



meeting, BCE adopted a revised version of section 313.1 which—among other things—requires preceptor programs to maintain malpractice insurance which covers the preceptee for the duration of the approved preceptor program. Because the Board made significant changes to the original language of section 313.1, it is expected to renounce the proposed action in the near future.

• **Diversion Program Regulation.** At this writing, BCE's proposed adoption of section 315.1, Title 16 of the CCR, which would create a voluntary diversion program for substance-abusing chiropractors, awaits review and approval by OAL. [13:2&3 CRLR 199]

■ LEGISLATION

AB 179 (Snyder). Existing law provides that it is unlawful for any person licensed as a chiropractor to charge, bill, or otherwise solicit payment from any patient, client, or customer for any clinical laboratory test or service if the test or service was not actually rendered by that person or under his/her direct supervision, unless the patient, client, or customer is apprised at the first, or any subsequent, solicitation for payment of the name, address, and charges of the clinical laboratory performing the service. As amended June 18, this bill deletes the requirement that the patient, client, or customer be apprised for any subsequent solicitation for payment of the name, address, and charges. The bill would prohibit this provision from applying to a clinical laboratory of a health facility, as defined, or a health facility when billing for a clinical laboratory of the facility, or to any person licensed for one of those practices, if the standardized billing form used by the facility or person requires a summary entry for all clinical laboratory charges.

Existing law provides that it is unlawful for a chiropractor to charge additional charges for any clinical laboratory service that is not actually rendered by the licensee to the patient and itemized in the charge; existing law prohibits that provision from being construed to prohibit any itemized charge for any service actually rendered to the patient by the licensee. This bill also provides that the prohibition against additional charges is not to be construed to prohibit any summary charge for services actually rendered to a patient by a health facility, or by a person licensed for one of those practices if the standardized billing form used by the facility or person requires a summary entry for all clinical laboratory charges. This bill was signed by the Governor on August 25 (Chapter 304, Statutes of 1993).

AB 667 (Boland). The Pharmacy Law regulates the use, sale, and furnishing of dangerous drugs and devices. Existing law prohibits a person from furnishing any dangerous device, except upon the prescription of a physician, dentist, podiatrist, or veterinarian. However, this prohibition does not apply to the furnishing of any dangerous device by a manufacturer or wholesaler or pharmacy to each other or to a physician, dentist, podiatrist, or veterinarian, or physical therapist acting within the scope of his or her license under sales and purchase records that correctly give the date, the names and addresses of the supplier and the buyer, the device, and its quantity. As amended March 29, this bill would provide that the prohibition does not apply to the furnishing of any dangerous device by a manufacturer or wholesaler or pharmacy to a chiropractor acting within the scope of his/her license.

Existing law authorizes a medical device retailer to dispense, furnish, transfer, or sell a dangerous device only to another medical device retailer, a pharmacy, a licensed physician and surgeon, a licensed health care facility, a licensed physical therapist, or a patient or his or her personal representative. This bill would additionally authorize a medical device retailer to dispense, furnish, transfer, or sell a dangerous device to a licensed chiropractor. [A. Health]

AB 2294 (Margolin). The Chiropractic Act provides that a license to practice chiropractic does not authorize the practice of medicine, surgery, osteopathy, dentistry, or optometry, nor the use of any drug or medicine now or hereafter included in materia medica. As amended May 25, this bill would also provide that a license to practice chiropractic does not authorize the treatment of infectious disease, nor the substitution of chiropractic for immunization. This bill would provide for the submission of these amendments to the voters; they shall become effective only when approved by the electors. [A. Inactive File]

■ RECENT MEETINGS

At its July 29 meeting, staff noted that the Board may want to modify its existing regulations concerning chiropractic referral services; for example, staff suggested that the Board consider creating a funding mechanism to provide resources to monitor registered referral services on a continual basis. Also, section 317.1, Title 16 of the CCR, requires the answering service of a referral service to refer each caller to the next chiropractor on its list on a rotating basis, with specified exceptions; staff stated the Board should define the term

"rotating basis." BCE directed staff to develop draft regulatory language and present it for the Board's consideration at its October meeting.

■ FUTURE MEETINGS

January 6 in San Diego.

CALIFORNIA HORSE RACING BOARD

Interim Executive Secretary:
Roy Minami
(916) 263-6000

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 parimutuel 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 parimutuel 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 parimutuel horse racing or a management or concession contract with any business entity which conducts parimutuel 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.

■ MAJOR PROJECTS

CHRB's Search for New Executive Secretary Continues. At its May 28 meeting, CHRB appointed Roy Minami to



serve as the Board's Interim Executive Secretary; Minami had held the position of Acting Executive Secretary since the Board fired former Executive Secretary Dennis Hutcheson over his involvement in the dismissal of four cases of positive tests for the prohibited drug clenbuterol. [13:2&3 CRLR 200]

Meanwhile, CHRHB is continuing its search for a permanent Executive Secretary. At its March 26 meeting, the Board approved a proposed process for recruiting and selecting its new Executive Secretary, and formed a Selection Committee consisting of Commissioners Donald Valpreo and Stefan Manolakas. [13:2&3 CRLR 201] By August 6, the deadline for submitting applications, CHRHB had received 77 applications for the position; the Selection Committee then narrowed the field to six.

At its August 27 meeting, the Board discussed how it would go about selecting the final candidate. Commissioner Manolakas suggested that the Selection Committee interview the six finalists and recommend one person for the position, who would then be brought before the Board for an interview at a public meeting; the Board would be provided with background information on all six candidates but the Board as a whole would interview only the one candidate recommended by the Selection Committee. Commissioner Manolakas explained that some of the applicants have requested that their applications be kept confidential, as their current positions may be jeopardized if it becomes known publicly that they are seeking another employment position. Commissioner William Lansdale opined that at least two or three candidates should be brought before the Board, or else the Board would be effectively left out of the selection process. Commissioner Rosemary Ferraro agreed that the whole Board should interview the finalists, as that has been the past practice. Commissioner James Watson asked whether the interviews and the appointment discussions could be done in executive session; Deputy Attorney General Chris Foley explained that the selection of the Board's Executive Secretary may not be done in executive session pursuant to the Bagley-Keene Open Meeting Act, Government Code section 11121 *et seq.*; although the Act provides that a state body may hold a closed session to consider the appointment, employment, or dismissal of a public employee, the Act further provides that the term "employee" does not include any person who is elected or appointed to a public office by any state body, as is CHRHB's Executive Secretary.

At CHRHB's September 24 meeting, the Board directed the Selection Committee to reduce the number of candidates to three; at this writing, those three applicants are scheduled to be interviewed by the full Board at its October 18 meeting. CHRHB Chair Ralph Scurfeld noted that the Board will not entertain questions from the audience during the interview session.

Report on Keno Experiment. Last April, Chuck Beilin of the Santa Clara County Fair Association informed the Board that his organization was willing to engage in a thirty-day experiment in which the Fair's simulcast wagering facility would offer the California State Lottery's (CSL) Keno game to its patrons. CHRHB agreed to allow the test to proceed, after which the results of the experiment would be reviewed. [13:2&3 CRLR 201]

On May 19, the Santa Clara facility began providing Keno to its patrons during the nightly quarter horse and harness races. At CHRHB's June 25 meeting, Beilin requested that the Board allow the Santa Clara County Fair to continue the experiment through August 7, which was the end of the meet. At that time, CHRHB staff looked at the preliminary numbers generated during the first several days of the experiment and reported that there appeared to be no negative impact on the overall handle at the simulcast facility. The Board voted to extend the experiment until August 7.

