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BUSINESS AND PROFESSIONS CODE - BPC

DIVISION 8. SPECIAL BUSINESS REGULATIONS [18400 - 22949.92.2] (Division 8 added by Stats. 1941, Ch. 44.)

CHAPTER 4. Horse Racing [19400 - 19668] (Chapter 4 repealed and added by Stats. 1959, Ch. 1828.)

ARTICLE 9.5. License Fees, Commissions, and Purses [19610 - 19619.7] (Article 9.5 added by Stats. 1970, Ch. 1609.)

19610. Every association which conducts a racing meeting shall deduct 15 percent of the total amount handled in conventional parimutuel pools and 16.75 percent of the total amount handled in exotic parimutuel pools, except that any association conducting a harness racing meeting shall deduct 17.75 percent of the total amount handled in exotic parimutuel pools. The amounts as deducted shall be distributed as prescribed in this chapter.

(Amended by Stats. 1984, Ch. 1739, Sec. 1. Effective September 30, 1984.)

19610.1. Every association which conducts a harness racing meeting and deducts 17.75 percent of the total amount handled in exotic parimutuel pools shall use 1 percent of the total amount handled in the exotic parimutuel pools to fund the California Standardbred Sires Stakes Program. The 1 percent shall be deposited into the separate trust account provided for in Section 19619.

(Added by Stats. 1984, Ch. 1739, Sec. 2. Effective September 30, 1984.)

19610.2. Every association that conducts a racing meeting shall deduct one-tenth of 1 percent of the total amount handled. From the amount deducted on wagers made on-track, thirty-three one hundredths of the amount deducted shall be distributed to the Center for Equine Health and shall supplement, and not supplant, other funding sources. Sixty-seven one hundredths of the amount deducted shall be distributed to the California Animal Health and Food Safety Laboratory to fund the equine drug testing program and laboratory at the University of California, Davis described in Section 19578.

(Amended by Stats. 2000, Ch. 1082, Sec. 98. Effective January 1, 2001.)

19610.3. In addition to the amounts required or allowed to be deducted from the parimutuel pools as provided by this chapter, and except as otherwise provided in this section, every association that conducts a racing meeting may elect permanently to deduct an additional amount up to 0.33 of 1 percent from the total parimutuel wagers placed within its inclosure. This election is not available to the California Exposition and State Fair or to a county or district agricultural association fair unless, prior to January 1, 1984, the city or county in which the fair meeting was being conducted levied a license fee or excise tax pursuant to Section 19495 or imposed an admission tax on track patrons.

The amounts deducted pursuant to this section shall be retained by the association or fair for the payment of possessory interest taxes, if any, assessed against the organization described in Section 19608.2, the racing association, or fair, and after payment of these taxes shall be distributed to the city in which the racing meeting is conducted or, if the meeting is conducted outside the limits of any city, to the county in which the racing meeting is conducted. If a city or county has elected by ordinance to receive a distribution from a racing association under this section, it shall not at any time thereafter assess or collect, with respect to an event conducted by that racing association, or an event conducted by or by contract with that association or fair, any license or excise tax or fee, including, but not limited to, any admission, parking, or business tax, or any tax or fee levied solely upon the racing association conducting a racing meeting or any racing patron, participant, service-supplier, promoter, or vendor thereof. Further, a city or county electing to receive a distribution under this section shall continue to provide ordinary and traditional municipal services, such as police services and traffic control, in connection with racing meetings. "Ordinary and traditional services," as used in this section, means those services provided by the city or county at no charge to the racing association in 1981. If an eligible city or county does not elect to receive a distribution under this section, the amount remaining after payment of possessory interest taxes, if any, as provided in this section shall be paid to the state as an additional license fee.

(Amended by Stats. 1995, Ch. 959, Sec. 3. Effective January 1, 1996.)

19610.4. Notwithstanding Section 19610.3, any association that conducts a racing meeting pursuant to Section 19549.9, or any fair that operates a satellite wagering facility, may elect to deduct an additional amount of 0.33 of 1 percent from the total parimutuel wagers placed within its inclosure or at its satellite wagering facility.

