lowest of the three); 2) Prior reliability of Mid-Cal Tractor's equipment and maintenance service; and 3) Mid-Cal Tractor will allow CARF to lease the tractor until an interest free purchase program is implemented in October, saving almost \$30,000 over the life of the loan.

Mr. Pickering moved to approve the purchase of a John Deere 8295RT tractor from Mid-Cal Tractor. Ms. Cook seconded, unanimously approved.

Agenda Item 6 – Discussion and Action, if any, on Racing Calendar for 2011 and Beyond. Mr. Korby introduced a draft calendar that captured the date scenario as discussed by the Committee at the May CARF Live Racing Committee meeting. The draft calendar is presented as follows:

- Jan. 1 – March 13, 2011 – Golden Gate Fields (four days per week)
- March 16 – April 10, 2011 – Pleasanton (three days per week)
- April 13 – June 12, 2011 – Golden Gate Fields
- June 15 – Sept. 5, 2011 – Fair Block
- Sept. 9 – 25, 2011 – Golden Gate Fields (three days per week)
- Sept. 30 – Oct. 16, 2011 – Fresno
- Oct. 19 – Dec. 18, 2011 – Golden Gate Fields

Mr. Korby reiterated that protecting the Fair block of dates is an important component of the current calendar in order to allow talks to proceed with industry principals, but that the calendar does not provide a recommendation of date allocation within the block. Mr. Pickering voiced approval of the overall increase in Fair dates as presented in the calendar.

Mr. Titus stated that the Humboldt County Fair would request to run in its tradition place in the calendar without overlapping with another facility. Mr. Bartosik stated that if the calendar allocation allowed, and the group could come to an agreement, Cal Expo would like a third week of racing. Ms. Cook stated that the Stockton Board of Directors would like two weeks of racing at Stockton and would be open to discussing all options, including another spot on the calendar, if necessary. Mr. Paluszak stated that if he felt the industry would support racing at the Solano County Fair, he would request two weeks of racing. Mr. Lewis stated that he could not speak specifically to the Santa Rosa dates, but felt that the Fairs had a unique opportunity, given the CHRB's displeasure with MI Developments, to make a unified push for an increase in dates. Mr. Pickering stated that Pleasanton was open to running additional meets, operated by CARF, depending on the timeliness of the industry commitment and the surface requirements.

Mr. Doutrich reported that the Fairs should consider only running the number of days that the horse population will support, which might mean racing three days a week. Mr. Doutrich also reported that Hollywood Park is considering not racing Wednesdays and will experiment with Thursday night racing.

Mr. Pickering moved to approve the block of the dates on the calendar presented, with a modification of moving the spring meet at Pleasanton back a week (March 25 – April 17). Mr. Titus stated that he would vote in favor of the calendar with the consideration that Ferndale will request to race without overlap when the details of the calendar are discussed. Mr. Bartosik seconded, unanimously approved.

Agenda Item 7 – Discussion and Action, if any, on Policy Regarding Horsemen's Passes.

Mr. Korby requested that to create uniformity and a sense of expectation, the Fairs adopt a consistent policy for the distribution of Horsemen's Passes. CARF staff recommends that Fairs offer horsemen two passes per day with a valid CHRB license and four passes on a day when horsemen have a horse running. The Racing Secretary would request 200 passes per Fair and jockeys would receive four passes per day. Mr. Swartzlander stated that it is important to create a set minimum for the Fair Circuit.

Mr. Doutrich stated that in 2009, some Fairs might have been too loose with passes while others were generating complaints from horsemen. Mr. Doutrich stressed the importance of taking care of trainers and owners with the current horse shortage and making owners feel welcome.

Mr. Korby requested that Fair Managers consider using the document included in the meeting packet as a guideline for Fairs to implement as a minimum pass policy.

Mr. Bartosik moved that CARF staff work with individual Fair Managers if a problem with the distribution of passes occurs at a Fair and that CARF not implement a standard pass guideline. Mr. Pickering seconded, unanimously approved.

Agenda Item 8 – Discussion and Action, if any, on Plans, Preparation and Agreements Related to Conduct of Live Racing. Mr. Korby reported that the appropriate horsemen's agreements are in place and this item was included on the agenda to create an opportunity to voice questions about the upcoming 2010 racing season.

Agenda Item 9 – Report from Racing Secretary. Mr. Doutrich reported that the racing office would be taking entries for Stockton in two weeks. There are currently 179 horses stabled at Stockton and 575 at Pleasanton.

Golden Gate Fields had an average field size of 6.5 in May, compared to 8 in 2009. Mr. Doutrich feels that the Fairs are offering a strong stakes and purse schedule and he is optimistic that the Fairs will fill well despite the decrease in horse population. The condition book for Stockton are out and the Pleasanton condition book will print soon. The racing office will concentrate on creating the strongest Friday, Saturday and Sunday cards possible.

Agenda Item 10 – Executive Director's Report. Mr. Korby reported that the agreement between the TOC and Fairs to deal with purse overpayments and underpayments will be reviewed by the CHRB Finance Committee on June 20, 2010.

Mr. Korby also reported that the CHRB will be reviewing the waiver that allows MI Developments to own and operate two racing facilities in California.

Respectfully submitted,
Heather Haviland

AMENDED IN ASSEMBLY AUGUST 30, 2010

AMENDED IN ASSEMBLY AUGUST 20, 2010

AMENDED IN ASSEMBLY AUGUST 16, 2010

AMENDED IN ASSEMBLY AUGUST 2, 2010

SENATE BILL

No. 1072

Introduced by Senator Calderon

(Principal coauthor: Assembly Member John A. Pérez)

February 17, 2010

~~An act to amend Section 19605.73 of, and to add Section 19642.1 to, the Business and Professions Code, relating to horse racing. An act to amend Section 19605.73 of, to add Sections 19601.02, 19605.74, and 19642.1 to, and to add Article 9.1 (commencing with Section 19604.5) to Chapter 4 of Division 8 of, the Business and Professions Code, relating to horse racing.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1072, as amended, Calderon. Horse racing: statewide marketing ~~organization.~~ — *organization: Breeders' Cup promotion: wagering deduction: exchange wagering.*

(1) 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 require every thoroughbred association or fair that conducts a live race meeting to deduct an additional 2% of the total amount handled on exotic wagers requiring the selection of 2 wagering interests, and 3% on exotic wagers requiring the selection of 3 or more

wagering interests. The bill would require that these funds be distributed into the purse account of the meet conducting racing in the zones in which the wager was placed, to be used to augment overnight purses.

This bill would require any thoroughbred racing association or fair that authorizes betting systems located outside of this state to accept wagers on a race to retain from the total amount received from the out-of-state betting system, less certain specified deductions made pursuant to existing law, the incremental amount received as a result of the 2% or 3% takeout on exotic wagers required by this bill, for distribution as overnight purses. This bill would require that the method utilized to determine the incremental amount received as a result of the takeout increase be established by agreement between the various affected thoroughbred racing associations and fairs, and horsemen's organizations. If these groups are unable to agree as to the method of determining the incremental amount received, this bill would require the board to determine the allocation method after holding a hearing.

For a thoroughbred association hosting the Breeders' Cup Championship series, this bill would require the amounts collected pursuant to the above provisions requiring that 2% or 3% be deducted from the amount handled on exotic wagers be set aside for the purpose of promoting and sponsoring the Breeders' Cup. The bill would require the thoroughbred racing association hosting the Breeders' Cup to enter into an agreement with the organization that operates the Breeders' Cup regarding the expenditure of the funds, as provided, and would require a written report be made to the board regarding how the funds were utilized.

(2) Existing law provides that the California Horse Racing Board shall have all powers necessary to carry out the purposes of the Horse Racing Law, such as adopting rules and regulations to protect the public, allocating dates for and controlling horse racing and parimutuel wagering, and enforcing all rules and regulations.

This bill would authorize exchange wagering, defined by the bill as a form of parimutuel wagering in which 2 or more persons place identically opposing wagers in a given market, provided that the entity offering exchange wagering is licensed by the board and has entered into an exchange wagering agreement between the licensee, the applicable racing association or fair conducting live racing, and the horsemen's organization responsible for negotiated purse agreements for the breed on which exchange wagers are accepted, as provided.

The bill would invest the board with the full power to prescribe rules, regulations, and conditions under which exchange wagering may be conducted in California, except that the bill would require the board to develop rules that prohibit certain persons associated with an entrant in a particular race from placing an exchange wager on a race involving that entrant, that prohibit the placing of exchange wagers on previously run races, that require the exchange wagering licensee to provide information to the person placing the wager, that prohibit the use of automatic or quick picks to place an exchange wager, and that prohibit the displaying of the results of a wager using casino themes, as provided.

The bill would allow the board to recover any costs associated with the licensing and regulation of exchange wagering by imposing an assessment on the licensee. The bill would require that these funds be deposited in the Horse Racing Fund, to be available upon appropriation by the Legislature for the sole purpose of regulating exchange wagering.

The bill would prohibit the taking of exchange wagers by an exchange wagering licensee prior to May 1, 2012.

(3) Existing law provides that unclaimed refunds from horse racing are to be distributed to an organization that is responsible for negotiating business agreements on behalf of horsemen, to be held in trust for the purpose of negotiating an agreement with a jockeys' organization to provide health and welfare benefits to California licensed jockeys. Existing law requires that the funds held in trust shall not exceed \$450,000.

Pursuant to the above provision, this bill would require each exchange wagering licensee to annually distribute the greater of \$100,000, or an amount equal to 0.001 multiplied by the total amount of exchange revenue collected by the licensee in that year to be used for the purposes specified above.

~~(1)~~

(4) 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.

Existing law requires 0.4% 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 to defray the cost of workers' compensation insurance, 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. The bill would specify that its provisions allowing for the formation of a private statewide marketing association ~~applies~~ *apply* to thoroughbred racing associations, fairs, and the organization for contracting with thoroughbred racing associations and fairs with respect to the conduct of racing meetings. The bill would specify that the marketing and promotion activities that the marketing organization may engage in ~~includes, but is~~ *include, but are* not limited to, the establishment and maintenance of an Internet Web site, players incentive programs, and the funding of promotional activities at satellite wagering facilities.

This bill would change the amount to be distributed to the marketing organization for the promotion of thoroughbred and fair racing from an amount equal to 0.4% of the amount handled at each satellite wagering facility to an amount not to exceed 0.25%, and would delete the provision allowing for the funds to be used to defray the cost of workers' compensation coverage for stable employees and jockeys of thoroughbred trainers. The bill would require that the initial distribution be 0.2% of the total amount handled by satellite wagering facilities for thoroughbred and fair meetings only and would allow the board to adjust this amount to an aggregate of 0.25% of the total amount handled by satellite wagering facilities for thoroughbred and fair meetings only.

The bill would, with respect to the statewide marketing and promotion plan, instead require the marketing organization, by November 1 of each year, to submit a written report to the board on the statewide marketing and promotion plan for the upcoming calendar year, and would additionally require the marketing organization to annually present to the board at the board's November meeting a verbal report on the statewide marketing and promotion plan for the upcoming calendar year. The bill would delete the requirement that the marketing organization submit to the board a thoroughbred trainers' ~~workers~~ *workers'* compensation and defrayal plan. The bill would also require the marketing organization to quarterly submit to the board a written report that accounts for all receipts and expenditures of the promotion funds for the previous 3 months.

(2)

(5) Existing law authorizes the board, in performing its responsibilities, to participate in the affairs of associations having as their purpose the interchange of information relating to racing law enforcement, the licensing of horse racing participants, the registration of race horses, the tabulation, analysis, and publication of statistical information based on parimutuel handles and the distribution of proceeds, and to conduct research regarding horse racing accidents, and the detection of drugs on race horses, among other things.

This bill would provide that, in addition to certain specified distributions, an amount not to exceed 0.05% of the total amount handled by each satellite wagering facility shall be distributed to a nonprofit organization designated by the board for the purposes of maintaining a database of horse racing information to further the purposes of the above provision. The bill would state that the amount distributable to the nonprofit organization *shall initially be 0.05% of the total amount handled by each satellite wagering facility and may be adjusted by the board, in its discretion.* The bill would require the nonprofit organization to submit an annual budget and file quarterly financial statements with the board.

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.

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.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

3 (1) The Breeders' Cup Championship series of races is the
4 preeminent series of horse races recognized throughout the world.

