listed on referral service advertisements. At this writing, BCE is expected to publish formal notice of the new amendments to section 317.1 in June.

**Preceptor Program Standards.** At its December 1994 meeting, BCE adopted new section 313.1, Title 16 of the CCR, regarding preceptor programs—off-campus educational programs that allow chiropractic students to gain practical training and experience. The term “preceptor” refers to the participating chiropractor; the student is the “preceptee.” The Board has attempted to adopt section 313.1 on several prior occasions. ([15:1 CRLR 157; 14:4 CRLR 185; 13:4 CRLR 189–90])

Proposed section 313.1 contains specific regulations governing the operation of preceptor programs. For example, section 313.1 would require BCE to approve all preceptor programs, and provide that the program shall include office management as well as clinical training; it can last a maximum of twelve months with no more than 35 average weekly hours; monthly progress reports concerning the preceptee’s performance are required; malpractice insurance must be included for the preceptee during the program; the preceptor must currently be a state-licensed chiropractor with at least five years’ experience, and not have been subject to any disciplinary action under the Chiropractic Initiative Act or other regulation, and cannot have been convicted of a felony or misdemeanor related to the practice of chiropractic; a preceptor must provide direct supervision of the preceptee, and must identify him/her as a preceptee to patients; a patient’s written consent must be secured before being treated by a preceptee; the preceptor must ensure that the preceptee practices in accordance with all applicable statutes and regulations, and must ensure the filing of monthly progress reports with the appropriate college; a preceptor may supervise only two preceptees at a time, and must have a permit for on-the-job training in X-ray equipment; a preceptee shall satisfactorily complete the program, may not represent him/herself as a chiropractor, and may not administer treatment without the appropriate supervision; and the preceptee must verify the procurement of the signed consent form, comply with all applicable laws, and report to the college any termination, delay or interruption in the program.

At this writing, the rulemaking file is expected to publish formal notice of the new amendments to section 317.1 in June.

**Practical Exam Prerequisites.** Also in December 1994, BCE adopted amendments to section 349, Title 16 of the CCR, which interpret section 1000-6(d) of the Business and Professions Code regarding prerequisites for taking the practical portion of the California chiropractic examination, and which provide that, effective January 1, 1996, prior to being scheduled for the practical portion of the California Board examination, an applicant must show proof of either National Board status or successful completion of the entire written portion of the California licensure examination. The amendments would also clarify that the term “National Board status” means successful completion of Parts I, II, III, and physiotherapy on the national exam. ([15:1 CRLR 157; 14:4 CRLR 186; 14:2&3 CRLR 200]) According to BCE, requiring candidates to pass the national or state written examination before taking the California practical examination would allow the Board to establish the candidates’ academic competence in ten areas of knowledge which are foundational to the practice of chiropractic before they appear before BCE’s practical exam commissioners. At this writing, the proposed changes await review and approval by OAL.

**LEGISLATION**

**SB 682 (Peace).** Existing law requires the Medical Board of California, the State Bar, and BCE to each designate employees to investigate and report to the Bureau of Fraudulent Claims of the Department of Insurance any possible fraudulent activities relating to motor vehicle or disability insurance by licensees of the boards or the Bar. As introduced February 22, this bill would require, in addition, those entities to investigate and report any possible fraudulent activities relating to workers’ compensation. [A. ins]

**ACR 31 (Gallegos),** as amended May 8, would acknowledge the significant contributions made by the chiropractic profession to the health and welfare of Californians, and commemorate 1995 as the centennial anniversary of the founding of the chiropractic profession. [S. Rts]

**RECENT MEETINGS**

At its January 19 meeting, BCE elected chiropractors Lloyd Boland to serve as Chair, Michael Martello to serve as Vice-Chair, and Sharon Uberg to serve as Secretary.

At its February 23 meeting, BCE discussed its priorities in the investigation of misconduct cases. Executive Director Vivian Davis reported that she had discussed the matter with a representative of the Department of Consumer Affairs’ Division of Investigation, and that BCE’s top priority is the investigation of cases involving patient injury or endangerment, sexual misconduct, and substance abuse.

