

LEGISLATIVE UPDATE

By David Helmsin

The Legislature wrapped up the first year of the 2007/08 session at 5:00 a.m. on September 12th by passing over 1,000 bills. The usual end-of-session drudgery was exacerbated this year by lingering frustration over the delay in achieving agreement on a state budget. The state spending plan was not passed until 52 days after the July 1st constitutional deadline – making it the third longest delay in state history.

When the Legislature resumed regular business in August, fall-out from the summer budget deadlock stymied this year's biggest legislative endeavor – health care reform. While the Legislature did pass their version of reform (AB 8 Nuñez) on a strictly partisan Democratic vote, the Governor promised to veto the bill due to its lack of comprehensive coverage and promptly called for a Special Session to finish up health care reform – which he and both Democratic legislative leaders view as a major part of their legacy.

The end-of-session environment made it impossible to advance the horse racing “revitalization plan” developed by industry stakeholders earlier this year. Efforts to move this particular measure were hampered not only by the general legislative discord, but also by the horse racing industry's split over the referendums challenging tribal gaming compacts, lingering industry struggles over ADW reauthorization, and a distracting legislative attack on the CHRB.

TOC and the rest of the horse racing stakeholders are now focused on a comprehensive strategy for successfully moving the industry revitalization plan in the coming session. Work will continue with the Legislature and Administration throughout the fall legislative break to build support for an industry-centered financial package.

Horse racing bills, in which TOC was actively involved, that were approved before the legislative recess and sent to the Governor for

signature include:

AB 765 (Evans) – eliminates the sunset on Advanced Deposit Wagering, reauthorizes the continuation of ADW in California, and makes a number of clarifications to the current statute. **AB 765** reflects industry-wide compromise on a number of key provisions – the most important of which ensure horsemen a role in ADW fee negotiations and establish a dispute resolution process for related challenges.

AB 241 (Price) – allows the development of additional satellite wagering facilities throughout California; specifically authorizes 15 additional sites in each of the three horse racing zones and one additional site in each fair district.

AB 649 (Ma) – increases minimum jockey mount fees gradually over the next five years, and then links fees to future increases in the state minimum wage.

AB 1736 (G.O. Committee) – extends the sunset on both contributions to the NTRA for industry marketing activities and the California Marketing Committee; ensuring the continued availability of resources for marketing thoroughbred racing in California through 2011.

AB 1616 (Garrick) – recasts the process used to adjudicate allegations of medication violations; allows such allegations to be referred to either a hearing officer or a Board of Stewards appointed by the CHRB for a hearing.

AB 249 (Negrete McLeod) – permits additional sources for purse moneys; this TOC sponsored bill has already been signed by the Governor.

Owners who would like additional information on any of these measures are encouraged to contact TOC President Drew J. Couto or Executive Director Guy Lamothe.

Tracking Trends DAILY ATTENDANCE & WAGERING through Sunday, September 9, 2007

| | Racedays | Reported Attendance | | Pari-mutuel Wagering | | Pari-mutuel Purse Revenues | |
|---|----------|---------------------|-------|----------------------|--------|----------------------------|--------|
| 2007 Del Mar Thoroughbred Club - Final | 43 | 26,064 | -2.1% | \$12,869,714 | +6.2% | \$502,846 | +3.0% |
| On-Track | | 16,710 | +0.3% | \$2,437,225 | +1.2% | \$182,080 | -0.5% |
| Off-Track | | 9,355 | -6.2% | \$3,302,763 | -2.7% | \$151,180 | -2.7% |
| CA ADW | | | | \$1,167,753 | +14.1% | \$55,793 | +12.1% |
| Out-of-State (Reg. & ADW) | | | | \$5,961,973 | +12.6% | \$113,793 | +11.8% |
| 2007 Hollywood Park Spring - Final | 63 | 15,032 | -0.3% | \$11,198,800 | +9.3% | \$407,156 | +5.0% |
| On-Track | | 6,590 | +5.2% | \$1,697,598 | +1.8% | \$116,397 | +2.2% |
| Off-Track | | 8,442 | -4.2% | \$3,076,226 | -0.4% | \$139,347 | -0.5% |
| CA ADW | | | | \$1,160,085 | +8.9% | \$53,764 | +9.1% |
| Out-of-State (Reg. & ADW) | | | | \$5,264,892 | +18.9% | \$97,647 | +15.5% |