

LEGISLATIVE UPDATE

By David Helmsin

The 2007 legislative year started off with a bang. Lawmakers returned to Sacramento on January 7; the Governor released his proposed state budget and suggested a 10 percent across-the-board cut in all programs/agencies, on January 10; he then declared a state "fiscal emergency" and convened a special legislative session immediately thereafter to deal with the state's projected \$16 billion deficit.

The legislature responded by adopting a number of current year budget reductions and quickly started work on the 2007/08 budget proposal in February. Most of the actions taken to date consist of borrowing, funding shifts, and expenditure transfers; however, the current year package did feature \$3 billion in actual program reductions. Virtually every area of state spending, including the possibility of tax increases, is on the table for the upcoming round of budget year cuts.

The Governor's much ballyhooed two-year effort at health-care reform bit the dust early this year – largely because of its \$14 billion price tag. This was a major setback for the Governor and the Assembly leader, who could not overcome opposition to the proposal from both ends of the political spectrum.

California also held its first early presidential primary on February 5. It was no surprise that Democrats elected Hillary Clinton; the Republican vote for John McCain was a little more interesting. Voters defeated a measure on the primary ballot to extend legislative term limits; passed four major measures to ratify Indian gaming compacts; and defeated several other measures that would have increased state spending.

All of this has created more turmoil than usual in the legislature: 25 percent of sitting legislators will soon be "termed out," three of the legislature's four leaders are being replaced (Karen Bass will be Assembly Speaker, Darrell Steinberg will be Senate President Pro Tem and Dave Cogdill will be Senate Republican Leader); and legislators are faced with the reality of cutting – rather than increasing – state spending.

Of course, none of this stopped the legislature from intro-

ducing another 2,000 bills for 2008. TOC sponsored measures designed to address: the infrastructure that is needed for selected fairs to play an expanding role in light of proposed track closures; the removal of existing regulatory barriers to more effective operations; the potential opportunity for partnerships with gaming tribes to increase related purse revenue; and an extension of the industry's highly successful workers compensation program.

Included in the stack of bills are another 33 measures of interest to thoroughbred owners and other horse racing stakeholders. These bills cover topics including racing dates, license fees, off track wagering, import caps, wagering technology, and a host of other peripheral gaming issues.

TOC's position and strategy on all of these measures are thoroughly deliberated by the Legislative Committee, and ultimately adopted by the Board. Current legislative committee members include Don Valpreto (Chair), Marsha Naify, Madeline Auerbach, and Tom Bachman.

This Committee is not only responsible for recommendations on specific bills, it is also directly involved in TOC's legislative advocacy.

The entire Committee, plus new director Bob Bone and TOC staff visited Sacramento in early March to educate key legislators on TOC's 2008 agenda and to underscore the need for continued efforts to stabilize California's troubled racing industry. Marsha Naify also provided the March 5 meeting of the Senate Select Committee on Horse Racing with testimony on contingency planning for the closure of Bay Meadows.

TOC leaders, staff and Sacramento advocates will work throughout the year to make sure owners' interests are clearly represented in the legislative process and that related bills reflect what is actually good for the overall horse racing industry. Interested owners are encouraged to contact Guy Lamothe, TOC Executive Director, (626) 574-6621, for additional information in this regard.

CARMA Kick-Off Event



Plans are underway for the kick-off event for the California Retirement Management Account (CARMA). The fundraising event – a poker tournament, with silent and live auction – is tentatively scheduled for Thursday evening, August 21, in Del Mar, during Pacific Classic week.

CARMA was formed to help Thoroughbred rehabilitation and retirement facilities that care for and retrain horses whose careers have ended after competing in California Thoroughbred races, and will manage a grant request process and disburse funds to qualified retirement facilities caring for such horses.

The new organization held its first board meeting earlier this month. A 12-member board of directors includes Ron Charles, Trevor Denman, Doug O'Neill, John Sadler, Samantha Siegel, and Gary Stevens, among others. Now officially a 501(c)(3) non-profit charity, CARMA is actively seeking contributions. Donations are tax deductible and may be sent to: CARMA, 285 W. Huntington Drive, Arcadia, Calif., 91007. (Tax I.D. #80-0146395).

Mark your calendars for August 21, and watch for more information in the Summer issue of *Owners' Circle*.