

# LEGISLATIVE UPDATE

By David Helmsin

Some have described 2007 as the Californian Legislature's least productive year in recent history. Even the "special legislative sessions" convened in the fall to address water and health care didn't seem to produce much. At year's end, there was no agreement on a water deal and, while the Assembly did pass a bill on health care reform, the Senate was not scheduled to take the measure up before they return for the regular session in January.

The Assembly action on health care reform is not a small achievement; however, the process is far from over. The bill passed by the Assembly and supported by the Governor requires that all Californians take charge of their health care, guarantees that everyone will be able to get coverage, spreads responsibility for paying the cost of coverage among individuals, government, hospitals, and employers, and provides graduated subsidies or tax credits for lower income households. The bill does not include any financing mechanism. However, it is expected to involve a number of taxes that require approval by the voters. The earliest that can happen is the November 2008 ballot and, assuming a positive vote, the envisioned reforms could still not be implemented until 2010.

Speaking of ballots, California's February presidential primary election also features several ballot measures. Proposition 93, which would tinker with legislative term limits, is generating a lot of interest. While claiming to reduce the length of time future legislators can serve from 14 to 12 years, the measure actually extends the time that many sitting legislators – including current leaders – can serve. Consequently, if the measure does not pass, it will trigger a change in leadership in both the Assembly and the Senate.

Propositions 94 through 97, which would determine public support for the four Indian gaming compacts passed earlier this year

by the legislature, are particularly important to horseracing. TOC and many other California racing interests are supporting a "Yes" vote on the compacts; Bay Meadows Land Company is not. Rather than fighting the compacts, TOC has opted to try to work collaboratively with the tribes and other compact supporters including the Governor and the legislative leadership, to ensure horseracing's future in California.

2008 promises to be a chaotic year, and it is impossible to predict what other legislative issues will pop up in the course of the session. TOC will concentrate on advancing our agenda, seizing any opportunity to gain additional ground, and moving quickly to protect owners' interests from any hostile measures.

But when all is said and done, the most challenging issue facing California in the coming year by far will be the looming state budget deficit. The ever increasing gap between revenue and spending is projected to soar to \$14 billion in 2008-2009. With no relief in sight, the Governor has proposed a 10% across-the-board cut in state expenditures and exercised his executive authority to declare a state of "fiscal emergency." This action creates yet another special legislative session and gives the legislature 45 days to pass a bill or bills to address this crisis.

Against this backdrop, TOC has developed an ambitious legislative agenda for 2008 which includes: stabilizing the industry's economics; reauthorizing our workers' compensation program; adjusting race week allocations; simplifying the development of tribal simulcast facilities; improving the efficiencies of SCOTWinc and NCOTWinc operations; creating continuing education requirements for certain CHRB licenses; and a number of other issues.

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## Tracking Trends DAILY ATTENDANCE & WAGERING through Monday, December 24, 2007

	Racedays	Reported Attendance		Pari-mutuel Wagering		Pari-mutuel Purse Revenues	
<b>2007 Hollywood Park Fall - Final</b>	32	11,860	-2.0%	\$10,147,902	8.0%	\$360,766	3.8%
On-Track		4,944	4.9%	\$1,348,664	-0.6%	\$94,934	-0.3%
Off-Track		6,916	-6.5%	\$2,414,719	-7.5%	\$114,582	-7.3%
CA ADW				\$956,297	6.2%	\$47,182	8.4%
Out-of-State (Reg. & ADW)				\$5,428,221	19.9%	\$104,068	22.2%
<b>2007 Oak Treel - Final</b>	31	15,961	-4.1%	\$10,477,637	14.6%	\$382,889	8.3%
On-Track		8,194	-9.0%	\$1,873,544	-2.4%	\$128,406	-2.4%
Off-Track		7,766	1.6%	\$2,469,350	5.7%	\$112,702	3.7%
CA ADW				\$1,062,475	24.7%	\$47,938	19.3%
Out-of-State (Reg. & ADW)				\$5,072,267	29.7%	\$93,844	28.7%