At the Board's July 29 meeting, Beilin reported that the test indicated a positive impact on the night handle. CHRHB staff member John Reagan stated that—based on the methodology used in the experiment—no negative impact on the handle had been experienced. Beilin requested that the Board extend the experiment until December 12, the end of the current quarter horse meet at Los Alamitos. The Board denied the request by a vote of four to two.

Waiver of Fingerprint Requirement. Section 1483, Title 4 of the CCR, requires that every applicant for an original CHRHB license provide one or more complete sets of fingerprints on regulation forms. At its July 29 meeting, the Board agreed to waive section 1483's fingerprinting requirements for the horse owner's license of Sheikh Maktoum al Maktoum, Ruler of Dubai and Prime Minister of the United Arab Emirates; the Board agreed that because the Sheikh is a head of state, fingerprints are not necessary to establish his identity.

At its September 24 meeting, the Board agreed to waive the fingerprinting requirements of section 1483 for the Aga Kahn, who intends to run horses in the

Breeders' Cup on November 6; although the Aga Kahn is not a head of state, he is recognized as the spiritual leader of Ismaili Muslims worldwide. Commissioner Lansdale indicated that he was in favor of granting the Aga Kahn a permanent waiver rather than a temporary one that would cover only the running of the Breeders' Cup. Deputy Attorney General Cathy Christian indicated that it is within the Board's authority to grant a temporary waiver of the fingerprint requirement; however, if the Board wants to grant a permanent waiver, regulatory amendments would be necessary. She suggested that the Board address the issue more generally and possibly adopt a rule that would be applicable to this situation, including the establishment of criteria under which a permanent waiver may be granted. The Board approved the temporary waiver for the Aga Kahn and referred the issue of permanent waiver language to staff for consideration.

Agreements Between Horsemen's Organizations and Racing Associations. At its May 28 meeting, the Board discussed whether to invoke section 2044, Title 4 of the CCR, in order to bring about an agreement between the horsemen and the racing association at Hollywood Park. Section 2044 requires that each racing association file a copy of its agreement with the horsemen's organization(s) at the time the association files its application for a license to conduct a horse racing meeting; if the agreement is not filed with the application, the Board may conduct a hearing with regard to the conditions for the meeting and take such action as it may deem appropriate to ensure continuity of the racing program. Under common practice, however, the horsemen's agreements are not provided to the Board at the time of the application, and there is often a substantial gap before an agreement is reached. Hollywood Park's application was approved on December 18, 1992 and, by the time of CHRHB's May 28 meeting, no agreement had been approved. At the meeting, the Board contemplated invoking section 2044 and taking action to intervene in order to bring about an agreement for Hollywood Park; the Board is concerned that without an agreement as a guideline, situations arising during the course of the racing meeting can become difficult to resolve.

Commissioner Watson commented that it is frustrating for the Board to be brought into matters between private parties unable to resolve their differences; Commissioner Manolakas agreed that it should not be the responsibility of the Board to step in as a third party. Commis-



sioner Valpredo suggested that the Board consider implementing a penalty system whereby if the parties have not reached a final agreement by the date the meet commences, CHRB would impose a fine on the parties every day thereafter until an agreement is reached. The Board unanimously directed staff to prepare regulatory language that would allow the Board to impose fines in the event the horsemen and the associations fail to reach an agreement prior to the opening of a horse racing meeting.

Simulcast Wagering Regulations.

On May 21, CHRB republished notice of its intent to amend sections 2056 through 2061, Title 4 of the CCR, regarding simulcast wagering; a previous set of similar amendments was disapproved by the Office of Administrative Law (OAL) on February 8. [13:2&3 CRLR 202-03] As proposed in May, the amendments are designed to keep CHRB regulations current and consistent with legislative changes to satellite wagering and changes in simulcasting technology and equipment. Among other things, the amendments would arrange definitions into alphabetical order; add definitions normally used in the simulcast wagering industry but not currently defined in the regulations; further define existing terms; establish the means by which racing associations and fairs must satisfy the Board's requirements relevant to the simulcasting of their racing program; streamline the application and approval process for simulcast organizations; and eliminate specific equipment requirements to bring the regulations up-to-date with current industry standards.

The changes made to the amendments by CHRB staff as a result of OAL's disapproval include the deletion of language pertaining to viewing of the simulcast signal outside the enclosure; clarification that the Board may withdraw, suspend, or revoke an approval to operate as a simulcast organization; and deletion of the Board's licensing and examination procedures for simulcast facility supervisors and assistant simulcast facility supervisors, instead requiring the implementation of minimum security controls at simulcast locations. The Board held a public hearing on the proposed regulatory changes at its July 29 meeting; following the hearing the Board unanimously adopted the amendments. At this writing, the rulemaking file is awaiting review and approval by OAL.

California-Bred Breeder's Award.

On June 4, CHRB published notice of its intent to amend section 1814, Title 4 of the CCR, which sets out the terms, conditions, and procedures concerning the breeder

award incentive program for California-bred horses. The amendments would bring the section into compliance with AB 299 (Floyd) (Chapter 144, Statutes of 1992), which amended Business and Professions Code section 19567 and modified the incentive program for California-bred quarter horses, and AB 1091 (Costa) (Chapter 1019, Statutes of 1989), which added section 19617.2 and modified the provisions of the California-bred breeders award program for thoroughbred breeders. The proposed amendments would also clarify the California-bred breeders award program as it pertains to standardbreds. The Board held a public hearing on the proposed amendments on July 29; after the hearing, the Board unanimously adopted the proposed amendments. At this writing, the rulemaking file awaits review and approval by OAL.

Public Viewing of Inquiry Review

Videotapes. On June 4, CHRB published notice of its intent to adopt new section 1442.5, Title 4 of the CCR, which would require all racing associations and fairs to show the public the same videotaped replays being reviewed by the stewards as the stewards are conducting inquiries, with the exception of inquiry reviews involving spills or injuries. Under proposed section 1442.5, the replays would be shown over the closed-circuit monitors both onsite and at all simulcast facilities; all relevant camera shots and angles shall be shown at least once to the public; and all inquiry reviews seen by the public shall be identified as such by on-screen graphics and shown on a sufficient number of monitors to allow all patrons a reasonable opportunity to view them. On July 29, CHRB held a public hearing to discuss the proposed action; the Board noted that some industry representatives believe that the proposed rule would be overly burdensome, and that many tracks voluntarily enable the public to review the videotapes. Following discussion, the Board rejected the proposed section and instead instructed staff to issue a directive to all tracks asking them to show replays, thus making compliance by the tracks strictly voluntary.