1 (2) *From the inaugural running in Hollywood Park 26 years*
2 *ago, the Breeders' Cup has a rich and vibrant tradition in*
3 *California, having been run here eight times.*

4 (3) *The Breeders' Cup Championship races have, for 2008 and*
5 *2009, been held in California and have been an outstanding*
6 *success, bringing significant revenue and tourism to the State of*
7 *California.*

8 (4) *In 2009, the Breeders' Cup was held at Santa Anita racetrack*
9 *located in Los Angeles County, where it was attended by over*
10 *96,000 fans and telecast to over 130 countries.*

11 (5) *The Los Angeles Economic Development Commission,*
12 *having studied the impact of the Breeders' Cup Championship*
13 *series being held in California the last two years, has concluded*
14 *that the events have brought an additional \$60,000,000 in*
15 *economic impact to the State of California and Los Angeles region*
16 *each year, through added tourism and other economic impact, and*
17 *created over 500 direct and indirect jobs.*

18 (6) *The Legislature and the Governor of California recognize*
19 *the importance of the horse racing industry to this state, including*
20 *the 50,000 jobs associated with the industry, and have taken*
21 *significant steps to support the industry, evidenced most recently*
22 *by the \$40,000,000 in license fee relief provided in 2009.*

23 (7) *An additional concern is that horse owners are not bringing*
24 *their horses to California because of prevailing lower purses and*
25 *horses are leaving the state in order to compete for higher purses*
26 *offered in other states.*

27 (8) *California has one of the lowest takeouts on conventional*
28 *win, place, and show wagering, and the takeout on exotic wagering*
29 *proposed in this bill will be lower than that prevailing in some of*
30 *the most prominent racing jurisdictions.*

31 (b) *It is therefore the intent of the Legislature to encourage the*
32 *organization operating the Breeders' Cup Championship series*
33 *to make California the permanent home of the Breeders' Cup*
34 *Championship series, and it is the intent of the Legislature, through*
35 *the enactment of this act, to provide substantial support towards*
36 *that end.*

37 (c) *It is also the intent of the Legislature to make it more*
38 *advantageous for horses to compete in California racing by*
39 *increasing the amount of funds available for purses. The increased*
40 *purses will result in a higher caliber of racing with larger and*

1 more competitive fields, which, in turn, will improve the
2 attractiveness of California's racing product and generate
3 additional funds for reinvestment in the industry.

4 SEC. 2. Section 19601.02 is added to the Business and
5 Professions Code, to read:

6 19601.02. (a) Notwithstanding Section 19610, every
7 thoroughbred association or fair that conducts a live race meeting
8 shall deduct an additional 2 percent of the total amount handled
9 on exotic wagers requiring the selection of two wagering interests,
10 and 3 percent of the total amount handled on exotic wagers
11 requiring the selection of three or more wagering interests.

12 (b) The funds collected pursuant to subdivision (a) from wagers
13 placed within the inclosure of a thoroughbred association or fair
14 conducting a race meeting, at satellite locations within this state,
15 and from account wagers originating within this state, shall be
16 distributed to the purse account of the meet conducting racing in
17 the zone in which the wager was placed, and distributed in
18 accordance with subdivision (d).

19 (c) Any thoroughbred racing association or fair, when it
20 authorizes betting systems located outside this state to accept
21 wagers on a race, shall retain from the total amount received by
22 the association or fair from the out-of-state betting system, the
23 incremental amount received as a result of the takeout specified
24 in subdivision (a) for distribution as overnight purses in
25 accordance with subdivision (d) without regard to the provisions
26 of paragraph (1) of subdivision (b) of Section 19602. The method
27 utilized to determine the incremental amount received as a result
28 of the takeout increase specified in subdivision (a) shall be
29 established by agreement between the various affected
30 thoroughbred racing associations and fairs and the applicable
31 horsemen's organization. Should the thoroughbred racing
32 association or fair and the applicable horsemen's organization
33 be unable to reach an agreement as to the method of making such
34 determination, the board shall determine the appropriate allocation
35 method after a hearing on the matter.

36 (d) The amounts collected pursuant to subdivisions (b) and (c)
37 shall be utilized solely to augment and not supplant overnight
38 purses. Within 90 days after the conclusion of a given meet, the
39 thoroughbred association or fair receiving funds pursuant to
40 subdivisions (b) and (c) shall report to the board the manner in

1 *which the funds were used to augment and not supplant overnight*
 2 *purses at that meet.*

3 *(e) The board shall have the authority to postpone or revoke*
 4 *the implementation of the takeout increase specified in subdivision*
 5 *(a) if the board determines that the incremental amount that results*
 6 *from the negotiations with the out-of-state betting systems is*
 7 *incrementally insufficient.*

8 *SEC. 3. Sections 4 and 5 of this act shall be known and may*
 9 *be cited as the Exchange Wagering Act.*

10 *SEC. 4. The Legislature finds and declares all of the following:*

11 *(a) The horse racing industry is economically important to*
 12 *California, and the general welfare of the people of California*
 13 *will be promoted by the advancement of horse racing and related*
 14 *projects and facilities in California.*

15 *(b) It is the intent of the Legislature, by authorizing exchange*
 16 *wagering in California, to promote the economic future of the*
 17 *horse racing industry in California, and to foster the potential for*
 18 *increased commerce, employment, and recreational opportunities*
 19 *in California.*

20 *(c) The Legislature has determined that the California Horse*
 21 *Racing Board is best suited to oversee, license, and regulate*
 22 *exchange wagering in California.*

23 *SEC. 5. Article 9.1 (commencing with Section 19604.5) is added*
 24 *to Chapter 4 of Division 8 of the Business and Professions Code,*
 25 *to read:*

26

27 *Article 9.1. Exchange Wagering*

28

29 *19604.5. (a) As used in this section, the following definitions*
 30 *apply:*

31 *(1) "Back" means to wager on a selected outcome occurring*
 32 *in a given market.*

33 *(2) "Board" means the California Horse Racing Board.*

34 *(3) "Corrective wager" means an exchange wager placed by*
 35 *the exchange wagering licensee in a given market, under*
 36 *circumstances approved by the board, in order to address the*
 37 *impact on that market of the cancellation or voiding of a given*
 38 *matched wager or a given part of a matched wager.*

39 *(4) "Exchange" means a system operated by an exchange*
 40 *wagering licensee in which the exchange wagering licensee*

1 *maintains one or more markets in which persons may back or lay*
2 *a selected outcome.*

3 (5) *“Exchange revenues” means all charges, fees, income,*
4 *payments, revenues, and deductions of any kind assessed or*
5 *collected by, or paid or delivered to, an exchange wagering*
6 *licensee in connection with the submission of any exchange wagers*
7 *to the exchange wagering licensee by residents of California and*
8 *residents of jurisdictions outside of California on the results of*
9 *horse races conducted in California, and by residents of California*
10 *on the results of horse races conducted outside of California.*

11 (6) *“Exchange wagers” means wagers submitted to an exchange*
12 *wagering licensee to be posted in a market on an exchange.*

13 (7) *“Exchange wagering” means a form of parimutuel wagering*
14 *in which two or more persons place identically opposing wagers*
15 *in a given market.*

16 (8) *“Exchange wagering account” means the account*
17 *established with an exchange wagering licensee by a person*
18 *participating in exchange wagering. An exchange wagering*
19 *account may only be established or maintained with an exchange*
20 *wagering licensee by a natural person.*

21 (9) *“Exchange wagering agreement” means a written agreement*
22 *by and among the applicable exchange wagering licensee, the*
23 *applicable racing association or racing fair conducting live racing*
24 *in this state, and the horsemen’s organization responsible for*
25 *negotiating purse agreements for the breed on which exchange*
26 *wagers are accepted, provided that the terms and conditions for*
27 *the permitted use of signal by the exchange wagering licensee,*
28 *and the compensation to the applicable racing association or*
29 *racing fair and the horsemen’s organization, include provisions*
30 *for, but are not limited to all of the following:*

31 (A) *Calculation of any and all amounts earned and payable to*
32 *the applicable racing association or racing fair and horsemen’s*
33 *organization.*

34 (B) *Audit rights and conditions.*

35 (C) *Duration terms.*

36 (D) *Contractual remedies.*

37 (10) *“Exchange wagering licensee” means a person located*
38 *within or outside of California that is authorized to offer exchange*
39 *wagering to residents of California pursuant to this section.*

1 (11) “Identically opposing wagers” means wagers in which
2 one or more persons offer to lay a selected outcome at the same
3 price at which one or more persons offer to back that same
4 outcome, with the amount subject to the lay being proportionately
5 commensurate to the amount subject to the back.

6 (12) “Lay” means to wager on a selected outcome not occurring
7 in a given market.

8 (13) “Market” means, in relation to a given horse race or a
9 given set of horse races, a particular outcome that is subject to
10 exchange wagering as determined by an exchange wagering
11 licensee.

12 (14) “Matched wager” means the wager that is formed when
13 two or more persons are confirmed by the exchange operator as
14 having placed identically opposing wagers in a given market on
15 the exchange.

16 (15) “Net winnings” means the aggregate amounts payable to
17 a person as a result of that person’s winning matched wagers in
18 a pool less the aggregate amount paid by that person as a result
19 of that person’s losing matched wagers in that pool.

20 (16) “Parimutuel” means any system whereby wagers with
21 respect to the outcome of a horse race are placed with, or in, a
22 wagering pool conducted by an authorized person, and in which
23 the participants are wagering with each other and not against the
24 person conducting the wagering pool.

25 (17) “Person” means any individual, partnership, corporation,
26 limited liability company, or other association or organization.

27 (18) “Pool” means the total of all matched wagers in a given
28 market.

29 (19) “Price” means the odds for a given exchange wager.

30 (20) “Unmatched wager” means a wager or portion of a wager
31 placed in a given market within an exchange that does not become
32 part of a matched wager because there are not one or more
33 available exchange wagers in that market with which to form one
34 or more identically opposing wagers.

35 (21) “Zone” has the same meaning as defined in Section
36 19530.5, as modified by the provisions of subdivision (f) of Section
37 19601, except that for the purposes of this act the combined central
38 and southern zones shall be considered one “central/southern”
39 zone.

1 **(b)** *Notwithstanding any other law, rule, or regulation, exchange*
2 *wagering by residents of California and residents of jurisdictions*
3 *outside of California on the results of horse races conducted in*
4 *California, and by residents of California on the results of horse*
5 *races conducted outside of California, shall be lawful provided*
6 *that all of the following apply:*

7 **(1)** *Exchange wagering shall only be conducted by an exchange*
8 *wagering licensee pursuant to a valid exchange wagering license*
9 *issued by the board.*

10 **(2)** *No exchange wagering licensee shall accept exchange*
11 *wagers on races conducted in California from a resident of*
12 *California or a resident of a jurisdiction outside California, or*
13 *conducted outside California from a resident of California, unless*
14 *an exchange wagering agreement exists allowing these wagers.*

15 **(3)** *Exchange wagering shall be conducted pursuant to and in*
16 *compliance with the provisions of the Interstate Horseracing Act*
17 *of 1978 (15 U.S.C. Sec. 3001 et seq.), as amended, this section,*
18 *all applicable federal laws, and rules and regulations promulgated*
19 *by the board pursuant to this section.*

20 **(4)** *An exchange wagering licensee may only offer exchange*
21 *wagering on thoroughbred horse races, whether these*
22 *thoroughbred races are conducted within or outside of this state,*
23 *to persons whose primary residence address is in the northern*
24 *zone of this state if it has an exchange wagering agreement with*
25 *(A) the racing association or racing fair located in the northern*
26 *zone authorized by the board to conduct a live thoroughbred racing*
27 *meeting in accordance with the provisions of Article 4*
28 *(commencing with Section 19480) at that time, or during the*
29 *calendar period, when the exchange wagering licensee is offering*
30 *exchange wagering to persons whose primary residence is in the*
31 *northern zone of this state, and (B) the horsemen's organization*
32 *responsible for negotiating purse agreements for a live*
33 *thoroughbred racing meeting.*

34 **(5)** *An exchange wagering licensee may only offer exchange*
35 *wagering on thoroughbred horse races, whether these*
36 *thoroughbred races are conducted within or outside of this state,*
37 *to persons whose primary residence address is in the*
38 *central/southern zone of this state if it has an exchange wagering*
39 *agreement with (A) the racing association or racing fair located*
40 *in the central/southern zone authorized by the board to conduct a*

1 live thoroughbred racing meeting in accordance with the provisions
2 of Article 4 (commencing with Section 19480) at that time, or
3 during the calendar period, when the exchange wagering licensee
4 is offering exchange wagering to persons whose primary residence
5 is in the central/southern zone of this state, and (B) the horsemen's
6 organization responsible for negotiating purse agreements for a
7 live thoroughbred racing meeting.

8 (6) An exchange wagering licensee may only offer exchange
9 wagering on quarter horse races, whether these quarter horse
10 races are conducted within or outside of this state, to persons
11 whose primary residence address is in this state if it has an
12 exchange wagering agreement with (A) the racing association or
13 racing fair located in the state authorized by the board to conduct
14 a live quarter horse racing meeting in accordance with the
15 provisions of Article 4 (commencing with Section 19480) at that
16 time, or during the calendar period, when the exchange wagering
17 licensee is offering exchange wagering to persons whose primary
18 residence is this state, and (B) the horsemen's organization
19 responsible for negotiating purse agreements for the live quarter
20 horse racing meeting.