**FUTURE MEETINGS**

July 27 in Los Angeles.
August 31 in Sacramento.
October 12 in San Diego.
December 7 in Sacramento.

**CALIFORNIA HORSE RACING BOARD**

**Executive Secretary:**

Roy Wood
(916) 263-6000
Toll-Free Hotline:
800-805-7223

The California Horse Racing Board (CHRB) is an independent regulatory board consisting of seven members. The Board is established pursuant to the Horse Racing Law, Business and Professions Code section 19400 et seq. Its regulations appear in Division 4, Title 4 of the California Code of Regulations (CCR).

The Board has jurisdiction and power to supervise all things and people having to do with horse racing upon which wagering takes place. The Board licenses horse racing tracks and allocates racing dates. It also has regulatory power over wagering and horse care. The purpose of the Board is to allow pari-mutuel wagering on horse races while assuring protection of the public, encouraging agriculture and the breeding of horses in this state, generating public revenue, providing for maximum expansion of horse racing opportunities in the public interest, and providing for uniformity of regulation for each type of horse racing. (In pari-mutuel betting, all the bets for a race are pooled and paid out on that race based on the horses’ finishing position, absent the state’s percentage and the track’s percentage.) Each Board member serves a four-year term and receives no compensation other than expenses incurred for Board activities. If an individual, his/her spouse, or dependent holds a financial interest or management position in a horse racing track, he/she cannot qualify for Board membership. An individual is also excluded if he/she has an interest in a business which conducts pari-mutuel horse racing or a management or concession contract with any business entity which conducts pari-mutuel horse racing. Horse owners and breeders are not barred from Board membership. In fact, the legislature has declared that Board representation by these groups is in the public interest.
Among other things, Truesdail contended that Harris did not meet certain requirements of the Public Contract Code, which specifies those actions which must be completed in order for a bidder to be deemed to have made a good faith effort, the alternative for those bidders who fail to meet the minority/women/disabled veteran business enterprise (M/W/DVBE) participation goals. In a February 21 statement of decision, DGS hearing officer Elizabeth Yost sustained Truesdail’s protest, finding no evidence that Harris’ advertisement for potential M/W/DVBE participation was placed in a newspaper focusing on M/W/DVBEs, or that such advertisement was available within the state of California, as required by regulation. Yost also found no evidence in Harris’ proposal that any of its good faith effort attempts were designed to elicit responses from DVBEs who are residents of California and certified by California’s Office of Small and Minority Businesses. Accordingly, Yost concluded that because Harris “‘advertising and DVBE outreach efforts did not comply with controlling statutory and regulatory requirements, [Harris] did not complete a good faith effort as required by statute.”

At its February 24 meeting, CHRB discussed DGS’ decision, noting that it left the Board with two choices: throw out all bids received in response to the Board’s RFP and release a new RFP, or award the contract to the only responsive bidder—Truesdail Laboratories. Following discussion, CHRB awarded the contract to Truesdail through June 1996.

**Occupational Licenses and Fees.** On February 17, CHRB published notice of its intent to amend section 1481, Title 4 of the CCR, to allow the Board to collect the actual costs of its licensees’ participation in the Licensing Reciprocity Program of the Association of Racing Commissioners International (ARCI). Section 1481(i) specifies that a CHRB licensee who elects to participate in the Licensing Reciprocity Program shall pay a fee of $25. Currently, the associated costs for participation in the program are $34; CHRB has no control over the cost, as fees for the program are determined by ARCI and the Federal Bureau of Investigation. The proposed amendment would allow CHRB to collect the actual costs incurred without having to go through the rulemaking process each time the rate increases. On April 28, CHRB held a public hearing on the proposed change; after the hearing, CHRB adopted the proposal, which now awaits review and approval by OAL.