Jockey Safety Vest Requirement. On July 2, CHRB published notice of its intent to adopt new section 1689.1 and amend section 1684, Title 4 of the CCR. Proposed section 1689.1 would prohibit a jockey or apprentice jockey from riding in a race unless the jockey or apprentice jockey wears a safety vest; require that the vest be designed to provide a minimum of shock-absorbing protection to the upper body of a five rating as defined by the British Equestrian Trade Association; re-

quire the vest to cover the entire torso from the collar bone to the hip bone; and provide that the vest shall weigh no more than two pounds. The weight of the safety vest would not be included in the weight of the jockey or apprentice jockey when weighing in, nor would it be included in the weight of a jockey or apprentice jockey when adding weight to make up a weight assignment. Section 1684 lists those pieces of the jockey's equipment that shall and shall not be included in the jockey's weight; CHRB's proposed amendment to section 1684 would include the safety vest as a piece of equipment that is not to be included in the jockey's weight.

On August 27, CHRB held a public hearing on the proposed amendments; after the hearing, the Board approved the adoption of section 1689.1 and the amendment to section 1684. At this writing, the rulemaking file is awaiting review and approval by OAL.

Qualification for License as a Farrier.

On July 2, CHRB republished notice of its intent to adopt section 1500.7, Title 4 of the CCR, to describe how a person obtains a farrier's occupational license from the Board. [13:2&3 CRLR 203] The new section would require an applicant for an original license as a farrier, a person who shoes horses, to score 70% or higher on both a written examination and a practical examination prescribed by the Board; a candidate who fails one or both of the examinations would be eligible to retake the failed portion at the next regularly scheduled Board examination. The Board held a public hearing on August 27 to receive comments on the proposed section. After discussion, the Board decided to refer the language back to staff for further consideration.

Payment of Fines. On July 30, the Board published notice of its intent to amend section 1532, Title 4 of the CCR, to change the methods by which fines imposed by stewards are paid by licensees and processed. Existing section 1532 provides no incentives for the prompt payment of fines, such as an additional fine for late payment. Further, due to the transient nature of horse racing's employment base and the fact that many licensees live out-of-state, it is often difficult to contact licensees regarding fines. According to the Board, the proposed amendments to section 1532 would provide incentives for the payment of fines imposed by the stewards. Specifically, the amendments would expand the period for the payment of fines imposed by stewards from 72 hours to seven calendar days following the official ruling. However, the section would provide that if a fine is not paid within seven



calendar days, the licensee shall be suspended. Additionally, the paymaster of purses would be required to submit a weekly report of fines, in addition to the end-of-meet report. The Board held a public hearing on the proposed amendments on September 24. Following the hearing, the Board adopted the proposed amendments, which await review and approval by OAL.

Permission to Carry Firearms. On July 30, CHRHB published notice of its intent to amend section 1875, Title 4 of the CCR, which pertains to the authorization procedures that must be complied with in order for a person to carry firearms at any facility within CHRHB's purview or control. The section currently provides that no licensee or employee of the racing association or its concessionaires shall possess a firearm within the racing enclosure unless he/she first obtains a firearms permit from the Board's Chief Investigator. The proposed amendment would instead provide that no such person shall possess a firearm while on the grounds of a facility within the purview or control of CHRHB unless such possession has been authorized by state or federal law, and unless the documentation of such authorization is on his/her person. On September 24, CHRHB held a public hearing on the proposed amendment and approved it. At this writing, the rulemaking file awaits review and approval by OAL.

Refusal Without Prejudice. On August 6, CHRHB published notice of its intent to amend section 1493, Title 4 of the CCR, which provides that a refusal to issue a license (as opposed to a denial of a license) is without prejudice, and an applicant who is refused may reapply for a license at any subsequent or other race meeting. CHRHB's proposed amendments would preclude applicants who have failed a Board certification test from reapplying for a license at any subsequent or other race meeting. Following a September 24 public hearing on the proposed amendment, the Board approved it. At this writing, the rulemaking file awaits review and approval by OAL.

Occupational Licensing. On August 6, CHRHB published notice of its intent to amend section 1481, Title 4 of the CCR, to add new classes of occupational licenses. The proposed amendment would add the following occupational license classifications: any individual who owns 5% or more of the outstanding shares of a racing association, simulcast service supplier, or totalizer company; general manager and assistant general manager of a racing or guest association; administrative or managerial personnel who exercise control over other licen-

sees, horse racing, parimutuel wagering, or simulcast operations or whose duties routinely require access to restricted areas of the racing enclosure; vendor employees when duties require access to the restricted area; and clerical or uncategorized employees of a racing or guest association, simulcast organization, simulcast service supplier, or totalizer company. On September 24, CHRHB held a public hearing regarding the proposed amendments; following the hearing, the Board made minor changes to the proposed language and adopted the proposal. At this writing, CHRHB is preparing the rulemaking file for submission to OAL.

Record of Steward Hearings. On August 6, CHRHB published notice of its intent to amend section 1537, Title 4 of the CCR, which would specify that a record be made of every hearing before stewards. Section 1537 currently requires the racing association to provide a competent reporter to make a transcript at any hearing before stewards, other than those relating to minor riding infractions or license application recommendations. The proposed amendment would require that, at the stewards' discretion, the racing association shall provide either electronic equipment suitable for recording the proceeding or a certified court reporter. The cost of the reporter and other recording equipment would be assumed by the racing association. The taped recordings would be stored and maintained by CHRHB for a minimum of sixty days. Additionally, section 1537 would require the racing association to furnish to CHRHB's Executive Secretary or his/her designee an original and two copies of a verbatim transcript upon request by the Executive Secretary. Following a September 24 public hearing on the proposed amendments, the Board adopted them. At this writing, CHRHB is preparing the rulemaking file for submission to OAL.

Obedience to Security Officers and Public Safety Officers. On September 10, CHRHB published notice of its intent to amend section 1930, Title 4 of the CCR, which restricts stewards, CHRHB, associations, and public safety officers of any police, fire, or law enforcement agency from issuing a lawful order other than those relating to hazardous situations. As amended, section 1930 would require licensees to obey any order of a steward, the Board, any security officer of the association, or any public safety officer of any police, fire, or law enforcement agency, regardless of the circumstances. At this writing, the Board is scheduled to conduct a public hearing on this amendment on October 29.

Approval and Licensing of Concessionaires. On September 10, CHRHB published notice of its intent to amend section 1440, Title 4 of the CCR, which would require that any person or entity who contracts to act as a concessionaire at a race-track shall submit to the Board specified forms and applications. At this writing, the Board is scheduled to hold a public hearing on the amendments at its October 29 meeting.

License Application Regulations. On September 10, CHRHB re-published notice of its intent to amend section 1433, Title 4 of the CCR, which pertains to the license application process and requirements for racing associations and fairs proposing to conduct a live horse racing meeting with parimutuel wagering. [13:2&3 CRLR 203] CHRHB's proposed amendments to section 1433 would require associations or fairs filing specified applications to provide the following additional information: a listing of the proposed post times for races; the type of electronic timing devices to be used by the association or fair; and a written statement indicating the plans to simulcast other breed(s) of racing which includes a list of those races in the proposed simulcast program. At this writing, CHRHB is scheduled to hold a public hearing on the proposed amendments on October 29.

Registration of Colors. On September 10, CHRHB published notice of its intent to amend section 1780, Title 4 of the CCR, to delete the requirement that owners register racing colors with the Board at the time that the owner files an application for a horse owner's license. Instead, section 1780 would require that owners register racing colors with the clerk of the course at the time they register a horse within the enclosure, which is the current practice. At this writing, CHRHB is scheduled to hold a public hearing on the amendments on October 29.