21 (7) An exchange wagering licensee may only offer exchange
22 wagering on standardbred horse races, whether these standardbred
23 horse races are conducted within or outside of this state, to persons
24 whose primary residence address is in this state if it has an
25 exchange wagering agreement with (A) the racing association or
26 racing fair located in the state authorized by the board to conduct
27 a live standardbred racing meeting in accordance with the
28 provisions of Article 4 (commencing with Section 19480) at that
29 time, or during the calendar period, when the exchange wagering
30 licensee is offering exchange wagering to persons whose primary
31 residence is this state, and (B) the horsemen's organization
32 responsible for negotiating purse agreements for the live
33 standardbred racing meeting.

34 (8) Exchange wagers are submitted to, and accepted by, an
35 exchange wagering licensee in person, by direct telephone call,
36 or by communication through other electronic media.

37 (c) A person shall not be permitted to open an exchange
38 wagering account, or place an exchange wager, except in
39 accordance with federal law, this section, and rules and regulations
40 promulgated by the board. Only natural persons with valid

1 exchange wagering accounts may place wagers through an
2 exchange. To establish an exchange wagering account, a person
3 shall be at least 18 years of age and a resident of California or of
4 another jurisdiction within which the placement of exchange
5 wagers would not be unlawful under United States federal law or
6 the law of that jurisdiction.

7 (d) The board shall approve, as part of the exchange wagering
8 licensee's application for an exchange wagering license, security
9 policies and safeguards to ensure player protection and integrity,
10 including, but not limited to, provisions governing the acceptance
11 of electronic applications for persons establishing exchange
12 wagering accounts, location and age verification confirmation for
13 persons establishing exchange wagering accounts, the use of
14 identifying factors to ensure security of individual accounts, and
15 the requirements for management of funds in exchange wagering
16 accounts. An exchange wagering licensee may not accept a wager,
17 or series of wagers, if the results of the wager or wagers would
18 create a liability for the exchange wagering account holder that
19 is in excess of the funds on deposit in the exchange wagering
20 account of that holder.

21 (e) Notwithstanding any other law, rule, or regulation:

22 (1) The board shall have full power to prescribe rules,
23 regulations, and conditions under which exchange wagering may
24 be conducted in California consistent with this section, including
25 the manner in which exchange wagers may be accepted and the
26 requirements for any person to participate in exchange wagering.

27 (2) Prior to the board promulgating rules, regulations, and
28 conditions under which exchange wagering may be conducted in
29 California, the board shall consider studies or comments submitted
30 by interested parties on the impact of exchange wagering on
31 parimutuel betting and the economics of the California horse
32 racing industry to assist the board in developing rules, regulations,
33 and conditions for exchange wagering that are in the best interest
34 of the public and the California horse racing industry. The board
35 may set a time frame for comments and studies to be submitted by
36 interested parties and for the board to consider the studies and
37 comments so as to allow sufficient time, in the discretion of the
38 board, to allow for the promulgation of rules, regulations, and
39 conditions for exchange wagering and the issuance of licenses for
40 exchange wagering prior to May 1, 2012.

1 (3) Notwithstanding paragraph (1), the board shall adopt the
2 following rules:

3 (A) An owner, authorized agent, trainer, jockey, jockey's agent,
4 driver, or stable employee shall not place an exchange wager to
5 lay any entrant in a horse race that is owned in whole or part by
6 that owner or the owner represented by that authorized agent,
7 trained by that trainer or stable employee, ridden by that jockey
8 or the jockey represented by that jockey's agent, or driven by that
9 driver.

10 (B) No exchange wagers shall be placed on a market after the
11 conclusion of a live race. Exchange wagering on previously run
12 races is prohibited.

13 (C) The exchange wagering licensee shall provide a person
14 with information on the race, including the track where the race
15 will take place and the names of the participating horses before
16 the person may place an exchange wager.

17 (D) The exchange wagering licensee shall require the person
18 making the exchange wager to select the specific race and horse
19 for the wager. The use of automatic, quick-pick, or similar features
20 to aid in the placing of a wager shall be prohibited.

21 (E) The results of a wager shall not be displayed through the
22 use of video or mechanical reels or other slot machine or casino
23 game themes, including, but not limited to, dice games, wheel
24 games, card games, and lotto.

25 (4) The board shall have full power to prescribe rules,
26 regulations, and conditions under which all exchange wagering
27 licenses are issued or renewed in California, including requiring
28 an annual audit of the exchange wagering licensee's books and
29 records pertaining to exchange wagering, and to revoke, suspend,
30 or refuse to renew a license pursuant to the authority granted to
31 the board in this chapter.

32 (5) The board may reasonably require licensure or registration
33 of officers or directors of any exchange wagering licensee.

34 (6) The board may recover any costs associated with the
35 licensing or regulation of exchange wagering from the exchange
36 wagering licensee by imposing an assessment on the exchange
37 wagering licensee in an amount that does not exceed the
38 reasonable costs associated with the licensing or regulation of
39 exchange wagering. Funds received pursuant to this subdivision
40 shall be deposited in the Horse Racing Fund, to be available upon

1 *appropriation by the Legislature for the sole purpose of regulating*
2 *exchange wagering.*

3 *(f) (1) The board shall not approve an application for an*
4 *original or renewal license as an exchange wagering licensee*
5 *unless the entity, if requested in writing by a bona fide labor*
6 *organization no later than 90 days prior to licensing, has entered*
7 *into a contractual agreement with that labor organization that*
8 *provides all of the following:*

9 *(A) The labor organization has historically represented*
10 *employees who accept or process any form of wagering at the*
11 *nearest horse racing meeting located in California.*

12 *(B) The agreement establishes the method by which the exchange*
13 *wagering licensee will agree to recognize and bargain in good*
14 *faith with a labor organization which has demonstrated majority*
15 *status by submitting authorization cards signed by those employees*
16 *who accept or process any form of wagering for which a California*
17 *exchange wagering license is required.*

18 *(C) The agreement requires the exchange wagering licensee to*
19 *maintain its neutrality concerning the choice of those employees*
20 *who accept or process any form of wagering for which a California*
21 *exchange wagering license is required and whether or not to*
22 *authorize the labor organization to represent them with regard to*
23 *wages, hours, and other terms and conditions of employment.*

24 *(D) The agreement applies to those classifications of employees*
25 *who accept or process wagers for which a California exchange*
26 *wagering license is required whether the facility is located within*
27 *or outside of California.*

28 *(2) (A) The agreement required by paragraph (1) shall not be*
29 *conditioned by either party upon the other party agreeing to*
30 *matters outside the requirements of paragraph (1).*

31 *(B) The requirement in paragraph (1) shall not apply to an*
32 *exchange wagering licensee which has entered into a collective*
33 *bargaining agreement with a bona fide labor organization that is*
34 *the exclusive bargaining representative of employees who accept*
35 *or process parimutuel wagers on races for which an exchange*
36 *wagering license is required, whether the facility is located within*
37 *or outside of California.*

38 *(3) Permanent state or county employees and nonprofit*
39 *organizations that have historically performed certain services at*

1 county, state, or district fairs may continue to provide those
2 services.

3 (4) Parimutuel clerks employed by racing associations or fairs
4 or employees of exchange wagering licensees who accept or
5 process any form of wagers who are laid off due to lack of work
6 shall have preferential hiring rights for new positions with their
7 employer in occupations whose duties include accepting or
8 processing any form of wagers, or the operation, repair, service,
9 or maintenance of equipment that accepts or processes any form
10 of wagering at a racetrack, satellite wagering facility, or exchange
11 wagering licensee licensed by the board. The preferential hiring
12 rights established by this paragraph shall be conditioned upon the
13 employee meeting the minimum qualification requirements of the
14 new job.

15 (g) Notwithstanding any other law, rule, or regulation, an
16 exchange wagering licensee shall not be required to include any
17 pools of exchange wagers in the wagering pools at the racing
18 association or racing fair conducting the races, nor shall an
19 exchange wagering licensee be required to retain, withhold, or
20 take out any amounts from any exchange wagers, except as
21 expressly set forth in the applicable exchange wagering agreement.

22 (h) Subject to the approval of the board, an exchange wagering
23 licensee shall be permitted to collect exchange revenues in the
24 manner and amounts determined by the exchange wagering
25 licensee, including, but not limited to, assessing a surcharge on
26 any person's net winnings.

27 (i) Notwithstanding any other law, rule, or regulation, the board
28 shall require all of the following:

29 (1) Each exchange wagering licensee shall distribute all moneys
30 in each pool, net of any fees, charges, or deductions of any kind
31 assessed or collected by the exchange wagering licensee in
32 connection with matched wagers in that pool, at the conclusion of
33 the race or races associated with that pool.

34 (2) Each exchange wagering licensee shall distribute the
35 portions of the exchange wagering licensee's exchange revenues
36 as may be required pursuant to the exchange wagering agreement
37 pursuant to paragraphs (2) to (7), inclusive, of subdivision (b).

38 (3) Fifty percent of the amounts received by a racing association
39 or racing fair from exchange wagering shall be paid to horsemen
40 participating in the meetings conducted by that racing association

1 or racing fair in the form of purses. The allocation of amounts
2 received by a racing association or racing fair from exchange
3 wagering between that racing association or racing fair and the
4 horsemen participating in the meetings conducted by that racing
5 association or racing fair may be modified by a written agreement
6 between those entities.

7 (4) In addition to payments set forth in paragraphs (1) and (2),
8 each exchange wagering licensee shall distribute, on an annual
9 basis, an amount equal to the greater of (A) one hundred thousand
10 dollars (\$100,000), or (B) an amount equal to 0.001 multiplied by
11 the total amount of exchange revenues collected by the exchange
12 wagering licensee in that calendar year. The distribution shall be
13 made at the direction of the board pursuant to Section 19612.9.
14 This paragraph shall become inoperative on January 1, 2021, and,
15 as of that date, is repealed, unless a later enacted statute that is
16 enacted before January 1, 2021, deletes or extends that date.

17 (j) An exchange wagering licensee may cancel or allow to be
18 canceled any unmatched wagers, without cause, at any time.

19 (k) The board may prescribe rules governing when an exchange
20 wagering licensee may cancel or void a matched wager or part of
21 a matched wager, and the actions which an exchange wagering
22 licensee may take when all or part of a matched wager is canceled
23 or voided. The rules may include, but are not limited to, permitting
24 the exchange wagering licensee to place corrective wagers under
25 circumstances approved in the rules adopted by the board.
26 Exchange wagers placed on a market after the start of a race shall
27 be lawful if authorized by the board, racing association, or racing
28 fair conducting the races, and the horsemen's organization
29 responsible for negotiating purse agreements for the breed on
30 which the exchange wager is made.

31 (l) The provisions of this section shall be deemed to be severable,
32 and if any phrase, clause, sentence, or provision of this section is
33 declared to be unconstitutional or the applicability thereof to any
34 person is held invalid, the remainder of this section shall not
35 thereby be deemed to be unconstitutional or invalid.

36 (m) The board shall promulgate administrative rules and
37 regulations to effectuate the purposes of this section.

38 (n) No exchange wagering licensee may accept exchange wagers
39 pursuant to this section prior to May 1, 2012.

1 SECTION 1.

2 SEC. 6. Section 19605.73 of the Business and Professions Code
3 is amended to read:

4 19605.73. (a) Thoroughbred racing associations, fairs, and the
5 organization responsible for contracting with thoroughbred racing
6 associations and fairs with respect to the conduct of racing
7 meetings, may form a private, statewide marketing organization
8 to market and promote thoroughbred and fair horse racing,
9 including, but not limited to, establishment and maintenance of an
10 Internet Web site featuring California thoroughbred and fair racing,
11 the establishment and administration of players incentive programs
12 for those who wager on thoroughbred association and fair races,
13 and promotional activities at satellite wagering facilities to increase
14 their attendance and handle. While the promotional activities at
15 satellite wagering facilities shall be funded by the marketing
16 organization, they shall be implemented and coordinated by
17 representatives of the satellite wagering facilities and the
18 thoroughbred racing associations or fair then conducting a live
19 race meet. The organization shall consist of the following members:
20 two members, one from the northern zone and one from the
21 combined central and southern zones, appointed by the
22 thoroughbred racetracks; two members, one from the northern
23 zone and one from the combined central and southern zones,
24 appointed by the owners' organization responsible for contracting
25 with associations and fairs with respect to the conduct of racing
26 meetings; and two members, one from the northern zone and one
27 from the combined central and southern zones, appointed by the
28 organization representing racing and satellite fairs.

29 (b) The marketing organization formed pursuant to subdivision
30 (a) shall, by November 1 of each year, submit a written report to
31 the board on a statewide marketing and promotion plan for the
32 upcoming calendar year. In addition, the organization shall annually
33 present to the board at the board's November meeting a verbal
34 report on the statewide marketing and promotion plan for the
35 upcoming calendar year. The plan shall be implemented as
36 determined by the organization. The organization shall receive
37 input from all interested industry participants and may utilize
38 outside consultants.