**Totalizator Systems.** On February 17, CHRB published notice of its intent to adopt new section 1951.1, Title 4 of the CCR, regarding totalizator systems; under the totalization system of racetrack betting, tickets are printed as purchased and the purchase automatically records at a central place so the odds may be determined. New section 1951.1 would require totalizator companies to provide systems that electronically transfer wagering information to all other totalizator systems merging parimutuel pools with California racing associations, both intrastate and interstate; systems that include a daily electronic download of parimutuel data directly to the horse racing database, as designated by CHRB; and a daily history of individual totalizator transactions in a computer-readable medium for each race meeting for a minimum of one year after the conclusion of the meet. On April 27, CHRB held a public hearing on the proposed new section; on April 28, CHRB adopted the section, which now awaits review and approval by OAL.

**Postmortem Examination.** On April 28, CHRB published notice of its intent to amend section 1440.5, Title 4 of the CCR, which pertains to the licensing of contractors and subcontractors working within the enclosure at a racetrack. Section 1440.5 currently provides that totalizator, photo finish, and video production companies are routinely approved, but not licensed, as part of the racing association’s license to conduct a horse racing meeting pursuant to section 1440, Title 4 of the CCR, which concerns licensing and approval of concessionaires. According to CHRB, each of these entities exercise control over significant racing activities and/or monies. If the companies or their employees fail to perform or violate a Board rule, CHRB’s only recourse is to penalize the employee, not the company. New section 1440.5 would require contractors and subcontractors to be licensed by CHRB, and would also require the licensing of simulcast service suppliers and timing companies. The licensing process would include, among other things, ownership disclosure and background investigations to determine a contractor’s qualifications. In addition, CHRB would gain a full range of disciplinary options should a contractor fail to perform. On April 27, CHRB held a public hearing on the proposed addition; on April 28, the Board adopted the proposal, which now awaits review and approval by OAL.