The amounts deducted pursuant to this section shall be retained by the association or fair for the payment of possessory interest taxes, if any, assessed against the organization described in Section 19608.2, the racing association, or fair, and after payment of these taxes shall be distributed to the city or county in which the racing meeting or wagering is conducted, at the option of the association or fair. If a city or county has elected by ordinance to receive a distribution from a racing association or fair under this section, it shall not at any time thereafter assess or collect, with respect to an event conducted by that racing association or, an event conducted by or by contract with that fair, any license or excise tax or fee, including, but not limited to, any admission, parking, or business tax, or any tax or fee levied solely upon the racing association or fair conducting a racing meeting or satellite wagering, or any patron, participant, service-supplier, promoter, or vendor thereof. Further, a city or county electing to receive a distribution under this section shall provide ordinary and traditional municipal services, such as police services and traffic control, in connection with the racing meetings or satellite wagering. If an eligible city or county does not elect to receive a distribution under this section, the amount remaining after payment of possessory interest taxes, if any, as provided in this section shall be paid to the state as an additional license fee.

(Amended by Stats. 2000, Ch. 1082, Sec. 99. Effective January 1, 2001.)

19610.6. Notwithstanding Section 19605.71, and in lieu of any deduction under Section 19610.3 or 19610.4, the 22nd District Agricultural Association shall deduct an additional amount of 0.33 of 1 percent from the total parimutuel wagers placed at its satellite wagering facility.

Forty percent of the amount deducted pursuant to this section shall be distributed to the City of Del Mar and 40 percent shall be distributed to the City of Solana Beach, if the respective city has elected to receive a distribution under this section. The remaining amounts deducted pursuant to this section shall be distributed to the San Dieguito River Valley Regional Open Space Park Joint Powers Authority, which is established for the enhancement of the San Dieguito River Valley and Lagoon. If the San Dieguito River Valley Regional Open Space Park Joint Powers Authority is dissolved, the distribution of the remaining amounts deducted pursuant to this section shall be distributed to the County of San Diego. If the City of Del Mar or the City of Solana Beach has elected by ordinance to receive a distribution from a fair under this section, it shall not at any time thereafter assess or collect, with respect to an event conducted by that fair, any license or excise tax or fee, including, but not limited to, any admission, parking, or business tax, or any tax or fee levied solely upon the fair conducting satellite wagering or any patron thereof. Furthermore, a city electing to receive a distribution under this section shall provide ordinary and traditional municipal services, such as police services and traffic control, in connection with the satellite wagering. If an eligible city does not elect to receive a distribution under this section, the amount deducted shall be paid to the state as an additional license fee.

(Amended by Stats. 1992, Ch. 239, Sec. 1. Effective January 1, 1993.)

19610.8. Notwithstanding any other provision of law, and in lieu of any deduction and distribution provided for in this chapter, upon the joint request of the association or fair accepting the wager, and the organization representing the horsemen and horsewomen participating in the meeting of the association or fair accepting the wager, the board may set the total percentage deducted from the parimutuel pool for proposition wagers and any new type of wager introduced after January 1, 2004, in an amount of at least 10 percent and not more than 30 percent of the amount handled in the parimutuel pool for the wager. Three percent of the amount deducted shall be paid to the state as a license fee and, if the wager was placed at a satellite wagering facility or a location other than the host racing association, 8 percent of the amount deducted shall be paid to the satellite wagering facility or to the entity that processed the wager. Notwithstanding the foregoing and in lieu of the license fee set forth herein for proposition wagers, with regard to quarter horse racing only, the total wagers made in a proposition parimutuel pool are subject to the same license fee as exotic wagers on a live quarter horse race. In addition, with respect to thoroughbred racing only, 3 percent of the amount remaining after the payment of the state license fee and payment to a satellite wagering facility or an entity that processed the wager, if any, shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2. Thereafter, for all kinds of racing, except quarter horse racing, the remaining amount shall be distributed 50 percent to the association conducting the racing meeting and 50 percent to the horsemen participating in the racing meeting as purses. With regard to quarter horse racing, commissions and purses shall be distributed in the amounts mutually agreed upon by the association conducting the meeting and the organization representing the horsemen and horsewomen.

(Amended by Stats. 2005, Ch. 119, Sec. 3. Effective July 25, 2005.)

19611. (a) For every thoroughbred association conducting a live racing meeting in the northern zone, 1.3 percent of the total amount handled on live races, excluding wagering at a satellite facility, shall be retained by the association for payment to the state as a license fee.