39 (c) In addition to the distributions specified in subdivisions (a)
40 and (b) of Section 19605.7, subdivisions (a) and (b) of Section

1 19605.71, and Section 19605.72, for thoroughbred and fair
2 meetings only, from the amount that would normally be available
3 for commissions and purses, an amount not to exceed 0.25 percent
4 of the total amount handled by each satellite wagering facility shall
5 be distributed to the marketing organization formed pursuant to
6 subdivision (a) for the purposes set forth therein. The amounts
7 initially distributed to the marketing organization formed pursuant
8 to subdivision (a) shall be 0.2 percent of the total amount handled
9 by satellite wagering facilities for thoroughbred and fair meetings
10 only. The amount distributable to the marketing organization may
11 be adjusted by the board, in its discretion. However, the adjusted
12 amounts may not exceed an aggregate of 0.25 percent of the total
13 amount handled by satellite wagering facilities for thoroughbred
14 and fair meetings only. Any of the promotion funds that are not
15 expended in the year in which they are collected may be expended
16 in the following year. If promotion funds expended in any one
17 year exceed the amount collected for that year, the funds expended
18 in the following year shall be reduced by the excess amount. Any
19 of the promotion funds that are not expended in the year in which
20 they are collected may be expended in the following year. If
21 promotion funds expended in any one year exceed the amount
22 collected for that year, the funds expended in the following year
23 shall be reduced by the excess amount. The marketing organization,
24 on a quarterly basis, shall submit to the board a written report that
25 accounts for all receipts and expenditures of the promotion funds
26 for the previous three months.

27 (d) This section shall remain in effect only until January 1, 2014,
28 and, as of that date, is repealed, unless a later enacted statute that
29 is enacted before January 1, 2014, deletes or extends that date.
30 Any moneys held by the organization shall, in the event this section
31 is repealed, be distributed to the organization formed pursuant to
32 Section 19608.2, for purposes of that section.

33 *SEC. 7. Section 19605.74 is added to the Business and*
34 *Professions Code, to read:*

35 *19605.74. For every year that the organization operating the*
36 *Breeders' Cup Championship series chooses to conduct the*
37 *Breeders' Cup at a race meeting in California, the following,*
38 *notwithstanding any other provision of law, shall apply to the race*
39 *meeting conducting the Breeders' Cup races on days during which*
40 *Breeders' Cup races are conducted:*

1 (a) *The amounts that would have otherwise been distributed to*
2 *a purse account pursuant to subdivisions (a), (b), (c), and (d) of*
3 *Section 19601.02 shall be made available for the purpose of*
4 *promoting and sponsoring the Breeders' Cup.*

5 (b) *The thoroughbred racing association hosting the Breeders'*
6 *Cup shall enter into a written agreement, in consultation and*
7 *cooperation with the California Tourism Commission and the*
8 *statewide marketing organization formed pursuant to Section*
9 *19605.73, with the organization that operates the Breeders' Cup*
10 *regarding the manner in which the funds set-aside to support and*
11 *promote the Breeders' Cup are to be expended.*

12 (c) *Within 90 days after the holding of each Breeders' Cup, a*
13 *written report shall be made to the board detailing the manner in*
14 *which the set aside funds were utilized to promote and support the*
15 *Breeders' Cup.*

16 ~~SEC. 2.~~

17 SEC. 8. Section 19642.1 is added to the Business and
18 Professions Code, to read:

19 19642.1. In addition to the distributions specified in Sections
20 19605.7, 19605.71, and 19605.72, from the amounts that would
21 normally be available for commissions and purses from wagering
22 on all breeds, an amount not to exceed 0.05 percent of the total
23 amount handled by each satellite wagering facility shall be
24 distributed to the nonprofit organization designated by the board
25 for purposes of maintaining a database of horseracing information
26 to further the purposes of Section 19444. The amount distributable
27 to the nonprofit organization *initially shall be 0.05 percent of the*
28 *total amount handled by each satellite wagering facility and may*
29 *be adjusted by the board, in its discretion. The nonprofit*
30 *organization shall annually submit its budget for the ensuing*
31 *calendar year to the board at its November meeting and shall file*
32 *quarterly financial statements with the board.*

33 SEC. 9. *No reimbursement is required by this act pursuant to*
34 *Section 6 of Article XIII B of the California Constitution because*
35 *the only costs that may be incurred by a local agency or school*
36 *district will be incurred because this act creates a new crime or*
37 *infraction, eliminates a crime or infraction, or changes the penalty*
38 *for a crime or infraction, within the meaning of Section 17556 of*
39 *the Government Code, or changes the definition of a crime within*

- 1 *the meaning of Section 6 of Article XIII B of the California*
- 2 *Constitution.*

O

AMENDED IN SENATE AUGUST 31, 2010

AMENDED IN SENATE AUGUST 20, 2010

AMENDED IN SENATE AUGUST 17, 2010

AMENDED IN SENATE JUNE 22, 2010

AMENDED IN ASSEMBLY APRIL 15, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2414

Introduced by Assembly Member John A. Pérez

February 19, 2010

~~An act to add Sections 19601.02 and 19605.74 to, and to add Article 9.1 (commencing with Section 19604.5) to Chapter 4 of Division 8 of, the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately. An act to add Section 19604.7 to, and to repeal Article 9.1 (commencing with Section 19604.5) of Chapter 4 of Division 8 of, the Business and Professions Code, relating to horse racing.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2414, as amended, John A. Pérez. Horse racing: thoroughbred racing: Breeders' Cup: wagering deduction: promotion: exchange wagering.

SB 1072 of the 2009–10 Regular Session would enact provisions relating to exchange wagering, as defined.

This bill would make those provisions inoperative on May 1, 2016, and would repeal them on January 1, 2017.

This bill would become operative only if SB 1072 of the 2009–10 Regular Session is enacted and this bill is enacted last.

~~(1) 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 require every thoroughbred association or fair that conducts a live race meeting to deduct an additional 2% of the total amount handled on exotic wagers requiring the selection of 2 wagering interests, and 3% on exotic wagers requiring the selection of 3 or more wagering interests. The bill would require that these funds be distributed into the purse account of the meet conducting racing in the zones in which the wager was placed, to be used to augment overnight purses.~~

~~This bill would require any thoroughbred racing association or fair that authorizes betting systems located outside of this state to accept wagers on a race to retain from the total amount received from the out-of-state betting system, less certain specified deductions made pursuant to existing law, the incremental amount received as a result of the 2% or 3% takeout on exotic wagers required by this bill, for distribution as overnight purses. This bill would require that the method utilized to determine the incremental amount received as a result of the takeout increase be established by agreement between the various affected thoroughbred racing associations and fairs, and horsemen's organizations. If these groups are unable to agree as to the method of determining the incremental amount received, this bill would require the board to determine the allocation method after holding a hearing.~~

~~The bill would provide that these new provisions would become operative on December 24, 2010.~~

~~For a thoroughbred association hosting the Breeders' Cup Championship series, this bill would require the amounts collected pursuant to the above provisions requiring that 2% or 3% be deducted from the amount handled on exotic wagers be set aside for the purpose of promoting and sponsoring the Breeders' Cup. The bill would require the thoroughbred racing association hosting the Breeders' Cup to enter into an agreement with the organization that operates the Breeders' Cup regarding the expenditure of the funds, as provided, and would require a written report be made to the board regarding how the funds were utilized.~~

~~(2) Existing law provides that the California Horse Racing Board shall have all powers necessary to carry out the purposes of the Horse~~

Racing Law, such as adopting rules and regulations to protect the public, allocating dates for, and controlling horse racing and parimutuel wagering, and enforcing all rules and regulations.

This bill would authorize exchange wagering, defined by the bill as a form of parimutuel wagering in which 2 or more persons place identically opposing wagers in a given market, provided that the entity offering exchange wagering is licensed by the board and has entered into an exchange wagering agreement between the licensee, the applicable racing association or fair conducting live racing, and the horsemen's organization responsible for negotiated purse agreements for the breed on which exchange wagers are accepted, as provided.

The bill would invest the board with the full power to prescribe rules, regulations, and conditions under which exchange wagering may be conducted in California, except that the bill would require the board to develop rules that prohibit certain persons associated with an entrant in a particular race from placing an exchange wager on a race involving that entrant, that prohibit the placing of exchange wagers on previously run races, that require the exchange wagering licensee to provide information to the person placing the wager, that prohibit the use of automatic or quick picks to place an exchange wager, and that prohibit the displaying of the results of a wager using casino themes, as provided.

The bill would allow the board to recover any costs associated with the licensing and regulation of exchange wagering by imposing an assessment on the licensee. The bill would require that these funds be deposited in the Horse Racing Fund, to be available upon appropriation by the Legislature for the sole purpose of regulating exchange wagering.

(3) Existing law provides that unclaimed refunds from horse racing are to be distributed to an organization that is responsible for negotiating business agreements on behalf of horsemen, to be held in trust for the purpose of negotiating an agreement with a jockeys organization to provide health and welfare benefits to California licensed jockeys. Existing law requires that the funds held in trust shall not exceed \$450,000.

Pursuant to the above provision, this bill would require each exchange wagering licensee to annually distribute the greater of \$100,000, or an amount equal to 0.001 multiplied by the total amount of exchange revenue collected by the licensee in that year to be used for the purposes specified above.

~~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 authorize the board to require 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 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.~~

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

~~Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: *yes-no*.~~

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 19604.7 is added to the Business and*
- 2 *Professions Code, to read:*
- 3 *19604.7. This article shall become inoperative on May 1, 2016,*
- 4 *and, as of January 1, 2017, is repealed, unless a later enacted*
- 5 *statute, that becomes operative on or before January 1, 2017,*
- 6 *deletes or extends the dates on which it becomes inoperative and*
- 7 *is repealed.*
- 8 *SEC. 2. Section 1 of this act shall become operative only if SB*
- 9 *1072 of the 2009–10 Regular Session is enacted, that bill adds*
- 10 *Article 9.1 (commencing with Section 19604.5) to Chapter 4 of*
- 11 *Division 8 of the Business and Professions Code, and this bill is*
- 12 *enacted last.*

1
2
3
4
5

**All matter omitted in this version of the bill
appears in the bill as amended in the
Senate, August 20, 2010. (JR11)**

O

CA Authority of Racing Fairs
Legislative Report - Last 10 Days
8/27/2010

[AB 605](#) (Portantino) Alcoholic beverages: instructional tasting events. (A-08/02/2010 [html](#) [pdf](#))

Status: 08/26/2010-From committee: With recommendation: That Senate amendments be concurred in. (Ayes 18. Noes 0.) (August 26).

Current Location: 08/19/2010-A CONCURRENCE

Calendar Events: 08/27/10 38 ASM UNFINISHED BUSINESS CONCURRENCE IN SENATE AMENDMENTS

Digest: The Alcoholic Beverage Control Act contains various provisions regulating the application for, the issuance of, the suspension of, and the conditions imposed upon, alcoholic beverage licenses by the Department of Alcoholic Beverage Control. Existing law provides for various annual fees for the issuance of alcoholic beverage licenses depending upon the type of license issued. The Alcoholic Beverage Control Act provides that a violation of its provisions is a misdemeanor, unless otherwise specified. This bill would authorize the department to issue to the holder of any off-sale retail license an instructional tasting license that would allow the licenseholder to allow an authorized licensee, as defined, or designated representative of that licensee, to conduct, on a designated portion of, or contiguous to, an existing licensed premises, an instructional *tasting* event at which tastes of alcoholic beverages may be served to consumers, as provided. The bill would impose an original fee of \$300 and an annual renewal fee of \$261 for the license, which would be deposited in the Alcohol Beverage Control Fund. ~~By expanding~~ *Because the violation of a specified provision of the instructional tasting license by a licensee or by a person under 21 years of age is punishable as a misdemeanor, the bill both creates a new crime and expands the definition of a* ~~an existing crime, this bill would create~~ *thereby creating 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 add Sections 23396.6 and 25503.56 to the Business and Professions Code, relating to alcoholic beverages.

History:

Aug. 26 From committee: With recommendation: That Senate amendments be concurred in. (Ayes 18. Noes 0.) (August 26).

Aug. 25 Joint Rule 62(a), file notice suspended.

Aug. 19 Re-referred to Com. on G.O. pursuant to Assembly Rule 77.2.

Aug. 18 Read third time, passed, and to Assembly. (Ayes 27. Noes 6. Page 4591.)

Aug. 18 In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 20 pursuant to Assembly Rule 77.

Aug. 4 Read second time. To third reading.

Aug. 3 From committee: Do pass. (Ayes 8. Noes 1.) (August 2).