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amend section 2040, Title 4 of the CCR.
logs, which may be present in an official
post-race urine test sample: Acepromaz-
10 ng/ml; Albuterol, 1 ng/ml; Atropine,
ng/ml; Mepivacaine, 10 ng/ml; Promazine, 25
mg/ml; Albuterol, 1 mg/ml; Atropine, 10
mg/ml; Benzocaine, 50 mg/ml; Procaine, 10
mg/ml; and Salicylates, 750 micro-
grams per milliliter. Under the amend-
ments, official blood test samples shall not
contain any of the authorized therapeutic
drug substances, their metabolites, or an-
als. At this writing, CHRB is scheduled
to hold a public hearing on the proposed
amendments on June 23.
Horsemen's Organizations. On May 12,
CRB published notice of its intent to
section 2040, Title 4 of the CCR.
The proposed amendment would clarify
that separate organizations will represent
owners and trainers of thoroughbred race-
horses. [15:1 CRLR 158-59; 14:2 & 3 CRLR
207-08] At this writing, CHRB is sched-
uled to hold a public hearing on the pro-
posal on July 27.
Rulemaking Update. The following
is a status update on other CHRB rulemak-
proposals described in detail in previ-
ous issues of the Report:
• Parlay Betting Regulations. On Feb-
uary 8, OAL approved CHRB's adoption of
new section 1954.1, Title 4 of the CCR,
which sets the parameters for placing a par-
lay wager on a win, place, or show pool.
Section 1954.1 enables a patron to wager on
a minimum of two races and a maximum of
six races on the win, place, or show pools on
a given program at one time; winnings from the
first leg of the parlay wager will automati-
cally be reinvested into the next leg of the
parlay wager. [15:1 CRLR 159] According
to CHRB, the parlay betting method al-
 lows patrons who have a winning ticket at
the conclusion of the parlay wager to cash
in one time rather than after each race is
run.
• Apprentice Jockeys. CHRB has tem-
porarily tabled its proposal to amend sec-
tion 1500, Title 4 of the CCR, which sets
forth guidelines regarding apprentice
jockeys; among other things, the Board's
changes would define the term "appren-
tice jockey" to mean a race rider who has
ridden less than 45 winners or less than
three years since first having been li-
censed in any racing jurisdiction, and who
otherwise meets the license requirements of
a jockey. The amendments would also
provide that an apprenticeship shall auto-
nomatically terminate one year from the date
of a jockey's fifth winning ride, or on the
date of the jockey's 45th winning ride,
whichever comes later. Finally, the changes
would provide that any combination of
thoroughbred, Appaloosa, Arabian, or paint
races at authorized race meetings in the
United States, Canada, or Mexico, which
are reported in the Daily Racing Form or
other recognized racing publications, shall
be considered in determining eligibility
for license as an apprentice jockey. At this
writing, CHRB is conducting further re-
search into the matter to determine if the
changes are warranted.
• Track Safety Standards. On Febru-
ary 24, CHRB held a public hearing on its
proposed amendments to sections 1472,
1473, and 1474, Title 4 of the CCR, its track
safety standards. [15:1 CRLR 159] The
amendments to section 1472 would add a
provision requiring written certification
that permanent track surface elevation grade
marks have been installed on the race-
track. Section 1473 would be amended to
include the designated horsemen's repre-
sentative stabled at the location, along with
the track maintenance supervisor, in the
process of determining the number of morn-
ing breaks needed for track renovation
for racing and training facilities with less than
300 racehorses and for facilities where
standardbred horses are stabled; the amend-
ments would also clarify the renovation
specifications for morning breaks and ren-
ovations between races. Finally, the changes
to section 1474 would delete the require-
ment for written certification that perma-
ent track surface elevation grade marks
have been installed on the racetrack, as
that provision would be included in sec-
tion 1472. Following the hearing, CHRB
adopted the changes, which were approved
by OAL on May 2.
• Prohibited Drug Substances. On
May 20, CHRB released modified lan-
guage of its proposed adoption of new
section 1843.3, Title 4 of the CCR, which
would specify the appropriate disciplinary
action for the finding of a prohibited drug
substance(s) in a test sample taken from a
horse participating in a race; new section
1843.2, Title 4 of the CCR, which would
categorize prohibited substances into
seven classifications ranging from drug
substances with high abuse potential to
therapeutic medications; and its proposed
amendments to section 1859.5, Title 4 of
the CCR, which would revise the defini-
tion of the term "prohibited drug sub-
tance" to coincide with the definition
contained in section 1843.1. The proposed
amendments to section 1859.5 would also
specify that disqualification shall occur
for prohibited drug substances found in a
test sample that have been determined to
be in Classes I–V, as established in pro-
posed section 1843.2, unless the split sam-
ple fails to confirm the presence of the
prohibited drug substance. [15:1 CRLR
159-60; 14:4 CRLR 188-89] The public
comment period on the modified language
closed on May 20; at this writing, staff is
compiling the rulemaking files on these
proposed regulatory changes for submis-
sion to OAL.
• Security Personnel at Simulcast Wa-
gering Facility. As originally proposed in
July 1994, CHRB's amendments to sec-
tion 2057, Title 4 of the CCR, would spec-
ify that it is the responsibility of a guest
association operating a simulcast wager-
ing facility to provide security personnel
for the entire facility. [15:1 CRLR 160; 14:4
CRLR 188-89] On February 17, however,
CHRB republished notice of its intent to
amend section 2057, to specify that it is a
guest association's responsibility to pro-
vide security personnel for the entire facil-
ity, and to clarify that it is not the respon-
sibility of CHRB's Executive Secretary to
specify the number of security personnel
needed by the facility. CHRB held a public
hearing on the proposed language on April
27 in Los Angeles; on April 28, CHRB
adopted the changes, which await review
and approval by OAL.
LEGISLATION
SCA 3 (Maddy), as amended May 3,
would create the California Gaming Con-
trol Commission, and authorize the Com-
mision to regulate and license legal gam-
ing in this state, subject to legislative con-
trol. The measure would also create a Di-
vision of Gaming Control within the Of-

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**REGULATORY AGENCY ACTION**

Under existing statutory law, CHRB is the state entity responsible for negotiating with Indian tribes for the purpose of entering into a tribal-state compact governing the conduct of horse racing activities on Indian lands of the tribe. No other person or entity is authorized to negotiate tribal-state compacts governing racing on Indian lands. This measure would authorize the Governor to negotiate and execute tribal-state compacts with Indian tribes that would permit and regulate slot machines located on Indian lands, as defined. [S. CA]