Trainer's Duty to Ensure Licensed Participation. On September 10, CHRHB published notice of its intent to amend section 1895, Title 4 of the CCR, which currently specifies that trainers may not employ unlicensed persons and must notify CHRHB if there are personnel changes. Because this regulation has traditionally proven difficult to enforce, the Board proposes to delete the requirement that trainers notify the Board if they have personnel changes. CHRHB was scheduled to hold a public hearing on the proposed amendment at its October 29 meeting.

Licensing Contractors and Subcontractors. On September 10, CHRHB published notice of its intent to adopt new section 1440.5, Title 4 of the CCR, which



would require that any entity acting as a totalizer company, simulcast service supplier, video production company, timing company, or photo finish company procure a license from CHRB; the licensing process would require ownership disclosure and background investigations to determine a contractor's qualifications, fitness, and reputation. At this writing, CHRB is scheduled to hold a public hearing on the adoption of section 1440.5 at its October 29 meeting.

License Subject to Conditions and Agreements. On September 10, CHRB published notice of its intent to amend section 1485, Title 4 of the CCR, which currently provides that the Board may place restrictions, limitations, and/or conditions on licenses issued by CHRB; however, the section does not require compliance with those restrictions, limitations, or conditions. The proposed amendments would add the requirement that all licensees strictly comply with any condition imposed by the Board; and delete language which allows licensees to, upon CHRB's endorsement, request classification changes in their licenses without having to make a new application. At this writing, CHRB is scheduled to hold a public hearing on the proposed amendments on October 29.

Written Complaints. On September 10, CHRB published notice of its intent to amend section 1765, Title 4 of the CCR, which authorizes stewards to conduct an investigation into written complaints filed with them. The proposed amendment to section 1765 would clarify that written complaints received by the stewards are to be referred to the Board's investigative unit for evaluation and further action, thus relieving the stewards of the duty to investigate complaints. At this writing, CHRB is scheduled to hold a public hearing on the amendment on October 29.

Stewards to Make Inquiry. On September 10, CHRB published notice of its intent to amend section 1750, Title 4 of the CCR, which currently authorizes stewards to make an inquiry into objections, protests, and appeals relevant to the running of a race. The current language uses the term "complaint," which is usually a written complaint alleging licensee misconduct. With the proposed amendment to section 1765 (see above), the Board's investigative staff will now be exclusively responsible for investigating such complaints. Therefore, the amendments to section 1750 would delete the words "investigation" and "complaint," and clarify the intent of the section which specifically addresses the running of the race. At this writing, the Board is scheduled to hold a

public hearing on the amendment at its October 29 meeting.

Rulemaking Update. The following is a status update on other CHRB rulemaking proposals described in detail in previous issues of *Reporter*:

• **Use of Whips in Thoroughbred Racing.** On June 4, OAL approved CHRB's amendment to section 1688, Title 4 of the CCR, regarding the acceptable use of a whip in thoroughbred horse racing. [13:2&3 CRLR 203]

• **Conflict of Interest Code.** On June 23, OAL approved CHRB's amendments to section 2000, Title 4 of the CCR, which update its conflict of interest code with title changes for certain designated positions, add new designated positions, and remove officials who are not required by the Fair Political Practices Commission to complete economic interest statements. [13:2&3 CRLR 203]

• **Registration of California-Bred Horses.** On May 28, CHRB held a public hearing on its proposal to amend section 1811, Title 4 of the CCR, which changes the registering agency of California-bred quarter horses from the Pacific Coast Quarter Horse Association to the Pacific Coast Quarter Horse Racing Association. [13:2&3 CRLR 202] Following the hearing, CHRB adopted the amendment, which was approved by OAL on August 2.

• **Confidentiality of Application Information.** On May 28, CHRB conducted a public hearing on proposed amendments to section 1497, Title 4 of the CCR, which provide that information given in an application for a license filed with the Board, and all subsidiary information required by the Board in conjunction with the application, may be subject to the Public Records Act. However, certain personal information considered by the Board to be confidential is exempt from disclosure. [13:2&3 CRLR 202] Following the hearing, the Board unanimously adopted the proposed amendments, which were approved by OAL on August 5.

• **Occupational Licenses and Fees.** At its May 28 meeting, CHRB held a public hearing on its proposed amendments to section 1481, Title 4 of the CCR, which, among other things, add the occupational license classifications of associate steward and paymaster of purses to the list of those that are required to procure an appropriate license in order to participate in a racing meet. [13:2&3 CRLR 202] Following the hearing, the Board unanimously adopted the amendments, which were approved by OAL on August 5.

• **Determination of Rehabilitation.** On August 10, OAL approved CHRB's

amendments to section 1986, Title 4 of the CCR, which provide that CHRB may determine that the presence within the racing enclosure of a person who has been prohibited from participating in parimutuel wagering and from being present within any racing enclosure is not against the best interests of horse racing. [13:2&3 CRLR 202]

• **Stable Name Registration.** On August 10, OAL approved CHRB's amendments to section 1786, Title 4 of the CCR, which provide that a stable name registration that has expired and that has remained unregistered for at least three consecutive years is considered abandoned, and that a stable name registration which has expired but has not yet been considered abandoned may be transferred to a new owner by the previous owner if the previous owner submits a written statement indicating the transfer to the stewards and CHRB. [13:2&3 CRLR 202]

• **Inspection in the Restricted Area of the Enclosure.** On August 11, OAL disapproved CHRB's proposed adoption of section 1929.5, Title 4 of the CCR, which would have required any person within the racing enclosure to surrender for testing or examination any device or substance that has been or could be used to administer a substance to a horse, upon demand of specified horse racing officials. [13:2&3 CRLR 201] OAL disapproved the action on grounds that section 1929.5 does not comply with the clarity and consistency standards in Government Code section 11349.1. CHRB has 120 days to cure these defects and resubmit the proposed section to OAL.

• **Sterile Equipment Required.** On May 28, CHRB held a public hearing on its proposed amendment to section 1856, Title 4 of the CCR, which stipulates that veterinarians must use new, single-use disposable hypodermic needles when administering medication to a horse. [13:2&3 CRLR 202] Following the hearing, CHRB adopted the change, which was approved by OAL on August 16.

• **Track Safety Standards.** At its August 27 meeting, CHRB reviewed the Medication Committee's recommendations concerning the Board's proposed adoption of sections 1471, 1472, 1473, and 1474, Title 4 of the CCR, which would implement SB 944 (Maddy) (Chapter 424, Statutes of 1991) by establishing CHRB's track safety standards. [13:2&3 CRLR 203] Following discussion, the Board agreed to re-notice the proposed regulations, as revised by the Committee. At this writing, the Board is expected to publish a new notice in the *California Regulatory Notice Register* in early October.



• **Application for License.** On May 28, CHRB conducted a public hearing on its proposed amendments to section 1483, Title 4 of the CCR, which would clarify and identify the forms an applicant for a license must submit to CHRB, and list the forms upon which an applicant for an occupational license must submit fingerprints to CHRB. [13:2&3 CRLR 202] At the May 28 meeting, CHRB held over discussion and adoption of the proposed amendments in order to conform the changes to the amendments being made to section 1481, Title 4 of the CCR (see above).