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

June 28 Read second time and amended. Re-referred to Com. on APPR.

June 24 From committee: Amend, do pass as amended, and re-refer to Com. on APPR. (Ayes 8. Noes 1.) (June 23).

June 10 Re-referred to Com. on G.O.

June 9 Read second time. To third reading. Re-referred to Com. on RLS. pursuant to Senate Rule 29.10(c).

June 7 Read third time, amended. To second reading.

June 3 Read second time. To third reading.

June 2 From inactive file. To second reading.

Aug. 24 To inactive file on motion of Senator Yee.

Aug. 19 Read second time. To third reading.

Aug. 18 From committee: Be placed on second reading file pursuant to Senate Rule 28.8.

July 8 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 10. Noes 0.) (July 8).

June 4 Referred to Com. on G.O.

May 21 Read third time, passed, and to Senate. (Ayes 76. Noes 1. Page 1625.)

May 21 In Senate. Read first time. To Com. on RLS. for assignment.

May 18 Read second time. To third reading.

May 14 From committee: Do pass. (Ayes 16. Noes 0.) (May 13).

May 4 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 16. Noes 0.) (April 30).

Mar. 16 Referred to Com. on G.O.

Feb. 26 From printer. May be heard in committee March 28.

Feb. 25 Read first time. To print.

Organization

CARF

Priority

End of Session

[AB 1659](#) (Huber) State government: agency repeals. (E-08/24/2010 [html](#) [pdf](#))

Status: 08/24/2010-Assembly Rule 77 suspended. Senate amendments concurred in. To enrollment.

Current Location: 08/24/2010-A ENROLLMENT

Digest: Existing law establishes the Joint Committee on Boards, Commissions, and Consumer Protection and, until January 1, 2012, requires the committee to hold public hearings at specified times and to evaluate whether a board or regulatory program has demonstrated a need for its continued existence. Existing law states the intent of the Legislature that all existing and proposed state boards be subject to review every 4 years to evaluate and determine whether each has demonstrated a public need for its continued existence, as specified.

This bill would create the Joint Sunset Review Committee to identify and eliminate

waste, duplication, and inefficiency in government agencies and to conduct a comprehensive analysis of every "eligible agency," as defined, to determine if the agency is still necessary and cost effective. The bill would define an "eligible agency" as an entity of state government, however denominated, for which a date for repeal has been established by statute on or after January 1, 2011. The bill would require each eligible agency scheduled for repeal to submit a report to the committee containing specified information. The bill would require the committee to take public testimony and evaluate the eligible agency prior to the date the agency is scheduled to be repealed, and would require that an eligible agency be eliminated unless the Legislature enacts a law to extend, consolidate, or reorganize the agency. The bill would specify the composition of the committee, which would be appointed by the ~~President pro Tempore of the Senate~~ *Committee on Rules* and the Speaker of the Assembly, and certain aspects of its operating procedure.
 Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to add Article 7.5 (commencing with Section 9147.7) to Chapter 1.5 of Part 1 of Division 2 of Title 2 of the Government Code, relating to state government.

History:

Aug. 24 Assembly Rule 77 suspended. Senate amendments concurred in. To enrollment.
 Aug. 23 Read third time, passed, and to Assembly. (Ayes 33. Noes 0.)
 Aug. 23 In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 25 pursuant to Assembly Rule 77.
 Aug. 17 Read second time. To third reading.
 Aug. 16 From committee: Do pass. (Ayes 11. Noes 0.) (August 12). Received August 13 pursuant to JR 61(b)(14).
 Aug. 2 In committee: Set, first hearing. Referred to APPR suspense file.
 July 15 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on RLS. Withdrawn from committee. Re-referred to Com. on APPR.
 June 22 From committee: Do pass, and re-refer to Com. on RLS. Re-referred. (Ayes 6. Noes 0.) (June 21).
 June 10 Referred to Coms. on B., P. & E.D. and RLS.
 June 7 In Senate. Read first time. To Com. on RLS. for assignment.
 June 3 Assembly Rule 69(d) suspended. (Page 5549.) Read third time, passed, and to Senate. (Ayes 73. Noes 3. Page 5551.)
 June 2 Read third time, amended, and returned to third reading. (Page 5447.).
 May 28 From committee: Do pass. (Ayes 17. Noes 0.) (May 28). Read second time. To third reading.
 May 5 In committee: Set, second hearing. Referred to APPR. suspense file.
 Apr. 29 Re-referred to Com. on APPR.
 Apr. 28 From committee chair, with author's amendments: Amend, and re-refer to Com. on APPR. Read second time and amended.
 Apr. 21 In committee: Set, first hearing. Hearing canceled at the request of author.
 Apr. 8 Re-referred to Com. on APPR.
 Apr. 7 Read second time and amended.

Apr. 6 From committee: Amend, do pass as amended, and re-refer to Com. on APPR.
 (Ayes 11. Noes 0.) (April 6).
 Feb. 4 Referred to Com. on B. & P.
 Jan. 20 From printer. May be heard in committee February 19.
 Jan. 19 Read first time. To print.

Organization
 CARF

[AB 1753](#) (Hall) Slot machines. (E-08/25/2010 [html](#) [pdf](#))

Status: 08/25/2010-Enrolled and to the Governor at 2:50 p.m.

Current Location: 08/25/2010-A ENROLLED

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 \$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 \$10,000, nor more than \$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 \$1,000 nor more than \$5,000 would be imposed per machine and per location.

By 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.

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

History:

Aug. 25 Enrolled and to the Governor at 2:50 p.m.
 Aug. 9 Read third time, passed, and to Assembly. (Ayes 34. Noes 0. Page 4409.)
 Aug. 9 In Assembly. To enrollment. (Corrected August 16.)
 Aug. 4 Ordered to Special Consent Calendar.
 Aug. 3 Read second time. To third reading.
 Aug. 2 From committee: Be placed on second reading file pursuant to Senate Rule 28.8.

June 22 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 7. Noes 0.) (June 22).

June 3 Referred to Com. on PUB. S.

May 20 Read third time, passed, and to Senate. (Ayes 71. Noes 0. Page 5247.)

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

AB 1765 (Solario) **Public employment: furloughs.** (E-08/24/2010 [html](#) [pdf](#))

Status: 08/24/2010-In Assembly. To enrollment.

Current Location: 08/24/2010-A ENROLLMENT

Digest: Existing law states that it is the policy of the state that the workweek of the state employee shall be 40 hours, and the workday of state employees 8 hours, except that workweeks and workdays of a different number of hours may be established in order to meet the varying needs of the different state agencies. Executive ~~Orders~~ Order Nos. S-16-08 and S-13-09 imposed 3 unpaid furlough days on state employees. This bill would prohibit a state employee from being furloughed when the unemployment rate in California during the previous month reached or exceeded 8.5%, and the ~~employee works for a program that is 100%~~ employee's position is at least 95% funded by the federal government, performs services that combat the state's recession, and works for the California Unemployment Insurance Appeals Board or the Employment Development Department. *The bill would als o make related findings and declarations.*

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

Laws: An act to add Section 19851.5 to the Government Code, relating to public employment.

History:

Aug. 24 Read third time, passed, and to Assembly. (Ayes 24. Noes 9.)

Aug. 24 In Assembly. To enrollment.

Aug. 17 Read second time. To third reading.

Aug. 16 From committee: Do pass. (Ayes 7. Noes 4.) (August 12). Received August 13 pursuant to Joint Rule 61(b)(14)

July 15 In committee: Placed on APPR suspense file.
 June 29 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 4. Noes 2.) (June 28).
 June 10 Referred to Com. on P.E. & R.
 June 1 Read third time, passed, and to Senate. (Ayes 55. Noes 14. Page 5401.)
 June 1 In Senate. Read first time. To Com. on RLS. for assignment.
 May 28 From committee: Do pass. (Ayes 12. Noes 5.) (May 28). Read second time. To third reading.
 Apr. 21 In committee: Set, first hearing. Referred to APPR. suspense file.
 Apr. 7 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 4. Noes 0.) (April 7).
 Mar. 15 Re-referred to Com. on P.E.,R. & S.S.
 Mar. 11 From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E.,R. & S.S. Read second time and amended.
 Feb. 18 Referred to Com. on P.E.,R. & S.S.
 Feb. 10 From printer. May be heard in committee March 12.
 Feb. 9 Read first time. To print.

Organization

CARF

AB 2201 (Coto) **Horse racing: harness racing: the Cane Pace.** (E-08/20/2010 [html](#) [pdf](#))

Status: 08/18/2010-In Assembly. To enrollment.

Current Location: 08/18/2010-A ENROLLMENT

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, the 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.

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

History:

Aug. 18 Read third time, passed, and to Assembly. (Ayes 34. Noes 0. Page 4598.)
 Aug. 18 In Assembly. To enrollment.
 Aug. 5 From Consent Calendar. Ordered to third reading.
 Aug. 3 Read second time. To Consent Calendar.
 Aug. 2 From committee: Be placed on second reading file pursuant to Senate Rule 28.8 and to Consent Calendar.
 June 30 From committee: Do pass, and re-refer to Com. on APPR with recommendation: To Consent Calendar. Re-referred. (Ayes 8. Noes 0.) (June 29).

May 27 Referred to Com. on G.O.
 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: minisatellite wagering facilities.

(E-08/24/2010 [html](#) [pdf](#))

Status: 08/19/2010-Assembly Rule 77 suspended. Senate amendments concurred in. To enrollment.

Current Location: 08/19/2010-A ENROLLMENT

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. Existing law authorizes a racing association, a fair, or a satellite wagering facility to enter into an agreement with an advance deposit wagering provider to accept and facilitate the placement of any wager at its facility that a California resident could make through that advance deposit wagering provider.

This bill would authorize a minisatellite wagering facility to enter into an agreement with an advance deposit wagering provider to accept and facilitate the placement of any wager at its facility that a California resident could make through that advance deposit wagering provider. The bill would specify that the board must develop and adopt rules to license and regulate advance deposit wagering activity that takes place in a minisatellite wagering facility. The bill would authorize the board to recover any costs associated with the licensing or regulation of advance deposit wagering activity in a minisatellite wagering facility, as provided.

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

History:

Aug. 19 Assembly Rule 77 suspended. Senate amendments concurred in. To

enrollment.

Aug. 18 Read third time, passed, and to Assembly. (Ayes 32. Noes 0. Page 4598.)
 Aug. 18 In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 20 pursuant to Assembly Rule 77.
 Aug. 5 Read second time and amended. Ordered to third reading.
 Aug. 4 From committee: Amend, and do pass as amended. (Ayes 9. Noes 0.) (August 2).
 June 30 From committee: Do pass, and re-refer to Com. on APPR with recommendation: To Consent Calendar. Re-referred. (Ayes 8. Noes 0.) (June 29).
 June 24 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.
 June 10 Referred to Com. on G.O.
 June 3 In Senate. Read first time. To Com. on RLS. for assignment.
 June 2 Read third time, passed, and to Senate. (Ayes 73. Noes 0. Page 5463.)
 June 1 Read second time. To third reading.
 May 28 From committee: Amend, and do pass as amended. (Ayes 17. Noes 0.) (May 28).
 Read second time and amended. Ordered returned to second reading.
 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 2414 (John A. Perez) **Horse racing: thoroughbred racing: Breeders' Cup: wagering deduction: promotion: exchange wagering.** (A-08/20/2010 [html](#) [pdf](#))
Status: 08/23/2010-Read second time. To third reading. Re-referred to Com. on RLS. pursuant to Senate Rule 29.10(c).
Current Location: 08/23/2010-S THIRD READING

Digest: ~~Existing~~

(1) *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 approval of the board, and with the written agreement of the thoroughbred association and the horsemen's organization, 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 an amount of not less than 10% nor more than 25%. 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~~

This bill would require every thoroughbred association or fair that conducts a live race meeting to deduct an additional 2% of the total amount handled on exotic wagers requiring the selection of 2 wagering interests, and 3% on exotic wagers requiring the selection of 3 or more wagering interests. The bill would require that these funds be distributed into the purse account of the meet conducting racing in the zones in which the wager was placed, to be used to augment overnight purses.

This bill would require any thoroughbred racing association or fair that authorizes betting systems located outside of this state to accept wagers on a race to retain from the total amount received from the out-of-state betting system, less certain specified deductions made pursuant to existing law, the incremental amount received as a result of the 2% or 3% takeout on exotic wagers required by this bill, for distribution as overnight purses. This bill would require that the method utilized to determine the incremental amount received as a result of the takeout increase be established by agreement between the various affected thoroughbred racing associations and fairs, and horsemen's organizations. If these groups are unable to agree as to the method of determining the incremental amount received, this bill would require the board to determine the allocation method after holding a hearing.