**AB 19** (Tucker), **AB 11** (Isenberg, Hoge), **SB 5** (Hayden), and **SB 10** (Kopp). The Gaming Registration Act, among other things, prohibits the ownership or operation of a gaming club, as defined, without first obtaining a valid registration from the Attorney General; existing law subjects any person operating a gaming club without a license to punishment in the state prison or in a county jail for not more than one year. These four bills would all repeal the Gaming Registration Act, recast these provisions, and enact the Gaming Control Act, which would create the California Gaming Control Commission and authorize the Commission to regulate legal gaming in this state. The bills would also create the Division of Gaming Control within the Department of Justice, and specify that the Division of Gaming Control is responsible for investigation and enforcement of controlled gaming activity in the state.

Under existing law, CHRB is the state entity responsible for negotiating with the Indian tribes for the purpose of entering into a tribal-state compact governing the conduct of horse racing activities on Indian lands of the tribe. AB 11 would repeal that provision, and would additionally designate the Governor as the state officer responsible for negotiating and executing, on behalf of the state, as specified, compacts with federally recognized Indian tribes in California pursuant to the federal Indian Gaming Regulatory Act, for conducting Class III gaming on Indian lands. [A. Appr, A. Floor, S. GO, S. Rls]

**AB 369** (Tucker). The Gaming Registration Act, among other things, prohibits the ownership or operation of a gaming club, as defined, without first obtaining a valid registration from the Attorney General. Existing law provides that an application for registration may be denied if the conduct of horse racing activities on Indian lands of the tribe, as defined, without first obtaining a valid registration from the Attorney General; existing law subjects any person operating a gaming club without a license to punishment in the state prison or in a county jail for not more than one year. These four bills would all repeal the Gaming Registration Act, recast these provisions, and enact the Gaming Control Act, which would create the California Gaming Control Commission and authorize the Commission to regulate legal gaming in this state. The bills would also create the Division of Gaming Control within the Department of Justice, and specify that the Division of Gaming Control is responsible for investigation and enforcement of controlled gaming activity in the state.

AB 91 (Tucker). Existing law declares the intent of the legislature that CHRB contract with the Regents of the University of California to provide equine drug testing. As amended May 11, this bill would declare the intent of the legislature that the Board may contract with the best qualified equine drug testing laboratory to provide all primary equine drug testing services at a compensation rate that the Board determines is fair and reasonable to the State of California and the Board. The bill would also state the intent of the legislature that complementary drug testing services be provided by the Equine Drug Testing Laboratory at the University of California at Davis. [A. Inactive File]

**SB 100** (Maddy). Existing law requires every horse racing association conducting a racing meeting, except as specified, to pay 1% of its exotic parimutuel pools, excluding wagering at a satellite wagering facility, to the state as an additional license fee. As amended March 28, this bill would instead require that 1% to be distributed 50% as commissions and 50% as purses to the horsemen participating in the racing meeting. [A. Appr]

**SB 106** (Ayala). Existing law permits a thoroughbred racing association to accept wagers on the results of out-of-state thoroughbred races under specified circumstances. As amended April 5, this bill would permit any thoroughbred association to execute an agreement with any other association that conducts thoroughbred races to distribute the signal and accept those wagers under certain conditions. [A. GO]

**AB 1014** (Lee). Existing law authorizes CHRB to allocate racing dates, including simultaneous racing between zones as it deems appropriate. As introduced February 23, this bill would provide that notwithstanding any other provision of law, the Board shall not allocate racing dates to a private thoroughbred association in the northern zone for the purpose of conducting racing during daytime hours if the Alameda County Fair is conducting racing on the same dates during daytime hours. [A. GO]

**AB 1552** (Kalogian). Existing law permits any licensed racing association operating a racetrack to construct another track of not less than a specified size par

AB 1879 (Machado). Existing law provides for the allocation of a maximum of fourteen racing days to the California Exposition and State Fair or a county or district agricultural association fair or citrus fair; those racing days are required to be days on which general fair activities are conducted. As amended May 1, this bill would require those days to be in the calendard period in which general fair activities are conducted. [S. GO]