(b) For every thoroughbred association conducting a live racing meeting in the central or southern zone, 2 percent of the total amount handled on live races, excluding wagering at a satellite wagering facility, shall be retained by the association for payment to the state as a license fee.

(c) Additionally, 0.54 percent of the total amount handled on live racing, excluding wagering at a satellite facility, shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2.

(d) After distribution of the applicable amounts set forth in subdivision (a), (b), or (c), and the payments pursuant to other relevant sections of this chapter, all funds remaining from the deductions shall be distributed 51.9 percent as commissions and 48.1 percent as purses. From the amount distributed as purses, a sum equal to 0.07 percent of the total handle shall be held by the association to be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2.

(Amended by Stats. 1998, Ch. 335, Sec. 22. Effective January 1, 1999.)

19611.5. (a) In addition to the amounts otherwise deducted pursuant to this chapter, every association other than a fair that conducts a thoroughbred race meeting may deduct from the total amount handled in daily double, quinella, exacta, and other multiple wagering pools approved by the board up to 3 percent thereof to be distributed 50 percent as commissions and 50 percent as purses. From the amount distributed as purses, a sum equal to 0.07 percent of the total handle shall be held by the association to be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2.

(b) At least 30 days prior to the commencement of its meeting, the association shall file with the board a statement of the additional deduction to be made pursuant to subdivision (a). Except with the consent of the board, the amount of the deduction shall not be changed during the course of the meeting.

(Amended by Stats. 2000, Ch. 1082, Sec. 100. Effective January 1, 2001.)

19612. (a) Except as otherwise provided, every association which conducts a quarter horse race meeting or a harness horse race meeting shall pay a daily license fee at the rate of 0.4 percent of its daily conventional and exotic parimutuel handle.

(b) With respect to quarter horse meetings, all funds remaining from the deductions provided in Sections 19491, 19491.5, and 19610 after distribution of the license fee, shall be distributed 55 percent as commissions and 45 percent as purses. With respect to harness meetings, except for meetings conducted pursuant to Sections 19549.2 and 19549.6, the funds remaining from deductions provided in Section 19610, after distribution of the license fee, shall be distributed 59.5 percent as commissions and 40.5 percent as purses. For harness meetings conducted pursuant to Sections 19549.2 and 19549.6, the funds remaining from deductions provided in Section 19610, after distribution of the license fee, shall be distributed 50 percent as commissions and 50 percent as purses.

(c) Every association that conducted a quarter horse or Arabian horse racing meeting in the southern zone during the daytime prior to January 1, 1979, and thereafter conducts the meeting at night, shall be entitled to the following license fee adjustment:

For each 1 percent that the association's average daily handle in the 1981 year, during the period from the commencement of the meeting to December 25, falls below its 1980 average daily handle during the same period, the amount of the license fee as set forth in subdivision (a) shall be reduced by 2 percent.

(d) Any association qualified to operate its meetings pursuant to Section 19612.6 shall be entitled to continue to distribute license fees, commissions, and purses as provided by that section.

(e) Notwithstanding subdivision (b), for every association that conducts a quarter horse meeting in the northern zone, the amount remaining after deduction of the state license fee shall be distributed between commissions and purses as agreed to by the association conducting the meeting and the organization representing the horsemen participating at the meeting. Every association conducting a quarter horse meeting in the northern zone may deduct an additional amount up to 1 percent of its conventional and exotic parimutuel pools to be distributed as commissions. The association may also deduct an additional 1 percent from the exotic parimutuel pools to be distributed as commissions and purses as agreed to by the association conducting the meeting and the organization representing the horsemen participating at the meeting.

(Amended by Stats. 1998, Ch. 335, Sec. 24. Effective January 1, 1999.)

19612.1. (a) In addition to the amounts otherwise deducted pursuant to this chapter, every association with an average daily handle of more than seven hundred fifty thousand dollars (\$750,000) that conducts a harness, quarter, Arabian, or Appaloosa horse meeting may deduct from the total amount handled in daily double, quinella, exacta, and other multiple wagering pools approved by the board up to 3 percent thereof to be distributed as additional commissions and purses in the following percentage ratio: to the association as additional commissions, not more than 59.5 percent; and to the horsemen as additional purses, not less than 40.5 percent, except that the association and the horsemen's organization may agree to a different distribution by percentage of these funds.