• **Criteria for Filing Financial Complaints.** During its July 29 meeting, CHRB held a public hearing concerning its proposed amendments to section 1876, Title 4 of the CCR, which would set new parameters for filing financial complaints. [13:2&3 CRLR 202] Under the amendments, the Board would consider only those financial complaints involving services, supplies, or fees which are directly related to the licensee's California race-track operations; the debt or cause of action must have originated in California within one year of the date of complaint; if a civil court judgment accompanies the complaint, it must have been issued within one year of the date of the complaint; and financial complaints that are made by the complainant against the same accused within a 24-month period will not be considered. After the hearing, CHRB unanimously adopted the amendments; the rulemaking file was submitted to OAL for review and approval on August 20.

LEGISLATION

AB 995 (Tucker). The Gaming Registration Act requires a person to obtain a valid registration from the Attorney General before operating a gaming club. As amended June 3, this bill would have provided that a racing association that has been licensed by CHRB and has a class of securities registered under the Securities Exchange Act of 1934, may operate a gaming club provided specified requirements are met. This bill was vetoed by the Governor on October 10.

AB 2137 (Hoge). Existing law prohibits a gaming club from being located within the territorial limits of any county, city, or city and county which had not permitted gaming clubs prior to January 1, 1984, unless a majority of electors voting thereon approve a ballot measure permitting legal gambling. As amended July 8, this bill would have required the implementing ordinance to be placed in full on the sample ballot, specified its contents, and required future amendments to the ordinance to also appear on the

sample ballot and be submitted to the voters. This bill was vetoed by the Governor on October 10.

SB 342 (Maddy). Existing law, until January 1, 1994, permits any county fair, district agricultural association fair, or citrus fruit fair in the counties of Kern or Santa Barbara to operate a satellite wagering facility at its fairgrounds, under certain conditions, even though the fair is not licensed to conduct a racing meeting. Until January 1, 1994, existing law also permits a satellite wagering facility in the counties of Kern, Fresno, Tulare, Santa Barbara, or Ventura to receive the audiovisual signal from the northern, central, or southern zone, or from more than one of these zones at the same time. As amended August 24, this bill continues that existing law beyond January 1, 1994, by deleting that repeal date. This bill was signed by the Governor on October 10 (Chapter 1110, Statutes of 1993).

SB 1237 (Maddy). Under existing law, CHRB may appoint a Secretary to be the Board's Executive Officer. As amended September 3, this bill would provide for the appointment of a Director to be the Board's Executive Officer.

Under existing law, no license to conduct a horse racing meeting upon a track may be issued unless the track has been inspected and approved by the Board. This bill instead provides that no license to conduct a horse racing meeting upon a track may be issued unless the track has been inspected by the Board within 30 days prior to the date of application for a license. This provision becomes operative on January 1, 1995.

Under existing law, CHRB may authorize an association or fair licensed to conduct a racing meeting to operate a satellite wagering facility for wagering on races conducted at its racetrack enclosure, subject to specified conditions, including the execution of an agreement approved by the Board. This bill requires the agreement to include any agreement respecting the payment of fees and charges by one party to the other in substitution of, or in

addition or supplemental to, amounts distributed from the parimutuel pool pursuant to existing law.

Existing law provides that an association may, but is not required to, accept the audiovisual signal of night harness, quarter horse, Appaloosa, or Arabian races. This bill provides that acceptance of the audiovisual signal may be on the terms and conditions that the parties may mutually agree upon.

Existing law provides that if an association produces a signal of its program, the signal is required to be made available to

certain satellite wagering facilities. This bill permits, rather than requires, the association to make the signal available.

Existing law permits a mule racing meeting, with wagering on the results, to be conducted by the 18th District Agricultural Association, which meeting may not exceed ten races per day for not more than four days. This bill permits mule races to be conducted by any county fair, district agricultural association fair, or citrus fruit fair, which meeting may not exceed ten races per day for more than eleven days. This bill was signed by the Governor on October 10 (Chapter 1120, Statutes of 1993).

AB 1559 (Tucker). Existing law permits any racing association in this state to authorize betting systems located outside of this state to accept wagers on a race or races conducted by that association and to transmit live audiovisual signals of the race or races and their results to those betting systems. As amended July 16, this bill permits any racing association in this state, with CHRB's approval, to accept out-of-state wagers on a race or races conducted by that association and to transmit live audiovisual signals of the race or races to locations out of state. The bill requires that amounts deducted from wagers be distributed the same as amounts are distributed at live races. This bill was signed by the Governor on October 10 (Chapter 1103, Statutes of 1993).

AB 1562 (Tucker). Existing law requires each licensed racing association that conducts fourteen or less weeks of racing to designate three racing days, and each licensed racing association that conducts more than fourteen weeks of racing to designate five racing days during any one meeting, to be conducted as charity days. Existing law excepts from this requirement the California Exposition and State Fair or a county or district agricultural association fair. As introduced March 4, this bill additionally excepts from this requirement a licensed racing association that conducts three weeks of racing or less. This bill was signed by the Governor on July 26 (Chapter 185, Statutes of 1993).

AB 864 (Quackenbush). Existing law permits CHRB to authorize any licensed association or satellite wagering facility to accept wagers on races conducted in this state comprising the program of racing generally known as the Breeders' Cup and feature races conducted in this state having a gross purse of \$50,000 or more. As amended September 10, this bill deletes the authorization to accept wagers on races conducted in this state comprising the program of racing generally known as the Breeders' Cup. The bill permits fairs



and licensed associations to accept wagers on any featured race in this state having a gross purse of \$20,000 or more if wagering is offered under the conditions specified in the bill. This bill was signed by the Governor on September 28 (Chapter 577, Statutes of 1993).

AB 731 (Cortese). Under the existing Horse Racing Law, the term "enclosure" means all areas of a racing association's grounds to which admission may be obtained only by payment of an admission fee or upon presentation of authorized credentials. Existing law defines the term "enclosure-public" as the areas to which the public is admitted upon payment of admission fees but excluding restricted areas such as the jockey room, the racing strip, the receiving barn, and the stable area. As amended June 10, this bill revises the definition of the terms "enclosure" and "enclosure-public" and defines the term "enclosure-restricted." This bill was signed by the Governor on August 25 (Chapter 308, Statutes of 1993).

AB 364 (Tucker). Existing law permits CHRB to authorize, by regulation, the entry of thoroughbred and Appaloosa horses in quarter horse races at quarter horse meetings. As amended June 17, this bill removes the requirement that the Board act pursuant to regulation, specifies the conditions under which thoroughbred or Appaloosa horses may be entered in quarter horse races, and also permits an association planning to conduct quarter horse racing to conduct thoroughbred racing as part of its racing program under certain conditions.

Existing law permits the Board to 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 \$100,000 during the period the association is conducting the racing meeting on days when live races are being run if, among other things, the wagering is offered only within 36 hours of the running of the out-of-state feature race. This bill instead permits those wagers to be accepted within seven days of the running of the out-of-state feature race.