**SB 518** (Dills). Under existing law, CHRB may authorize an association conducting a racing meeting in this state to accept wagers on the results of out-of-state feature races having a gross purse of at least $50,000 during the period the association is conducting the racing meeting on days when live races are being run. For that privilege, the association pays a state license fee at a pro rata rate applicable to the races of the association's racing program for the day on which the out-of-state feature is offered. As introduced February 21, this bill would permit the Board to authorize any thoroughbred racing association conducting a meeting in this state to accept wagers on the results of out-of-state races, regardless of whether the race is a feature race and regardless of the amount of the gross purse. This bill would also provide for a license fee of 8% of the total amount remaining from the takeout after the contractual payment to the out-of-state host racing association. [S. GO]

**SB 525** (Maddy). Existing law provides for the distribution of a specified amount of the redistributable money resulting from certain thoroughbred, harness, or quarter horse meetings, to a welfare fund established by the horsemen's organization contracting with the association with respect to the conduct of racing meetings for the benefit of horsemen. As introduced February 21, this bill would delete the requirement that the welfare fund be one established by the horsemen's organization contracting with the association with respect to the conduct of racing meetings, and would also provide that the welfare fund be for the benefit of backstretch personnel in addition to horsemen. [A. GO]
SB 270 (Maddy). Existing law provides, in various sections in the Horse Racing Law, for the distribution of 33/100 of 1% of the amount handled by a racing association or a satellite wagering facility to the city or county in which the racing meeting or satellite wagering facility is located, and also provides that the amount is in lieu of the imposition of any license or excise tax or fee on the racing association or any racing patron. As introduced February 8, this bill would consolidate these provisions. [S. GO]

SB 1220 (Maddy). Existing law provides for the deduction of certain amounts from wagers made at satellite wagering facilities, and for the distribution of those amounts. For fair meetings, 1.5% of the amount handled by the satellite wagering facility on conventional wagers, and 3% of the amount handled on exotic wagers is payable to the state as a license fee. Additionally, for quarter horse meetings, 1/2 of 1% of the total amount handled by the satellite wagering facility is required to be distributed in accordance with a written agreement between the racing association and the organization representing horsemen. As amended March 27, this bill would reduce the license fee for fair meetings on both of those types of wagers to 1% of the amount handled.

Existing law provides for the distribution of 33/100 of 1% of the amount handled by a satellite wagering facility to the city or county in which the satellite wagering facility is located, and also provides that the amount is in lieu of the imposition of any license or excise tax or fee on the racing association or any racing patron. This bill would provide that the foregoing distribution is also in lieu of the imposition of any possessori interest tax on the racing association, any racing patron, or service supplier, promoter, or vendor of the association.

Existing law requires all of the funds distributed for purses from satellite wagering facilities in the central and southern zone to go to the purse program of the association conducting the meeting. This bill would repeal that provision.

Under existing law, revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and various amounts thereof are continuously appropriated to the California Department of Food and Agriculture (CDFA) for various regulatory and general governmental purposes, including health and safety repair projects at fairs. Existing law requires these funds to be allocated in accordance with a three-year project schedule prepared by CDFA. Existing law also provides that if the revenues paid into the Fair and Exposition Fund exceed $13 million, 1/2 of the amount in excess is required to be transferred to the general fund. This bill would require 75% of the amount in excess of $13 million to be transferred to the general fund. The bill would provide that the amount allocated for health and safety repair projects shall not exceed $750,000 in any fiscal year, and would delete the requirement that these funds be allocated in accordance with a three-year project schedule prepared by CDFA. The bill would delete certain annual appropriations and would also annually appropriate certain sums for allocation by the CDFA Director to fairs.

Existing law also continuously appropriates up to 10% of the license fees from satellite wagering facilities in the northern zone to CDFA for the purpose of supplementing purses at fair meetings. This bill would also make an appropriation by appropriating 10% of the license fees from satellite wagering facilities throughout the state to CDFA for the purpose of supplementing purses in California-bred races at racing meetings generally, and would set forth the required distribution of these amounts.