The bill would provide that these new provisions would become operative on December 24, 2010. For a thoroughbred association hosting the Breeders' Cup Championship series, this bill would require the amounts collected pursuant to the above provisions requiring that 2% or 3% be deducted from the amount handled on exotic wagers be set aside for the purpose of promoting and sponsoring the Breeders' Cup. The bill would require the thoroughbred racing association hosting the Breeders' Cup to enter into an agreement with the organization that operates the Breeders' Cup regarding the expenditure of the funds, as provided, and would require a written report be made to the board regarding how the funds were utilized.

(2) Existing law provides that the California Horse Racing Board shall have all powers necessary to carry out the purposes of the Horse Racing Law, such as adopting rules and regulations to protect the public, allocating dates for, and controlling horse racing and parimutuel wagering, and enforcing all rules and regulations.

This bill would authorize exchange wagering, defined by the bill as a form of parimutuel wagering in which 2 or more persons place identically opposing wagers in a given market, provided that the entity offering exchange wagering is licensed by the board and has entered into an exchange wagering agreement between the licensee, the applicable racing association or fair conducting live racing, and the horsemen's organization responsible for negotiated purse agreements for the breed on which exchange wagers are accepted, as provided.

The bill would invest the board with the full power to prescribe rules, regulations, and

conditions under which exchange wagering may be conducted in California, except that the bill would require the board to develop rules that prohibit certain persons associated with an entrant in a particular race from placing an exchange wager on a race involving that entrant, that prohibit the placing of exchange wagers on previously run races, that require the exchange wagering licensee to provide information to the person placing the wager, that prohibit the use of automatic or quick picks to place an exchange wager, and that prohibit the displaying of the results of a wager using casino themes, as provided.

The bill would allow the board to recover any costs associated with the licensing and regulation of exchange wagering by imposing an assessment on the licensee. The bill would require that these funds be deposited in the Horse Racing Fund, to be available upon appropriation by the Legislature for the sole purpose of regulating exchange wagering.

(3) Existing law provides that unclaimed refunds from horse racing are to be distributed to an organization that is responsible for negotiating business agreements on behalf of horsemen, to be held in trust for the purpose of negotiating an agreement with a jockeys organization to provide health and welfare benefits to California licensed jockeys. Existing law requires that the funds held in trust shall not exceed \$450,000.

Pursuant to the above provision, this bill would require each exchange wagering licensee to annually distribute the greater of \$100,000, or an amount equal to 0.001 multiplied by the total amount of exchange revenue collected by the licensee in that year to be used for the purposes specified above.

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 authorize the board to require 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 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.

This bill would declare that it is to take effect immediately as an urgency statute.

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

Laws: An act to add Sections 19601.02 and 19605.74 to, and to add Article 9.1 (commencing with Section 19604.5) to Chapter 4 of Division 8 of, the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately.

History:

Aug. 23 Read second time. To third reading. Re-referred to Com. on RLS. pursuant to Senate Rule 29.10(c).

Aug. 20 Read third time, amended. To second reading.

Aug. 17 Read second time and amended. Ordered to third reading.

Aug. 16 From committee: Amend, and do pass as amended. (Ayes 11. Noes 0.) (August 12).

Aug. 2 In committee: Set, first hearing. Referred to APPR suspense file.
 June 30 From committee: Do pass, and re-refer to Com. on APPR with recommendation: To Consent Calendar. Re-referred. (Ayes 8. Noes 0.) (June 29).
 June 22 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. (Corrected June 30.)
 June 10 Referred to Com. on G.O.
 June 1 Read third time, passed, and to Senate. (Ayes 74. Noes 1. Page 5398.)
 June 1 In Senate. Read first time. To Com. on RLS. for assignment.
 May 28 From committee: Do pass. (Ayes 17. Noes 0.) (May 28). Read second time. To third reading.
 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

Priority
 End of Session

[AB 2792](#) (**Committee on Governmental Organization**) **Horse racing law intent: licenses.** (A-08/20/2010 [html](#) [pdf](#))

Status: 08/25/2010-Read third time, passed, and to Assembly. (Ayes 35. Noes 0.)

Current Location: 08/25/2010-A ASSEMBLY

Digest: ~~Existing~~

(1) *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 *from that statement of intent*.

Existing

(2) *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.

(3) Existing law requires any racing association, including a fair, that conducts thoroughbred racing to pay to the owners' organization contracting with the association with respect to the conduct of thoroughbred racing an additional 13/4% of the portion required to be deducted for purses for a national marketing program, as provided. These provisions are repealed as of January 1, 2011.

This bill would instead provide for the repeal of these provisions provision on January 1, 2014.

(4) Existing law provides that an "eligible thoroughbred stallion" means a thoroughbred stallion that was continuously present in this state during certain dates of the calendar year in which the qualifying race was conducted or if the sire left this state after June 15 of the year in which the qualifying race was conducted, during certain dates of the following calendar year. Existing law provides that if a sire dies in this state and stood his last season at stud in this state, he shall thereafter continue to be considered an "eligible thoroughbred stallion."

This bill would revise and recast the definition of "eligible thoroughbred stallion" by removing the requirement that the thoroughbred stallion be continuously present in this state during certain dates of the calendar year in which the qualifying race was conducted or that a sire be present during certain dates of the following calendar year and instead provide that an "eligible thoroughbred stallion" means a thoroughbred stallion that was continuously present in this state during certain dates of the calendar year in which he stood at stud and fathered the winner of the race. The bill would additionally provide that if a sire was standing at stud in this state on the date of his death, he shall thereafter continue to be considered an eligible thoroughbred stallion regarding a race participant fathered by him in that season. These provisions would only apply to thoroughbred stallions standing at stud and foals conceived in this state on or after January 1, 2010.

(5) Existing law provides that a thoroughbred stallion shall be considered an eligible thoroughbred stallion only if its owner has filed a claim for stallion award on or before February 15 of the calendar year immediately following the calendar year for which awards are being distributed and is registered with the official registering agency.

This bill would additionally require that the stallion owner be registered with the official registering agency. The bill would require the official registering agency to establish procedures for the registration of stallion owners. These eligible thoroughbred stallion provisions would only apply in regard to thoroughbred stallions standing at stud and foals conceived in this state on or after January 1, 2010.

(6) Existing law provides that a "stallion owner" means the person who is the owner of the eligible thoroughbred stallion as of December 31 of the calendar year in which that sire's foals had eligible earnings or the person who owned the eligible sire on the date that the stallion died. This bill would instead provide that "stallion owner" means the person who is the owner of the eligible thoroughbred stallion as of December 31 of each calendar year in which the eligible thoroughbred stallion stands at stud in this state as to all of that sire's foals (1) that were conceived in this state in that calendar year and (2) that thereafter have eligible earnings. The bill would provide that in regards to eligible thoroughbred stallions that die, that stallion must have had stood at stud in this state during that year in order for the person who owned that thoroughbred stallion to be the stallion owner for that year. These stallion owner provisions would only apply in regard to thoroughbred stallions standing at stud and foals conceived in this state on or after January 1, 2010.

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

Laws: An act to amend Sections 19401, 19460, 19613.05, 19617, and 19617.2 of the Business and Professions Code, relating to horse racing.

History:

Aug. 25 Read third time, passed, and to Assembly. (Ayes 35. Noes 0.)
 Aug. 23 Read second time. To third reading.
 Aug. 20 Read third time, amended. To second reading.
 Aug. 5 From Consent Calendar. Ordered to third reading.
 Aug. 3 Read second time. To Consent Calendar.
 Aug. 2 From committee: Be placed on second reading file pursuant to Senate Rule 28.8 and to Consent Calendar.
 June 30 From committee: Do pass, and re-refer to Com. on APPR with recommendation: To Consent Calendar. Re-referred. (Ayes 8. Noes 0.) (June 29).
 June 10 Referred to Com. on G.O.
 May 28 Read third time, passed, and to Senate. (Ayes 62. Noes 0. Page 5340.)
 May 28 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 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

SB 830 **(Wright) Recording crimes.** (A-08/17/2010 [html](#) [pdf](#))

Status: 08/26/2010-Set for hearing August 26. From committee: That the Assembly amendments be concurred in. (Ayes 7. Noes 0.)

Current Location: 08/25/2010-S UNFINISHED BUSINESS

Calendar Events: 08/27/10 24 SEN UNFINISHED BUSINESS

Digest: Existing law provides that a person is guilty of failure to disclose the origin of a recording or audiovisual work if, for commercial advantage or private financial gain, he or she advertises, sells, rents, manufactures, or possesses for those purposes, a recording or audiovisual work that does not disclose the name of the manufacturer, author, artist, performer, or producer, as specified. Failure to disclose the origin of a recording or audiovisual work is punishable by imprisonment in a county jail, imprisonment in the state prison, or a fine, or by both imprisonment and fine, as specified, depending on the number of articles of audio recordings or audiovisual works involved, and whether the offense is a first offense, or 2nd subsequent offense. Existing law defines "recording" for the purpose of these provisions to mean any tangible medium upon which information or sounds are recorded or otherwise stored, including any phonograph record, disc, tape, audio cassette, wire, film, or other medium on which information or sounds are recorded or stored, but does not include sounds accompanying a motion picture or other visual work. Existing law defines

"audiovisual works" as the physical embodiment of works that consist of related images that are intrinsically intended to be shown using machines or devices such as projectors, viewers, or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects such as films or tapes on which the works are embodied.

This bill would expand the definition of "recording" for the purposes of the above provisions to expressly include, but not be limited to, a memory card, flash drive, hard drive, or data storage device. This bill would, for purposes of the definition of "audiovisual works," add discs, memory cards, flash drives, hard drives, or data storage device, or other devices to films and tapes as examples of material objects on which the works may be embodied. By expanding the scope of an existing crime, this bill would mandate a state-mandated local program.

This bill would incorporate changes to Section 653w of the Penal Code proposed by AB 819, contingent on the prior enactment of that bill.

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 Section 653w of the Penal Code, relating to intellectual property.

History:

Aug. 26 Set for hearing August 26. From committee: That the Assembly amendments be concurred in. (Ayes 7. Noes 0.)

Aug. 25 Re-referred to Com. on RLS. pursuant to Senate Rule 29.10. From committee: Be re-referred to Com. on PUB. S. pursuant to Senate Rule 29.10. (Ayes 4. Noes 0.) Re-referred to Com. on PUB. S.

Aug. 23 Read third time. Passed. To Senate.

Aug. 23 In Senate. To unfinished business.

Aug. 17 Read third time. Amended. To third reading.

Aug. 16 Read second time. To third reading.

Aug. 13 From committee: Do pass. (Ayes 17. Noes 0.) (Heard in committee on August 12.)

Aug. 5 Set, first hearing. Referred to APPR. suspense file.

Aug. 2 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on APPR.

June 15 From committee: Do pass, but first be re-referred to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 7. Noes 0.) Re-referred to Com. on APPR. (Heard in committee on June 15.)

May 28 From committee: Be re-referred to Com. on PUB. S. (Ayes 9. Noes 0.) Re-referred to Com. on PUB. S. (Heard in committee on May 28.)

Mar. 8 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on RULES.

Sept. 3 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on RULES.

Aug. 20 Re-referred to Com. on RULES.
 July 24 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on APPR.
 July 9 From committee: Do pass, but first be re-referred to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 17. Noes 0.) Re-referred to Com. on APPR. (Heard in committee on July 8.)
 June 18 To Com. on G.O.
 May 18 Read third time. Passed. (Ayes 36. Noes 0. Page 931.) To Assembly.
 May 18 In Assembly. Read first time. Held at Desk.
 May 14 To Special Consent Calendar.
 May 13 Read second time. To third reading.
 May 12 From committee: Be placed on second reading file pursuant to Senate Rule 28.8.
 May 1 Set for hearing May 11.
 Apr. 28 From committee: Do pass, but first be re-referred to Com. on APPR with recommendation: To Consent Calendar. (Ayes 12. Noes 0. Page 682.) Re-referred to Com. on APPR.
 Mar. 27 Set for hearing April 28.
 Mar. 26 To Com. on G.O.
 Mar. 20 From print. May be acted upon on or after April 19.
 Mar. 19 Introduced. Read first time. To Com. on RLS.

Organization

CARF

[SB 899](#) (Denham) Horse racing: satellite wagering: out-of-country thoroughbred races. (E-08/23/2010 [html](#) [pdf](#))

Status: 08/19/2010-Senate concurs in Assembly amendments. (Ayes 35. Noes 0.) To enrollment.

Current Location: 08/19/2010-S ENROLLMENT

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.

This bill would declare that it is to take effect immediately as an urgency statute.

Laws: An act to amend Section 19596.3 of the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately.

History:

Aug. 19 Senate concurs in Assembly amendments. (Ayes 35. Noes 0.) To enrollment.
 Aug. 12 Read third time. Urgency clause adopted. Passed. To Senate.
 Aug. 12 In Senate. To unfinished business.
 June 28 Read third time. Amended. (Page 5841.) To third reading.
 June 21 Read second time. To third reading.
 June 17 From committee: Do pass. (Heard in Committee on June 16.)
 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.** (A-08/20/2010 [html](#) [pdf](#))

Status: 08/23/2010-Assembly Rule 69(d) suspended. Re-referred to Com. On G.O. pursuant to Assembly Rule 77.2.