Existing law permits CHRB to authorize any licensed association or satellite wagering facility to accept wagers on races conducted in this state comprising the program of racing generally known as the Breeders' Cup and feature races conducted in this state having a gross purse of \$50,000 or more if, among other things, wagering is offered only within 36 hours of the commencement of the racing program with the Breeders' Cup program or with the feature race. This bill permits

those wagers to be accepted within seven days of the commencement of the racing program with the Breeders' Cup program or with the feature race.

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 enclosure, subject to specified conditions. Also, the Board may, with the approval of the Department of Food and Agriculture, permit a county fair, district agricultural association, or citrus fruit fair to operate a satellite wagering facility at its fairgrounds, subject to specified conditions. This bill permits the CHRB Chair to temporarily authorize the conduct of satellite wagering from any zone in the state or from any location outside this state if the live racing or audiovisual signals of any licensed association or fair are disrupted or interrupted so as to cause the cessation of the live racing or audiovisual signals, and the cause is a natural disaster outside the control of the association or fair conducting the racing or satellite wagering.

Existing law provides that from the amount deducted for quarter horse purses, a sum equal to 25% is required to be paid as owners' premiums for California-bred quarter horses winning or placing at the meeting. This bill requires those amounts to be distributed as breeder premiums and owners' and stallion awards.

Existing law provides that an amount equal to 10% of specified deposits shall be deducted to compensate the Pacific Coast Quarter Horse Racing Association for its administrative costs. This bill instead specifies that an amount up to, but not to exceed, 10% of those deposits shall be deducted for that purpose.

Under existing law, in determining the purse earned in any qualifying race that is a stakes race, the amount earned is required to be based solely on the added money, with no consideration given to other sources of the purse, such as nomination, entry, or starting fees, bonuses, and sponsor contributions, or any combination thereof. This bill permits other sources of the purse to be considered in determining the purse earned in any qualifying race that is a stakes race. This bill was signed by the Governor on July 8 (Chapter 97, Statutes of 1993).

SB 518 (Maddy). Existing law provides for the California Poultry and Livestock Disease Diagnostic Laboratory System within the School of Veterinary Medicine at the University of California at Davis. This bill changes the name of the system to the California Veterinary Diagnostic Laboratory System.

The Horse Racing Law requires one sample of blood, urine, saliva, or other test samples required by CHRB to be taken from horses entered in any race to be sent to the official racing laboratory approved and designated by the Board, and the remaining sample to be sent to an independent laboratory participating in the Association of Racing Commissioners International Quality Assurance Program. As amended September 10, this bill authorizes the construction of an Equine Drug Testing Laboratory at UC Davis as part of the California Veterinary Diagnostic Laboratory System, states the legislature's intent that CHRB contract with the Regents of the University of California to provide equine drug testing, and requires that one-third of the test samples taken, as required by the Board, be sent to the California Veterinary Diagnostic Laboratory System for testing.

The Horse Racing Law requires one-tenth of 1% of the amount handled by satellite wagering facilities to be distributed to the Equine Research Laboratory at the UC Davis School of Veterinary Medicine. This bill requires that 33% of the one-tenth of 1% be distributed to the Equine Research Laboratory and 67% of the one-tenth of 1% be distributed to the California Veterinary Diagnostic Laboratory System. The bill also requires every association that conducts a racing meeting to deduct one-tenth of 1% of the total amount handled; 33% of that amount must be distributed to the Equine Research Laboratory, and 67% of that amount must be distributed to the California Veterinary Diagnostic Laboratory System.

Under existing law, after the deduction from take-out of certain specified amounts as license fees, commissions, and other fees, 50% of the funds remaining from satellite wagering are distributed as commissions to the association conducting the racing meeting, and 50% as purses to the horsemen participating in the meeting. This bill requires 50% of the additional amount deducted from the satellite wagering handle to be paid to CHRB for deposit in the General Fund and 50% to be distributed as purses to the horsemen participating at the racing meeting conducted by the association.

Existing law provides, with respect to harness, quarter horse, and mixed breed meetings, that 1% of the total amount handled by each satellite wagering facility shall be distributed to a specifically described organization for promotion of the program at satellite wagering facilities. This bill instead provides, with respect to quarter horse racing meetings, that one-half of 1% of the total amount handled by



each satellite wagering facility shall be distributed for the promotion of the program at satellite wagering facilities and one-half of 1% be distributed according to a written agreement between the licensed racing association and the organization representing the horsemen participating in the meeting.

Existing law also provides for the retention of a certain percentage of the handle by the satellite wagering facility as a commission. This bill states that the commission is for the right to do business, and not for the use of real property. This bill was signed by the Governor on October 10 (Chapter 1085, Statutes of 1993).

SB 1045 (Maddy). Existing law requires a racing association that authorizes a betting system located outside this state to accept wagers on a race to pay a license fee equal to 10% of the total amount received by the association from the out-of-state betting system, unless the out-of-state betting system is a parimutuel betting system in which case the association is required to pay a license fee equal to 10% of the total amount received by the association or one-half of 1% of the handle, whichever is greater. However, a thoroughbred association that hosts the series of races known as the "Breeders' Cup" is not required to pay the state license fee. As amended July 7, this bill reduces the state license fee to 8% of the total amount received by the association from the out-of-state betting system, without regard to whether the out-of-state betting system is a parimutuel betting system. The bill also requires, with respect to thoroughbred racing only, that 3% of the amount remaining after payment of the state license fee be deposited with the official registering agency for distribution to the horsemen. This bill was signed by the Governor on October 10 (Chapter 1118, Statutes of 1993).

SB 1138 (Kelley). Existing law provides for the distribution of a certain percentage of the parimutuel pool for on-track and off-track wagering resulting from thoroughbred racing as breeder awards, owner premiums, and stallion awards. Existing law defines the term "qualifying race" for the purpose of determining the amounts of owner premiums to include all nonclaiming races in this state, and certain claiming races, as defined, conducted in this state, and, for the purpose of determining stallion awards, to include those races and all graded stakes races conducted within the United States. As amended August 19, this bill redefines the term "qualifying race," for the purpose of determining owner premiums and stallion awards, to limit the nonclaiming races

and certain claiming races to those conducted in this state during racing meetings where more than one-half of the races on every racing program are for thoroughbreds.

Existing law provides that after certain deductions, the official registering agency shall for computational purposes distribute annually the balance of the deposits made for breeder awards, owner premiums, and stallion awards in the following manner: 55% for breeder awards; 20% for owner premiums; 20% for stallion awards; and 5% to the California-bred race fund. This bill provides for 15% for owner premiums instead of 20%, and 10% for the California Cup Day and other California-bred races instead of 5%.

Under existing law, the legislature declares that the California Cup Day is an event that should be undertaken as a pilot project to promote the thoroughbred industry in this state. This bill deletes the language proposing that the California Cup Day be undertaken as a pilot project. This bill was signed by the Governor on September 30 (Chapter 651, Statutes of 1993).

SB 584 (Maddy). Existing law provides, with respect to harness, quarter horse, and mixed breed meetings, that 1% of the total amount handled by each satellite wagering facility shall be distributed to a specifically described organization for promotion of the program at satellite wagering facilities. As amended July 13, this bill instead provides, with respect to quarter horse racing meetings, that one-half of 1% of the total amount handled by each satellite wagering facility shall be distributed for the promotion of the program at satellite wagering facilities and one-half of 1% be distributed according to a written agreement between the licensed racing association and the organization representing the horsemen participating in the meeting.

