

California Authority of Racing Fairs Potential Legislative Initiatives Based on Priority 2.28.20

1. California Sports Wagering Regulation and Unlawful Gambling Enforcement Act:
 - Only allows sports wagering to be offered by private racing associations and tribal casinos.
 - Sponsored by the Pechanga Band of Luiseno Indians and other tribal nations.
 - Needs approximately 1,000,000 signatures to qualify for the November ballot. Realistically 1,300,000 signatures are needed because they need to be verified by the Secretary of State's Office and many will be invalidated. The process takes roughly 30 days.
 - The Indians have commitments for roughly \$7 million in funds from tribes to obtain the signatures. Consensus is that not all tribes are in full support.
 - When 25% of the signatures required are collected the Legislature is required to hold a joint informational hearing of the policy committees with jurisdiction to discuss the substance of the initiative. Louie and Cody met with the Senate GO Committee staff and their understanding is that the tribes are close to the 25% threshold.
 - The hearing must be held at least 130 days prior to the election on Nov 3 which would be roughly the week of June 21, 2020.
 - There will be a panel for supporters, panel for opposition and an opportunity for public comment at the end of the hearing. Only one hearing is mandated and no votes will be taken.
 - June 25th is the deadline for proponents to remove a qualified initiative from the Nov 2020 ballot.

2. ACA 16: Authorization for Legislature to provide for the regulation of sports wagering.
 - Introduce by Assembly Member Adam Gray on 6/27/2019.
 - Senator Dodd and Assembly Member Gray are having preliminary discussions to see if it is possible for the Legislature to place a new sports wagering initiative on the November ballot.
 - The initiative would need to pass the legislature with a 2/3 vote and the deadline to place it on the November ballot is mid-June.

3. AB 1974 (Gray) Horse Racing Safety and welfare of racehorses and jockeys
 - State the intent of the legislature to enact legislation that will further enhance and strengthen the safety and welfare of racehorses and jockeys in California.
 - This bill is eligible to be in a committee after Feb 22.

4. AB 2177(Kalra) Horse racing: equine medication, welfare, and safety.
 - Would require the CHRB to adopt rules and regulations for the welfare and safety of equines that are used for horse racing.
 - Convene and oversee a panel of independent veterinarians and stewards to review the medical, training and racing histories of horses entered to race.
 - Require the board to adopt regulations on the authorized use of minerals, vitamins, or other supplements and would require the board to only authorize uses that are in the best interest of the welfare and safety of the horse.
 - This bill only applies to licensed track operators with an average daily handle of \$1,500,000 or more.

5. Block of Fair Dates: On hold.
 - Amend current statute to require CHRB to allocate race dates with right of first refusal to Fairs in Northern California between: June 15 – October 15.
 - Current BPC relating to CHRB allocating race dates, oversight, and length of Fair meetings.
 - [19440](#): General Administrative and Enforcement [19420](#): General Administrative and Enforcement [19549](#): Fairs and Expositions
 - [19549.1](#) Fairs and Expositions

6. Enclosure Facilities Improvement Fund: No Action contemplated.
 - AB 765 (2007) allows fair(s) after approval from the board to deduct an additional 1 percent from the total amount handled to be deposited into the Enclosure Facilities Improvement Fund. This is a takeout increase, which has never been approved by the CHRB.
 - 2017 CARF Member Fair generation would have been approximately \$710K. 2008 Generation, \$1.26 Million.
 - [19601.4](#) Wagering
 - [Bloodhorse](#) article recapping the May 2008 CHRB meeting

7. Redefinition of Consolidated Fair Meets: On hold.
 - Update current legislation on what constitutes a consolidated meet. Language needs to support carry overs of any wagering pool which does not pay out at the end of their meet resulting in mandatory payout at the end of the Big Fresno Fair and protects CARFs right to own the consolidated dates and in the event any fair does not want to race, CARF has first right to race on those dates.