(b) From the amount deducted for quarter horse purses under subdivision (a), a sum equal to 25 percent thereof shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7.

The board shall designate the official registering agency representing quarter horse horsemen to administer this subdivision and to distribute premiums. The agency may, with the approval of the board, make a deduction for expenses not to exceed 10 percent of the total awards fund.

(c) From the amount deducted for Arabian horse purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency, pursuant to Section 19617.8, and thereafter shall be distributed in accordance with Section 19617.8. The board shall designate the officially recognized organization representing Arabian horsemen to administer this subdivision and to distribute premiums. The organization may, with the approval of the board, make a deduction for expenses not to exceed 10 percent of the total awards fund.

(d) From the amount deducted for Appaloosa purses under subdivision (a), a sum equal to 13.33 percent thereof shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9.

The board shall designate the official registering agency representing Appaloosa horsemen to administer this subdivision and to distribute premiums. The agency may, with the approval of the board, make a deduction for expenses of up to, but not to exceed, 10 percent of the total awards fund.

(e) At least 30 days prior to the commencement of its meeting, the association shall file with the board a statement of the additional deduction to be made pursuant to subdivision (a). Except with the consent of the board, the amount of the deduction shall not be changed during the course of the meeting.

(f) In addition to the amounts otherwise deducted pursuant to this section, every harness racing association shall deduct an additional 2 percent of its exotic parimutuel pools to be distributed equally as commissions and purses.

(Amended by Stats. 1995, Ch. 826, Sec. 4. Effective October 13, 1995.)

19612.2. (a) In addition to the amounts otherwise deducted pursuant to this chapter, every association with an average daily handle of seven hundred fifty thousand dollars (\$750,000) or less, except an association subject to Section 19614.2, which conducts a harness, quarter, Arabian, or Appaloosa horse meeting may deduct from the total amount handled in its daily exotic parimutuel pool up to 3 percent thereof to be distributed as additional commissions and purses as follows:

(1) For quarter horse meetings conducted other than pursuant to Section 19612.6 and for Appaloosa horse meetings, as agreed to by the association conducting the meeting and the organization representing the horsemen participating at the meeting.

(2) For harness and quarter horse meetings conducted pursuant to Section 19612.6, 50 percent as commissions and 50 percent as purses.

(b) From the amount deducted for quarter horse purses under subdivision (a), a sum equal to 25 percent thereof shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7.

The board shall designate the official registering agency representing quarter horse horsemen to administer this subdivision and to distribute premiums. The agency may, with the approval of the board, make a deduction for expenses not to exceed 10 percent of the total awards fund.

(c) From the amount deducted for Arabian horse purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency, pursuant to Section 19617.8, and thereafter shall be distributed in accordance with Section 19617.8.

The board shall designate the officially recognized organization representing Arabian horsemen to administer this subdivision and to distribute premiums. The organization may, with the approval of the board, make a deduction for expenses not to exceed 10 percent of the total awards fund.

(d) From the amount deducted for Appaloosa purses under subdivision (a), a sum equal to 13.33 percent thereof shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9.

The board shall designate the official registering agency representing Appaloosa horsemen to administer this subdivision and to distribute premiums. The agency may, with the approval of the board, make a deduction for expenses not to exceed 10 percent of the total awards fund.

(e) At least 30 days prior to the commencement of its meeting, the association shall file with the board a statement of the additional deduction to be made pursuant to subdivision (a) and its distribution between commissions and purses. Except with the consent of the board, the amount of the deduction and its distribution shall not be changed during the course of the meeting.

(f) In addition to any deductions pursuant to this section, every harness racing association shall also deduct an additional 2 percent of its daily exotic parimutuel pool to be distributed equally as commissions and purses.

(Amended by Stats. 1995, Ch. 826, Sec. 5. Effective October 13, 1995.)

19612.3. (a) Notwithstanding any other provision of law, with respect to harness racing associations other than those conducting a meeting pursuant to Section 19612.6, an additional 1 percent of the parimutuel pool shall be retained and shall be distributed equally between purses and commissions.

(b) With respect to harness racing associations conducting a meeting pursuant to Section 19549.2 or 19612.6, an additional 1 percent of the parimutuel pool shall be retained and shall be distributed as additional commissions.