Existing law provides for the payment of a daily license fee by the California Exposition and State Fair or a district or county fair at varying rates depending on the amount handled, but not to exceed 4.5% of its daily parimutuel handle. Existing law also provides for the payment of a daily license fee by a county fair in the northern zone that did not conduct horse racing prior to January 1, 1985, of 5.5% of its conventional parimutuel handle. Existing law now provides that if the revenues paid into the Fair and Exposition Fund exceed a multiple of $0.05. [A. Floor]

AB 455 (Hoge), as amended May 9, would define the term "parimutuel wagering," for the purposes of the Horse Racing Law, as a form of wagering on the outcome of horse races, including propositions approved by CHRB that involve any of the official statistics derived from the results of a live horse race. This bill would also provide, until January 1, 1997, for the distribution of takeout from a proposition parimutuel pool. [A. Floor]

AB 304 (Tucker). Existing law defines the term "breakage" as the odd cents by which the amount payable on each dollar wagered exceeds a multiple of $0.10. Under existing law, breakage is distributed as additional license fees, purses, commissions, and certain premiums and awards under the California Standardbred Sires Stakes Program. As introduced February 8, this bill would provide that at a quarter horse meeting, the term "breakage" is the odd cents by which the amount payable on each dollar wager exceeds a multiple of $0.05. [A. Floor]

AB 479 (Hoge). Existing law requires every association or fair that provides a live audiovisual signal of its program to a satellite wagering facility pursuant to a specified provision to cooperate with the operator of the satellite wagering facility with respect to arrangements with the ontrack totalizator company for access to its ontrack totalizator system for purposes of combining parimutuel pools. As introduced February 16, this bill would correct an obsolete cross-reference in that provision. [S. GO]

AB 325 (Tucker). Existing law requires signals of both racing programs to be accepted at each live racing meeting within the northern zone and at all satellite wagering facilities eligible to receive these programs when both a fair and a thoroughbred association are licensed by CHRB to conduct live racing meetings within the northern zone during the same calendar period. As amended April 5, this bill would require signals of all racing programs to be accepted at each live racing meeting, without regard to the zone in which the racing program is conducted, and at all satellite wagering facilities eligible to receive these programs when a fair or a specified quarter horse racing association and a thoroughbred association are licensed by the Board to conduct live racing meetings during the same calendar period and time. This bill would also provide for the amount of commissions payable to the quarter horse racing association from satellite wagering during the period described in the bill. [A. GO]

AB 370 (Tucker). Under existing law, CHRB may authorize an association li-
censed to conduct a racing meeting to operate a satellite wagering facility for wagering on races conducted at its racetrack inclosure, subject to specified conditions. Also, the Board may, with the approval of CDFA, permit a county fair, district agricultural association fair, or citrus fruit fair to operate a satellite wagering facility at its fairgrounds, subject to specified conditions. As amended May 11, this bill would permit CHRB, with CDFA's approval, to authorize any county fair or district agricultural association fair to operate a satellite wagering facility located off the fairgrounds but within the boundaries of that fair or district agricultural association, as specified, if the facility conforms with applicable zoning laws and a satellite wagering facility has not operated in that county in the preceding five years. [A. Appr]

AB 811 (Allen). Under existing law, CHRB may authorize an association licensed to conduct a racing meeting to operate a satellite wagering facility for wagering on races conducted at its racetrack inclosure, subject to specified conditions; and may, with CDFA's approval, permit a county fair, district agricultural association, or citrus fruit fair to operate a satellite wagering facility at its fairgrounds, subject to specified conditions. As introduced February 22, this bill would require the Board to ensure that the simulcasting of thoroughbred racing after 7:00 p.m. does not limit, interfere with, restrict, or injure the simulcasting of quarter horse racing. [A. GO]

AB 371 (Tucker), as amended May 1, would state that "satellite wagering" and operating a "satellite wagering facility" involve the transmission of an audiovisual signal from the host racetrack to an approved facility for the purpose of parimutuel wagering, regardless of whether the audiovisual signal is transmitted by satellite, cable, microwaves, fiber optics, or other technology approved by CHRB.