Current Location: 08/23/2010-A G.O.

Digest: (1) 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~~ 0.4% 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 to defray the cost of workers' compensation insurance, 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. *The bill would specify that its provisions allowing for the formation of a private statewide marketing association applies to thoroughbred racing associations, fairs, and the organization for contracting with thoroughbred racing associations and fairs with respect to the conduct of racing meetings. The bill would specify that the marketing and promotion activities that the marketing organization may engage in includes, but is not limited to, the establishment and maintenance of an Internet Web site, players incentive programs, and the funding of promotional activities at satellite wagering facilities.*

This bill would change the amount to be distributed to the marketing organization for the promotion of thoroughbred and fair racing from an amount equal to 0.4% of the amount handled

at each satellite wagering facility to an amount not to exceed 0.25%, and would delete the provision allowing for the funds to be used to defray the cost of workers' compensation coverage for stable employees and jockeys of thoroughbred trainers. The bill would require that the initial distribution be 0.2% of the total amount handled by satellite wagering facilities for thoroughbred and fair meetings only and would allow the board to adjust this amount to an aggregate of 0.25% of the total amount handled by satellite wagering facilities for thoroughbred and fair meetings only.

The bill would, with respect to the statewide marketing and promotion plan, instead require the marketing organization, by November 1 of each year, to submit a written report to the board on the statewide marketing and promotion plan for the upcoming calendar year, and would additionally require the marketing organization to annually present to the board at the board's November meeting a verbal report on the statewide marketing and promotion plan for the upcoming calendar year. ~~The bill would specify that the workers' compensation defrayal plan is to be submitted to the board by November 1 of each year.~~ The bill would delete the requirement that the marketing organization submit to the board a thoroughbred trainers' workers compensation and defrayal plan. The bill would also require the marketing organization to ~~semiannually~~ quarterly submit to the board a written report that accounts for all receipts and expenditures of the promotion funds for the previous ~~6-3~~ months.

(2) Existing law authorizes the board, in performing its responsibilities, to participate in the affairs of associations having as their purpose the interchange of information relating to racing law enforcement, the licensing of horse racing participants, the registration of race horses, the tabulation, analysis, and publication of statistical information based on parimutuel handles and the distribution of proceeds, and to conduct research regarding horse racing accidents, and the detection of drugs on race horses, among other things.

This bill would provide that, in addition to certain specified distributions, an amount not to exceed 0.05% of the total amount handled by each satellite wagering facility shall be distributed to a nonprofit organization designated by the board for the purposes of maintaining a database of horse racing information to further the purposes of the above provision. The bill would state that the amount distributable to the nonprofit organization may be adjusted by the board, in its discretion. The bill would require the nonprofit organization to submit an annual budget and file quarterly financial statements with the board.

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

Laws: An act to amend Section 19605.73 of, and to add Section 19642.1 to, the Business and Professions Code, relating to horse racing.

History:

Aug. 23 Assembly Rule 69(d) suspended. Re-referred to Com. On G.O. pursuant to Assembly Rule 77.2.

Aug. 20 Read third time. Amended. To third reading.

Aug. 17 Read second time. To third reading.

Aug. 16 Read second time. Amended. To second reading.

Aug. 13 From committee: Do pass as amended. (Ayes 17. Noes 0.) (Heard in committee August 12.)

Aug. 13 Set, first hearing. Placed on APPR. suspense file.

Aug. 3 Read second time. To third reading. Re-referred to Com. on APPR. pursuant to

Joint Rule 10.5.
 Aug. 2 Read second time. Amended. To second reading.
 July 6 From committee: Do pass as amended. (Ayes 18. Noes 0.) (Heard in committee on June 30.)
 June 23 Set, first hearing. Hearing canceled at the request of author.
 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.

<i>Organization</i>	<i>Position</i>	<i>Priority</i>
CARF	Support	End of Session

SB 1125 (Florez) Gambling Control Act. (E-08/25/2010 [html](#) [pdf](#))

Status: 08/25/2010-Senate concurs in Assembly amendments. (Ayes 31. Noes 2.) To enrollment.

Current Location: 08/25/2010-S ENROLLMENT

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 requires that an application for a license or a determination of suitability be accompanied by a deposit that, in the judgment of the head of the entity within the Department of Justice that is responsible for fulfilling the obligations imposed by the act, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of the application. Existing law requires the head of that entity to adopt a schedule of costs and charges of investigation for use as guidelines in fixing the amount of any required deposit under these provisions.~~

~~This bill would require the department to establish an enhanced fee schedule to provide for additional fees to be charged to applicants who wish to have their applications processed and background investigations conducted in an expedited manner.~~

~~(2) Existing~~

~~Justice. Existing law permits the commission to adopt regulations related to the operation of a gambling establishment, as provided.~~

~~This bill would provide that jackpot funds, to which players have made contributions, are considered trust funds that are held for the benefit of the players and are not the property of the gambling establishment.~~

~~(3)~~

~~(2) Existing law requires the department to approve the play of any controlled game, including, but not limited to, placing restrictions and limitations on how a controlled~~

game is played.

This bill would provide that a gambling establishment that conducts play of a controlled game that has been approved by the department, but is later found to be unlawful, has an absolute defense to any criminal, administrative, or civil action, so long as the game was being played in the manner approved and during the time for which it was approved.

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

Laws: An act to add Sections 19843.5 and 19943.5 to the Business and Professions Code, relating to gaming.

History:

Aug. 25 Senate concurs in Assembly amendments. (Ayes 31. Noes 2.) To enrollment.

Aug. 23 Read third time. Passed. To Senate.

Aug. 23 In Senate. To unfinished business.

Aug. 17 Read second time. To third reading.

Aug. 16 Read second time. Amended. To second reading.

Aug. 13 From committee: Do pass as amended. (Ayes 17. Noes 0.) (Heard in committee August 12.)

Aug. 5 Set, first hearing. Referred to APPR. suspense file.

Aug. 2 Read second time. Amended. Re-referred to Com. on APPR. Joint Rule 62(a) file notice suspended. (Page 5989.)

July 6 From committee: Do pass as amended, but first amend, and re-refer to Com. on APPR. (Ayes 18. Noes 0.) (Heard in committee on June 30.)

June 28 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on G.O.

June 22 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on G.O.

June 10 To Com. on G.O.

June 2 Read third time. Passed. (Ayes 33. Noes 2. Page 3722.) To Assembly.

June 2 In Assembly. Read first time. Held at Desk.

May 28 Read second time. To third reading.

May 27 Read third time. Amended. To second reading.

May 5 Read second time. To third reading.

May 4 From committee: Do pass. (Ayes 10. Noes 0. Page 3427.)

Apr. 22 Set for hearing May 3.

Apr. 20 Read second time. Amended. Re-referred to Com. on APPR.

Apr. 19 From committee: Do pass as amended, but first amend, and re-refer to Com. on APPR. (Ayes 8. Noes 0. Page 3180.)

Mar. 22 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on G.O.

Mar. 16 Set for hearing April 13.

Feb. 25 To Com. on G.O.

Feb. 19 From print. May be acted upon on or after March 21.

Feb. 18 Introduced. Read first time. To Com. on RLS. for assignment. To print.

Organization

CARF

[SB 1483](#) (Wright) Multifamily improvement districts. (E-08/23/2010 [html](#) [pdf](#))

Status: 08/19/2010-Senate concurs in Assembly amendments. (Ayes 34. Noes 0.) To enrollment.

Current Location: 08/19/2010-S ENROLLMENT

Digest: Existing law establishes the Multifamily Improvement District Law to provide, until January 1, 2012, for the establishment of multifamily improvement districts within a city or county to levy assessments on residential rental properties within the district for the purpose of financing certain improvements and promoting certain activities beneficial to those properties.

This bill would extend these provisions until January 1, 2022.

Laws: An act to amend Section 36710 of the Streets and Highways Code, relating to multifamily improvement districts.

History:

Aug. 19 Senate concurs in Assembly amendments. (Ayes 34. Noes 0.) To enrollment.

Aug. 11 From committee: That the Assembly amendments be concurred in. (Ayes 4. Noes 0. Page 4472.)

Aug. 10 Set for hearing August 11.

Aug. 9 Re-referred to Com. on RLS. pursuant to Senate Rule 29.10. From committee: Be re-referred to Com. on L. GOV. pursuant to Senate Rule 29.10. (Ayes 3. Noes 0. Page 4391.) Re-referred to Com. on L. GOV.

Aug. 5 Read third time. Passed. (Ayes 71. Noes 0. Page 6056.) To Senate.

Aug. 5 In Senate. To unfinished business.

Aug. 2 Read second time. To Consent Calendar.

July 1 From committee: Do pass. To Consent Calendar. (Ayes 9. Noes 0.) (Heard in committee on June 30.)

June 3 To Com. on L. GOV. From committee with author's amendments. Read second time. Amended. Re-referred to Com. on L. GOV.

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 3358.)

Mar. 16 Set for hearing April 27.

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

[SJR 22](#) (Florez) Horses. (E-08/25/2010 [html](#) [pdf](#))

Status: 08/25/2010-Senate concurs in Assembly amendments. (Ayes 27. Noes 7.) To

enrollment.

Current Location: 08/25/2010-S ENROLLMENT

Digest: This measure would memorialize the Congress to support federal legislation to protect American horses from slaughter for human consumption.

Fiscal committee: no.

Laws: Relative to horses.

History:

Aug. 25 Senate concurs in Assembly amendments. (Ayes 27. Noes 7.) To enrollment.

Aug. 17 In Senate. To unfinished business.

Aug. 16 Read and adopted. To Senate.

Aug. 2 Amended. Placed on third reading.

July 6 From committee: Be adopted as amended. (Ayes 7. Noes 1.) (Heard in committee on June 30.)

Apr. 19 To Com. on AGRI.

Apr. 15 Read and adopted. (Ayes 27. Noes 7. Page 3198.) To Assembly.

Apr. 15 In Assembly. Held at Desk.

Mar. 16 From committee: Be adopted. (Ayes 3. Noes 1. Page 2953.) To Third Reading.

Mar. 5 Set for hearing March 16.

Feb. 18 Re-referred to Com. on F. & A.

Feb. 10 Introduced. To Com. on RLS.

Organization

CARF

Total Position Forms: 14

Carly A. Stockman
Legislative Assistant
KAHN, SOARES & CONWAY, LLP
1415 L Street, Suite 400
Sacramento, CA 95814
(916) 448-3826
(916) 448-3850 Fax
cstockman@kscsacramento.com
www.ksclawyers.com

CONFIDENTIALITY NOTICE: This transmission including any attachments is confidential and may be legally privileged. If you are not the intended recipient, or their agent, you are hereby

notified that reading, disclosing, copying, distributing or using any information contained in this transmission is strictly prohibited. If you have received this transmission in error, please immediately notify us by e-mail or by telephone at (916) 448-3826 and destroy the transmission. Thank you for your assistance.