Existing law also provides for the retention of a certain percentage of the handle by the satellite wagering facility as a commission. This bill states that the commission is for the right to do business, and not for the use of real property. This bill was signed by the Governor on October 10 (Chapter 1084, Statutes of 1993).

SB 118 (Maddy). Under existing law, for racing meetings other than thoroughbred meetings, if no contract has been signed between the association conducting the racing meeting and the organization representing the horsemen by the time the racing meeting commences, CHRB is required, within 15 days after the commencement of the racing meeting, to determine the amounts payable to the

horsemen's organization for administrative expenses and services, and to provide for the direct payment of those amounts. As amended August 15, this bill instead requires CHRB to make that determination within 20 days after the commencement of the racing meeting. This provision will be repealed January 1, 1995.

Existing law requires any horsemen's association to be incorporated under the laws of the state of California in order to receive a distribution pursuant to the Horse Racing Law. This bill requires each horsemen's association to provide for the representation of both owners and trainers on its board of directors. The bill also requires CHRB to approve the organization's bylaws.

Under existing law, the horsemen at a racing association or fair must consent to the transmission of the audiovisual signal to a satellite wagering facility, and to the acceptance of wagers in that race at the facility. Existing law also provides that if consent is withheld, that action may be appealed to the Board. This bill requires CHRB to hold a hearing if that action is appealed to the Board. This bill was signed by the Governor on September 28 (Chapter 575, Statutes of 1993).

SB 770 (Maddy). Existing law requires every thoroughbred association conducting a racing meeting to pay daily license fees based on its daily conventional and exotic parimutuel handle. The meetings with a total parimutuel handle of \$250 million or more are required to pay higher fees than those with less than that amount. As amended June 23, this bill limits the higher fees for meetings with a total parimutuel handle of \$250 million or more to the amount of handle in excess of \$250 million. This bill was signed by the Governor on October 10 (Chapter 1115, Statutes of 1993).

AB 747 (Speier). Existing law prohibits the administration of a substance to a horse after it has been entered in a race, unless CHRB has, by regulation, specifically authorized the use of the substance. Existing law requires any blood, urine, saliva, or any other test sample required by the Board to be taken from a horse that is entered in a race to be taken in duplicate; one of the samples is required to be sent to the official racing laboratory, and one to an independent laboratory participating in the National Association of State Racing Commissioners Laboratory Quality Assurance Program. As amended July 12, this bill requires any blood or urine sample to be taken to be divided to provide for a split sample. The bill requires CHRB to adopt regulations to ensure the security of obtaining and testing all samples. If the



official sample tests positive for a prohibited substance, this bill requires the CHR B Secretary to confidentially inform the trainer and the owner of the results. The bill permits the trainer and the owner to request that the split sample be tested. If the split sample tests positive for a prohibited substance, the bill requires the Secretary to report that finding to the Board. This bill was signed by the Governor on October 10 (Chapter 1086, Statutes of 1993).

AB 363 (Tucker). Existing law prohibits a person licensed to conduct a racing meeting from paying or distributing to, or on behalf of, any horse owner, any agent, or person or organization representing any horse owner or owners, purses, or any other type of consideration to, or for, the benefit of horsemen, other than that expressly provided in the Horse Racing Law. As amended March 29, this bill permits a licensed racing association and the horsemen's organization that represents horsemen participating in a racing meeting to enter into an agreement for the supplementing of purses due to the activities of a gaming club conducted during a racing meeting on the association's property. This bill was signed by the Governor on October 2 (Chapter 717, Statutes of 1993).

AB 142 (Tucker). Existing law provides for the determination and recognition of organizations of horsemen to receive distributions of purses for the benefit of horsemen. As amended March 22, this bill would require the organization representing thoroughbred horsemen to be an organization whose members are owners of a race horse that has started in a California licensed race in the preceding calendar year and who, in the current calendar year, own a horse eligible to enter a California licensed race. The bill would require that each member of the organization hold a valid horse owner license issued by CHR B and not be licensed by the Board in any other capacity or classification. [A. GO]

AB 702 (Tucker). Existing law permits CHR B, by regulation, to authorize the entering of thoroughbred and Appaloosa horses in quarter horse races at a distance not exceeding five furlongs at quarter horse meetings, mixed breed meetings, and fair meetings. Existing law requires that minor breeds of horses make up more than half of the number of horses in the race. As introduced February 23, this bill would delete the requirement that CHR B provide for this type of race by regulation, and delete the requirement that minor breeds of horses make up more than half of the number of horses in the race. [A. GO]

AB 1556 (Tucker). Existing law permits CHR B to adopt rules governing, permitting, and regulating mutual wagering on horse races under the system known as the parimutuel method of wagering. That wagering may be conducted only by a person licensed under the Horse Racing Law to conduct a horse racing meeting, and only within the enclosure and on the dates for which horse racing has been authorized by the Board. As introduced March 4, this bill would delete the restriction permitting wagering only on the dates for which horse racing has been authorized by the Board. [A. GO]

SB 638 (Maddy). Under existing law, no license to conduct a horse racing meeting upon a track may be issued unless the track has been inspected and approved by CHR B. As amended September 8, this bill would instead provide that no license to conduct a horse racing meeting upon a track may be issued unless the track has been inspected by the Board within 30 days prior to the date of application for a license. This provision would become operative on January 1, 1995. [S. Inactive File]

AB 991 (Tucker), as amended June 7, would permit any association planning to conduct quarter horse racing to apply to the Board, and would require the Board to grant authority to conduct thoroughbred racing as part of a night racing program, if specified conditions are met. [A. GO]

AB 1003 (Brulte). Under existing law, of the total amount handled by satellite wagering facilities, 0.1% is required to be distributed to the Equine Research Laboratory at the UC Davis School of Veterinary Medicine. As amended April 15, this bill would instead require 93% of 0.1% to be distributed to the Equine Research Laboratory, and 7% of 0.1% to be distributed to the Equine Research Center at the California State Polytechnic University, Pomona. [A. W&M]

AB 1209 (Tucker), as introduced March 2, would require every veterinarian who treats a horse within a racing enclosure to report to the official veterinarian in a manner prescribed by him/her, in writing and on a form prescribed by the Board, the name of the horse treated, the name of the trainer of the horse, the time of treatment, any medication administered to the horse, and any other information requested by the official veterinarian. [S. Inactive File]

AB 362 (Tucker). Under existing law, there are two versions of Business and Professions Code section 19533; however, because of conflicts between the two sections, that version of section 19533 last enacted prevails over that version of section 19533 enacted earlier. As introduced

February 9, this bill would repeal the version of section 19533 enacted earlier. [S. GO]

AB 1936 (Costa). Under existing law, racing associations in California may authorize out-of-state betting systems to accept wagers on horse races conducted by those associations, as prescribed; racing associations which authorize a betting system located outside this state to accept wagers on a race must distribute certain sums as license fees, purses, and commissions. As amended May 25, this bill would, with respect to thoroughbred racing only, revise the distribution of the amount remaining after payment of the license fee by requiring 5% to be deposited with the official registering agency for thoroughbreds for distribution as breeder awards, owner premiums, and stallion awards, and requiring the remaining amount to be distributed 50% to the association conducting the race as commissions, and 50% to the horsemen as purses. [S. GO]