8. Redefinition of Opt Out and Auxiliary Stabling: On hold.
9. Review by State Legislative Counsel for interpretation of the right for the fairs to offer their own auxiliary stables. Current challenge of CARF's right to Opt Out of Vanning and Stabling is not contested. On Hold.
10. Humboldt County Fair Overlap Relief:
 - Add the Humboldt County Fair in Ferndale to [BPC 19607.5](#) (1)
 - Example: *With respect to the 2nd District Agricultural Association in Stockton, and the Humboldt County Fair in Ferndale, the commissions payable to the fair from satellite wagering during the period described in subdivision...*
 - Had this been in place for 2017, the Humboldt County Fair would have received \$166K in commission revenue and \$59K in expense fund revenue.
11. AB 2938 (Arambula) is a CARF sponsored spot bill.

Handout 2.

2019/2020 Stabling Comparisons			
	2019	2020 GGF Aux	Fairs Aux Stabling
Pleasanton			
Dates Open	1 May - 7 Jul	1 Jun - 15 Jul	1 Jun - 4 Aug
Total Stalls	680	680	680
Porta Stalls	0	0	50-70
Porta Stalls Cost			\$ (50,000)
Tack Rooms Required	40	40	170
26 Days Aux Stabling	\$ (202,800)		
6 Days Aux Stabling		\$ (46,800)	\$ (46,800)
19 Days Aux Stabling			\$ (148,200)
Sacramento			
Dates Open	5 Jul - 28 Jul	10 Jul - 4 Aug	15 Jun - 4 Aug
Total Stalls	\$ 775	\$ 775	\$ 775
Porta Stalls	0	0	0
Tack Rooms Required	21	21	85
0 Days Aux Stabling	\$ -		
18 Days Aux Stabling			\$ (59,724)
25 Days Vanning @200			\$ (90,000)
Tack Rooms Aug			\$ (150,000)
Fresno			
19 Days Aux Stabling	\$ (63,042)	\$ (63,042)	\$ (63,042)
Stabling Paid to GGF	\$ (510,000)	\$ (647,660)	\$ -
GGF Supplement	\$ 200,000	\$ -	\$ -
2% Excess Funds	\$ 31,711	\$ -	\$ -
HCF Purse Funds Not Gen	\$ (173,956)	\$ 173,956	\$ 173,956
2% Funds Gen			\$ 647,600
SR Supplement \$139,638			
Net Cost to Fairs	\$ (718,087)	\$ (583,546)	\$ 213,790

Handout 3.

Pleasanton, Sacramento, Humboldt & Fresno Meets 2020 Consolidated Fair Purse Report					
Racing Fair Host Meet	Arabian	Mule	QH	TB	
Alameda County Fair	(\$10,025)	(\$14,171)	\$7,648	(\$129,036)	(\$145,584)
State Fair	(\$10,040)	(\$12,253)	(\$455)	(\$25,471)	(\$48,219)
Humboldt	(\$10,032)	(\$13,186)	\$414	(\$55,249)	(\$78,053)
Fresno	(\$4,003)	(\$11,617)	(\$4,120)	(\$65,226)	(\$84,966)
	(\$34,100)	(\$51,227)	\$3,487	(\$274,982)	
AB 763					\$0
GGFs					\$200,000
Stabling					\$31,711
Total Over/Under Payment 2016-2018					(\$484,407)
2019 Fair Contribution					\$100,666
Current Overpayment Status					(\$508,852)

WAGERING CONSULTING SERVICES AGREEMENT

This agreement is to provide strategic consulting services in the areas of sports wagering and out-of-state simulcasting, including the following:

- **SPORTS WAGERING**
 - Provide consulting services for the purposes of preparing for and understanding sports betting-related activities in California, including but not limited to, legislative proposals that arise at the California State Capitol;
 - Provide strategic review, analysis and planning relating to the California State Assembly or Senate's efforts to pass sports betting legislation consistent with CARF objectives;
 - Provide tactical and hands-on support to further develop relationships with private and public stakeholders; and
 - Developing additional related projects based on what Contractor has learned as a result of the aforementioned interactions.
 - None of the above services will include lobbying efforts or activities.

- **OUT-OF-STATE SIMULCASTING**
 - Provide consulting services for the purposes of determining if out of country contracts are cost effective;
 - Review CARF's Standard Simulcast Agreement templates;
 - Provide rate negotiation assistance on an as-needed basis; and
 - Identify new outlets willing to take the CARF simulcast signal.