DRAFT - 2011 Northern California Racing Calendar

CARF - Scenario A - May 30, 2010

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	30	31	
						5

GGF Winte	97
GGF Spring	45
GGF: Sim-Only	19
Total GGF	142

CARF: Plston (Live)	12
CARF: Plton (Sim-Only)	8
Total CARF at Pleasan	20

Summer Fairs	82
Overlap Summer Fair #	##
Total Fairs	###

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					
						4

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					
						17
						4

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		
						8
						2
						6
						6

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
						14
						2
						6

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
						22

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		
						12
						9

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
						24

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
						26

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	
						8
						2
						6

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					
						12
						1
						2
						8

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			
						16
						5

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
						12
						2

Calendar for year 2011 (United States)

January							February							March						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
						1			1	2	3	4	5			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28						27	28	29	30	31		
30	31																			

April							May							June						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2	1	2	3	4	5	6	7				1	2	3	4
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30		

July							August							September						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2	1	2	3	4	5	6				1	2	3		
3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10
10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17
17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24
24	25	26	27	28	29	30	28	29	30	31				25	26	27	28	29	30	
31																				

October							November							December								
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa		
						1	1	2	3	4	5	6	1	2	3	4	5	6	7	8	9	10
2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10		
9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17		
16	17	18	19	20	21	22	20	21	22	23	24	25	26	18	19	20	21	22	23	24		
23	24	25	26	27	28	29	27	28	29	30				25	26	27	28	29	30	31		
30	31																					

Holidays and Observances:

Jan 1 New Year's Day
Jan 17 Martin Luther King Day
 Feb 14 Valentine's Day
Feb 21 Presidents' Day
 Apr 24 Easter Sunday

May 30 Memorial Day
Jul 4 Independence Day
Sep 5 Labor Day
Oct 10 Columbus Day
 Oct 31 Halloween

Nov 11 Veterans Day
Nov 24 Thanksgiving Day
Dec 25 Christmas Day
Dec 26 'Christmas Day' observed

Calendar generated on www.timeanddate.com/calendar

**California Authority of Racing Fairs
Agency Income Statement
June 30, 2010**

	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:								
Other Revenue	12,384	148	964	15	44	500	(456)	9%
Interest Income	96,705	30,515	18,791	11,980	14,463	30,000	(15,537)	48%
Member Dues	282,520	282,532	153,886	141,266	146,457	292,913	(146,457)	50%
CARF South Programs Admin Fee	29,295	25,351	15,597	13,762	11,578	26,250	(14,672)	44%
CARF Projects Admin Fee	175,639	66,063	13,128	23,223	31,763	195,000	(163,237)	16%
CARF Live Racing Admin Fee	149,334	112,869	52,675	29,260	34,588	136,723	(102,135)	25%
CARF @ Leased Facility Revenue	0	(311,170)	0	0	0	0	0	0%
Total Revenue	745,876	206,308	255,041	219,506	238,892	681,386	(442,494)	35%
Expenses:								
Salaries	245,914	226,671	106,689	106,689	105,548	304,423	198,875	35%
Employee Benefits	26,800	23,714	12,798	12,798	8,752	30,000	21,248	29%
Post Retirement Benefits	31,614	666,317	742,787	742,787	17,235	32,896	15,661	52%
Payroll Taxes	12,509	12,487	6,910	6,910	6,726	13,500	6,774	50%
Accounting Costs	16,337	17,209	9,074	9,074	8,451	18,750	10,299	45%
Audit Services	6,188	7,125	3,500	3,500	22,128	6,500	(15,628)	340%
Automobile Expense	3,236	435	435	435	3,668	4,000	332	92%
Contracted Services	659	543	399	399	2,978	2,000	(978)	149%
Depreciation	13,729	13,881	3,558	3,558	3,394	13,500	10,106	25%
Dues & Subscriptions	14,388	36,048	13,844	13,844	5,791	37,000	31,209	16%
Insurance Expense	40,542	37,784	18,892	18,892	18,573	41,000	22,427	45%
Legal Expenses	1,740	11,413	4,148	4,148	16,412	10,000	(6,412)	164%
Legislative Expenses	54,869	53,508	26,909	26,909	27,190	60,000	32,810	45%
Meetings Expense	3,758	5,398	3,189	3,189	1,957	5,000	3,043	39%
Misc. (Ag Day Sponsor)	204	2,482	2,209	2,209	1,595	2,500	905	64%
Office Supplies	19,576	23,754	14,393	14,393	15,678	20,000	4,322	78%
Postage & Shipping	4,343	5,987	2,992	2,992	1,492	6,000	4,508	25%
Rent (Tribute Road)	39,413	38,916	19,210	19,210	19,872	39,744	19,872	50%
Repairs & Maintenance	0	0	0	0	674	1,000	326	67%
Telephone Expense	8,132	7,390	3,745	3,745	4,401	10,000	5,599	44%
Training	0	0	0	0	895	2,500	1,605	36%
Travel Expense	23,216	25,280	12,816	12,816	9,704	27,500	17,796	35%
Total Expenses	567,165	1,216,340	1,008,498	1,008,498	303,113	687,813	384,700	44%
Agency Income (Loss)	178,712	(1,010,031)	(753,456)	(788,992)	(64,221)	(6,427)	(57,794)	
Southern Program Income (Loss)	9,592	7,142	4,492	3,744	4,655	5,250	(29,939)	
Total Balance Sheet Net Income (Loss)	188,304	(1,002,890)	(748,965)	(785,248)	(59,566)	(1,177)	(87,733)	

**California Authority of Racing Fairs
Southern Region Income Statement
June 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	
Program Revenue:								
Program Sales	397,688	343,634	207,955	183,494	154,381	350,000	(195,619)	44%
Other Revenue	0	0	0	0	0	0	0	0%
Royalties/Fees Due Host	(358,703)	(311,141)	(187,769)	(165,988)	(138,149)	(318,500)	180,351	43%
Total Revenue	38,985	32,493	20,186	17,506	16,233	31,500	(15,267)	52%
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%
Total Expenses	98	0	98	0	0	0	0	0%
Operating Income (Loss)	38,887	32,493	20,089	17,506	16,233	31,500	(15,267)	52%
CARF Admin Fee	29,295	25,351	15,597	13,762	11,578	26,250	14,672	44%
Rebate								
Income (Loss)	9,592	7,142	4,492	3,744	4,655	5,250	(29,939)	89%

**California Authority of Racing Fairs
Project Management Income Statement
June 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	
Revenue:								
CARF Admin Fee	175,639	66,063	13,128	23,223	31,763	195,000	(163,237)	16%
Project Management	67,608	79,199	39,444	36,440	36,165	77,191	(41,026)	47%
Total Revenue	243,247	145,262	52,572	59,663	67,928	272,191	(204,263)	25%
Expenses:								
Salaries Expense	49,043	58,723	28,313	25,682	26,699	56,341	29,642	47%
Employee Benefits	6,150	7,287	4,000	4,244	4,266	8,000	3,734	53%
Payroll Taxes	2,204	2,832	1,490	1,464	1,510	3,000	1,490	50%
Accounting Costs	6,500	6,500	3,250	3,250	3,250	8,000	4,750	41%
Audit Services	2,475	2,550	2,056	1,400	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	335	359	371	1,000	629	37%
Travel Expense	0	42	0	42	68	250	182	27%
Misc. Storage	558	558	0	0	0	600	600	0%
Total Expenses	67,608	79,199	39,444	36,440	36,165	77,191	41,026	47%
CARF Admin Fee	175,639	66,063	13,128	23,223	31,763	195,000	163,237	16%

**California Authority of Racing Fairs
Live Racing Income Statement
June 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:								
Change Fund Admin Fee	46,470	17,065	20,092	9,252	10,014	20,000	(9,986)	50%
Racing Fairs Admin Fee	80,538	74,561	10,583	15,907	24,574	94,723	(70,149)	26%
Supplemental Purses Admin Fee	22,000	22,000	22,000	0	0	22,000	(22,000)	0%
NCOTWINC Reimbursement	29,000	29,000	0	0	29,000	29,000	0	100%
Racing Fairs Reimbursement	1,074,554	1,059,854	268,019	349,813	364,931	1,262,971	(898,040)	29%
Advertising Revenue	5,010	4,100	0	4,100	0	4,000	(4,000)	0%
Total	1,257,573	1,206,580	320,694	379,073	428,519	1,432,694	(1,004,175)	30%
Expenses:								
Salaries	201,995	230,562	67,419	96,876	108,164	227,483	119,319	48%
Employee Benefits	40,160	44,792	18,629	22,880	23,601	46,000	22,399	51%
Payroll Taxes	10,824	11,877	4,387	6,022	6,393	13,500	7,107	47%
Accounting Costs	42,250	52,250	21,125	21,125	21,125	48,000	26,875	44%
Audit Services	16,088	16,575	13,364	9,100	0	16,088	16,088	0%
Automobile Expense	742	1,182	256	80	3,703	5,100	1,397	73%
Depreciation	0	0	0	0	0	0	0	0%
Dues & Subscriptions, NTRA	13,596	12,286	6,761	6,136	5,055	17,000	11,945	30%
Insurance Expense	0	0	0	0	0	0	0	0%
Legal Expenses	2,101	0	2,101	0	15,469	10,000	(5,469)	155%
Meetings Expense	1,803	1,111	853	364	2,379	5,000	2,621	48%
Misc. Exp (Harness,Storage,Bank fee)	0	58	0	58	804	0	(804)	0%
Telephone Expense	1,773	3,363	666	1,363	1,961	3,000	1,039	65%
Travel Expense	55,224	45,184	6,138	7,068	6,499	45,000	38,501	14%
Sub-Totals	386,555	419,240	141,698	171,071	195,154	436,171	241,017	45%
Racing Support Services:								
Announcer	26,000	26,596	0	2,200	2,875	36,800	33,925	8%
Condition Bk/Program Cover	27,509	22,491	3,798	1,902	13,060	30,500	17,440	43%
Courier Service (Pgm Distribution)	0	0	0	0	0	0	0	0%
Racing Operations Support	103,242	79,601	62,191	56,501	53,965	105,000	51,035	51%
TC02 Testing	60,010	54,880	0	8,260	1,450	72,000	70,550	2%
Marketing	3,225	1,783	1,439	999	2,958	20,000	17,042	15%
Network Management	3,105	3,321	1,907	2,125	791	6,000	5,209	13%
Paymaster	10,825	20,298	3,037	6,099	3,698	11,500	7,802	32%
Program Production	191,389	178,814	6,388	24,036	19,976	205,000	185,024	10%
Racing Office System	55,840	53,156	13,354	11,432	12,752	68,000	55,248	19%
Recruitment	17,970	22,721	17,970	19,256	20,584	15,000	(5,584)	137%
Jumbo Screen	137,700	125,000	0	22,950	51,000	181,000	130,000	28%
Supplies	15,478	19,158	3,596	3,840	219	20,000	19,781	1%
Tattooing	17,057	20,469	5,640	6,764	4,660	19,000	14,340	25%
Timing/Clocker	21,851	22,430	1,904	3,128	3,625	30,000	26,375	12%
Transportation	2,900	3,465	500	250	0	5,000	5,000	0%
TV Production/Simulcast	27,582	20,288	4,598	9,000	7,163	35,000	27,838	20%
Sub-Totals	721,684	674,471	126,321	178,742	198,777	859,800	661,023	23%
Total Expenses	1,108,239	1,093,711	268,019	349,813	393,931	1,295,971	902,040	30%
CARF Admin Fee	149,334	112,869	52,675	29,260	34,588	136,723	102,135	25%

CARF @ Leased Facility

June 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	
0	2,859,642	0	0	0	0	0	0%
0	0	0	0	0	0	0	0%
0	2,859,642	0	0	0	0	0	0%
0	96,106	0	0	0	0	0	0%
0	0	0	0	0	0	0	0%
0	0	0	0	0	0	0	0%
0	2,998,791	0	0	0	0	0	0%
0	18,531	0	0	0	0	0	0%
0	57,383	0	0	0	0	0	0%
0	3,170,811	0	0	0	0	0	0%
0	(311,170)	0	0	0	0	0	0%

CALIFORNIA AUTHORITY OF RACING FAIRS
BALANCE SHEET
June 30, 2010

ASSETS

	CURRENT YTD	PRIOR YTD
	6/30/10	6/30/09
Current Assets		
CASH - LAIF & INVESTMENTS	3,891,705	3,602,823
CASH - OPERATING	422,418	375,877
CHECKING - TOC PURSE	1,373,571	258,680
CHECKING - RACING TRUST	12,601	0
MARKETABLE SECURITIES	4,177,471	4,051,158
A/R - DUES	22,026	8,210
A/R - PROGRAMS	103,513	162,875
A/R - RACING FAIRS	473,621	405,640
A/R - F&E SUPPLEMENTAL PURSE/OTHER A/R	1,923,060	1,378,339
PREPAIDS/DEPOSITS	25,092	23,634
OPEB ASSETS	91,955	0
Total Current Assets	12,517,031	10,267,236
Fixed Assets		
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	12,592,759	10,380,946

LIABILITIES & NET ASSETS

Current Liabilities		
A/P & WITHHOLDINGS	983,380	1,492,498
A/P - PROGRAM ROYALTIES TO HOST	56,375	172,369
RACING DISTRIBUTIONS	(113,534)	(1,984,502)
PURSES	2,124,807	2,242,182
TRACK SAFETY/MAINT.	708,800	641,434
INFOTEXT UPGRADE	159,979	157,198
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	1,311,961	1,134,815
LOU-5 - SYMPOSIUM	3,805	4,248
FACILITY IMPROVEMENTS & UPGRADES	517,765	754,265
CAPITAL IMPROVEMENT FUND	3,037,200	1,590,321
Total Current Liabilities	8,790,536	6,204,826
Non-Current Liabilities		
CHRIMS FUNDS	90,197	88,630
CHANGE FUND	1,014,000	1,014,000
FAIRS - EQUIP REPLACEMENT FUNDS	2,007,217	2,112,898
Total Non-Current Liabilities	3,111,413	3,215,528
TOTAL LIABILITIES	11,901,950	9,420,354
Net Assets		
FUND EQUITY	636,146	1,730,990
OPEB Net Assets	91,955	
F&E Net Assets	22,275	14,850
CARF@GG	0	0
RETIREMENT CONTINGENCY	0	0
NET INCOME/LOSS	(59,566)	(785,248)
Total Net Assets	690,810	960,592
TOTAL LIABILITIES & NET ASSETS	12,592,759	10,380,946