AB 274 (Hoge). Existing law permits CHR B to authorize any licensed association or satellite wagering facility to accept wagers on races conducted in this state comprising the program of racing generally known as the Breeders' Cup and feature races conducted in this state having a gross purse of \$50,000 or more. As amended August 26, this bill would delete the authorization to accept wagers on races conducted in this state comprising the program of racing generally known as the Breeders' Cup, and permit fairs and licensed associations to accept wagers on any featured race in this state having a gross purse of \$20,000 or more if wagering is offered and under the conditions specified in the bill. [A. Inactive File]

AB 1762 (Tucker). Existing law provides that no application for a horse owner's license or for a license to conduct a race meeting shall be granted unless the applicant's liability for workers' compensation is secured in accordance with law. As introduced March 4, this bill would provide that no person shall be licensed as a trainer, owner, trainer-driver, or in any other capacity in which that person acts as the employer of other licensees at a race meeting, unless his/her liability for workers' compensation coverage has been secured in accordance with law; prohibit CHR B from issuing or renewing any license until the applicant has certain documents on file with the Board relating to workers' compensation coverage; and prohibit an association conducting a racing meeting from permitting the entry of any horse for a race unless the entry form is accompanied by a valid certificate of



workers' compensation insurance. [*S. Inactive File*]

SB 29 (Maddy). Existing law provides for the distribution to the horsemen as purses of a portion of the total amount wagered on horse races. As amended July 14, this bill would require that an amount equal to 10% of the total advertised purse be distributed as a bonus payment for California-bred thoroughbred horses, as described.

Existing law requires every licensee conducting a horse racing meeting, each racing day, to provide for the running of at least one race limited to California-bred horses, to be known as the "California-Bred Race." This bill would repeal that provision. [*A. GO*]

SB 847 (Presley). Existing law provides that an association licensed to conduct a racing meeting in the southern zone may operate a satellite wagering facility at a location approved by CHRB if the location is eligible to be used as a satellite wagering facility during any of specified periods. As amended April 27, this bill would expressly authorize an association licensed to conduct a racing meeting in Riverside County to operate a satellite wagering facility at a location approved by the Board under those conditions. [*A. GO*]

SB 549 (Hughes). The Gaming Registration Act regulates the operation of gaming clubs, and prohibits any person from owning or operating a gaming club without first obtaining a valid registration from the Attorney General. "Person" includes an officer or director, as specified. As amended April 12, this bill would provide, notwithstanding any other provision of law, that a racing association licensed by CHRB, as specified, which has a class of securities registered under the Securities Exchange Act of 1934, may operate a gaming club if the officers, directors, and beneficial owners of more than 10% of the shares of stock of the racing association are registered with the Attorney General and no person owning 5% or more of the shares of stock of the racing association is determined by the Attorney General to be unfit to own an interest in a gaming club. This bill would provide for reimbursement of the Attorney General for the actual costs of investigating and processing applications for registration, and would prohibit the denial of an applicant's registration by reason of its, or any affiliate's, ownership or operation of a business that conducts parimutuel wagering in accordance with the laws of the state in which that wagering is conducted. [*A. GO*]

SCA 29 (Maddy). Existing provisions of the California Constitution permit certain kinds of gaming in this state, includ-

ing wagering on the results of horse racing, bingo for charitable purposes, and the operation of a state lottery. Existing provisions of the California Constitution require the Legislature to prohibit casinos of the type currently operating in Nevada and New Jersey. As amended July 1, this measure would create the California Gaming Control Commission, and would authorize the Commission to regulate legal gaming in this state, subject to legislative control. The measure would also create a Division of Gaming Control within the Office of the Attorney General, and permit the legislature to impose licensing fees on all types of gaming regulated by the Commission to support the activities of the Commission and the Division. The measure would provide for the regulation of bingo by the Commission, and provide that the proceeds of those games shall be used exclusively to further the charitable, religious, or educational purposes of a nonprofit organization or institution that is exempt from state taxation.

Existing statutory law establishes the California State Lottery Commission and requires it to administer the California State Lottery Act of 1984. Under existing statutory law, CHRB regulates horse racing and wagering thereon. This measure would permit the legislature to provide for the regulation of parimutuel wagering on horse racing and the state Lottery by the Gaming Control Commission.

This measure would exclude from the meaning of the term "gaming" merchant promotional contests and drawings conducted incidentally to bona fide business operations under specified conditions, and certain types of machines that award additional play. The measure would prohibit the state Lottery from using any slot machine whether mechanical, electromechanical, or electronic.

The measure would require the legislature to provide for the recording and reporting of financial transactions by commercial gaming establishments. The measure would also define the term "casino" for the purpose of the prohibition against casinos. [*S. GO*]

AB 1418 (Tucker). Existing law requires the execution of an agreement between, among others, the racing association conducting the meeting and the satellite wagering facility as a prerequisite to the transmission of the audiovisual signal of the live racing and the conduct of wagering at the satellite wagering facility. As amended September 8, this bill would permit the agreement to contain a provision requiring the payment of a proximity fee to a racing association or fair as a condition of receiving the audiovisual signal of

the live meeting under the circumstances specified in the bill. [*A. Conference Committee*]

AB 1764 (Tucker). Under existing law, CHRB may authorize an association that conducts a racing meeting in this state to accept wagers on the results of out-of-state feature races and out-of-state harness or quarter horse feature races or stake races or other designated races under prescribed conditions. As introduced March 4, this bill would define "out-of-state" for purposes of these provisions to mean anywhere outside this state within or outside the United States. [*A. Inactive File*]

RECENT MEETINGS

At its May 28 meeting, CHRB adopted and presented a resolution honoring the late Robert Strub, former Board Chair and Chief Executive Officer at Santa Anita Park, for his outstanding contributions to the horse racing industry and community. Cliff Goodrich of the Los Angeles Turf Club accepted the resolution on behalf of the Strub family.

At its August 27 meeting, CHRB approved a policy requiring, as a condition of licensure, that all applicants for new licenses and initial renewals, except for owners, attend a substance abuse seminar that includes the viewing of a substance abuse videotape. The Board agreed that section 1485, Title 4 of the CCR, which authorizes it to place conditions on any license issued by the Board, gives it the authority to take such action.

FUTURE MEETINGS

January 28 in Monrovia.
February 25 in Arcadia.
March 25 in Emeryville.
April 28 in Los Angeles.
May 20 in Cypress.

NEW MOTOR VEHICLE BOARD

Executive Officer:
Sam W. Jennings
(916) 445-1888

Pursuant to Vehicle Code section 3000 *Pet seq.*, the New Motor Vehicle Board (NMVB) licenses new motor vehicle dealerships and regulates dealership relocations and manufacturer terminations of franchises. It reviews disciplinary action taken against dealers by the Department of Motor Vehicles (DMV). Most licensees deal in cars or motorcycles.

NMVB is authorized to adopt regulations to implement its enabling legislation; the Board's regulations are codified in Chapter 2, Division 1, Title 13 of the