Existing law requires a sum equal to 10% of the first and second place money of every purse won by a California-bred or Arabian horse for first or second place at a horse racing meeting to be paid by the licensee conducting the meeting to the breeder of the horse. This bill would instead require those sums to be deposited with the official registering agency for Arabian horses and thereafter distributed as breeder premiums, owners' awards, and stallion awards in connection with Arabian horse races. The bill would require the provisions shall apply to any horse racing meeting conducted on or after January 1, 1995. [A. Floor]

AB 1618 (Tucker). Existing law prohibits a satellite wagering facility, except a facility that is located at a track where live racing is conducted, from being located within twenty miles of any existing satellite wagering facility or any track where a racing association conducts a live racing meeting. As introduced February 24, this bill, notwithstanding the foregoing, would permit CHRB to authorize the operation of satellite wagering at any location in the southern zone that operated as a satellite wagering facility in 1993, including a location within twenty miles of a racetrack or another satellite wagering facility. [A. Appr]

SB 954 (Maddy). Existing law permits any county fair or district agricultural association in San Joaquin, Humboldt, or Fresno County, with the approval of CDFA and the authorization of CHRB, to operate a single satellite wagering facility on leased premises within the boundaries of that fair or district agricultural association. As amended April 17, this bill would authorize any fair or district agricultural association, with CDFA's approval and CHRB's authorization, to conduct satellite wagering at any location within the boundaries of that fair or association, but not within twenty miles of a live racing meeting or an existing satellite wagering facility, except as specified. The bill would require the wagering to be included with the wagers of the satellite wagering facility, except as specified. The bill would also authorize a fair to contract for the operation and management of satellite wagering conducted pursuant to the above provisions with a specified entity. [A. GO]

AB 394 (Cortese). Existing law defines the term "inclosure" for the purposes of the California Horse Racing Law, as, among other things, with respect to a live racing meeting, all areas of the racing association's grounds, as designated by the racing association and approved by CHRB, excluding the public parking lot. As introduced February 14, this bill would delete the language that excludes the public parking lot from the foregoing definition of "inclosure." [S. GO]

LITIGATION

In Opdyk v. California Horse Racing Board, 34 Cal. App. 4th 1826 (Apr. 26, 1995), the Third District Court of Appeal upheld a CHRB decision excluding a gambler from all racetracks in California, although his misdemeanor bookmaking conviction was by plea of nolo contendere and was expunged after a period of probation. Opdyk contended that his conviction should not be used against him by the Board for three reasons: it was by plea of nolo contendere; it has been expunged; and he is now rehabilitated.

In response to Opdyk's first argument, the Third District noted that the legislature has provided broad authorization for boards to impose discipline based on a conviction by plea of nolo contendere; for example, Business and Professions Code section 7.5 provides in part that a conviction within the meaning of the Business and Professions Code includes a conviction following a plea of nolo contendere.

Regarding Opdyk's second argument, the court acknowledged that Penal Code section 1203.4 in general terms provides that upon completion of probation a person may have his/her conviction expunged; however, the court noted that ""[i]t has long been held that an expungement of a bookmaking conviction does not relieve a person from the status of 'known bookmaker.'" Further, the court explained that the expungement statute was never intended to obliterate the fact that a defendant had been finally adjudged guilty of a crime; it merely frees the convicted felon from certain penalties and disabilities of a criminal or like nature.

Finally, the court stated that to the extent Opdyk contends his expungement automatically makes him "rehabilitated" within the meaning of CHRB rules, he is mistaken; the court explained that "the Board has the discretion to make such a finding, but need not." Further, the Third District stated that to the extent Opdyk contends that CHRB abused its discretion by not finding him to be "rehabilitated," he is also mistaken; the court found that the record before CHRB showed Opdyk continued to enter racing inclosures and gamble (winning substantial sums) despite his ineligibility, and he admitted having others run bets for him on one occasion. The court concluded that this activity demonstrates that Opdyk has "flouted the Board's authority over horse racing and reflects an inability on his part to conform his gambling behavior to legal requirements, including the rules of the Board. Given this evidence, he did not carry his burden to prove he was 'rehabilitated' and therefore the Board did not abuse its discretion in declining so to find.'"