(Amended by Stats. 1994, Ch. 311, Sec. 11. Effective July 21, 1994.)

19612.6. (a) (1) For harness meetings, the amount remaining after deduction of the state license fee shall be distributed equally between commissions and purses. For quarter horse, Appaloosa, and muleracing meetings, the amount remaining after deduction of the state license fee pursuant to Section 19612 shall be distributed between commissions and purses as agreed to by the association conducting the meeting and the organization representing the horsemen or mulemen participating in the meeting. For fair meetings conducted pursuant to Section 19549, the amount remaining after deduction of the state license fee pursuant to Section 19612 shall be distributed 48 percent to commissions and 52 percent to purses.

(2) Every association which conducts a racing meeting pursuant to Section 19549 shall, in addition, deduct from its parimutuel pools the amount specified in subdivision (d) of Section 19614.

(b) If an association qualified to operate its meeting pursuant to this section conducts two separate programs of racing on any day, each such program shall be considered a separate racing day for purposes of determining the daily handle and computing the distribution of license fees, commissions, and purses thereon. For the purposes of this subdivision, a program shall consist of at least nine races.

(c) In addition to any deductions pursuant to this section, every association conducting a racing meeting pursuant to Section 19549.1 shall also deduct an additional 1 percent of its parimutuel pools to be distributed as commissions.

(d) In addition to any deductions pursuant to this section, every association conducting a racing meeting pursuant to Section 19549.1 shall also deduct an additional 2 percent of its exotic parimutuel pools to be distributed equally as commissions and purses.

(Amended by Stats. 2000, Ch. 1082, Sec. 101. Effective January 1, 2001.)

19612.7. With respect to a harness race meeting, in addition to any other distributions, a portion of the money allocated for purses pursuant to this chapter may be used to pay for obtaining, providing, or defraying the cost of workers' compensation coverage for stable employees and drivers of licensed standardbred trainers. This portion of the purse money, if any, shall be specified in a written agreement between the racing association that conducts the live harness race meeting and the organization representing the horsemen participating at the race meeting, and shall be jointly administered by the racing association and the organization representing the horsemen. This agreement is subject to the approval of the board.

(Added by Stats. 2002, Ch. 923, Sec. 1. Effective September 26, 2002.)

19612.8. Notwithstanding any other provision of law, any association conducting a racing meeting shall pay not less than the actual amount necessary to cover the costs for compensation, including any fringe benefits, to stewards and official veterinarians and to cover the costs for that racing meeting, as provided by the board under Section 19518.

(Amended by Stats. 2000, Ch. 1082, Sec. 102. Effective January 1, 2001.)

19612.9. (a) (1) Except as provided in subdivision (d) of Section 19601, unclaimed refunds shall be distributed to the organization that is responsible for negotiating purse agreements, satellite wagering agreements, and all other business agreements on behalf of the horsemen participating in the racing meeting for the purpose of negotiating, in good faith, an agreement of at least three years' duration with a jockeys' organization to provide health and welfare benefits to California licensed jockeys, former California licensed jockeys, and their dependents if those persons contribute to the plan and do not receive welfare benefits pursuant to Section 19613.

(2) The amount of money distributed annually pursuant to this section shall be held in trust solely for the purpose described in this section and shall not exceed four hundred fifty thousand dollars (\$450,000), adjusted annually for inflation. The board shall determine the inflation adjustment based on an index quantifying changes in the cost of health insurance benefits.

(3) If an agreement is not reached before the regular meeting of the board in November of any calendar year, the board, on its own motion, shall provide that the provisions of the existing agreement, if any, shall remain in effect until a subsequent agreement is reached.

(b) The jockeys' organization referred to in subdivision (a) shall represent a majority of the jockeys licensed by the board, and the board shall initially certify that the organization represents the majority of those licensed jockeys. The organization shall maintain an office in this state. The organization certified by the board shall provide an annual audit of the health and welfare fund established pursuant to this section. The organization shall make available to the board all records and documents necessary for the performance of its duties.

(c) The jockeys' organization certified by the board shall develop reasonable nondiscriminatory criteria for eligibility for health and welfare benefits.

(d) The agreement shall be approved by the board and, if approved, no other entity licensed in this state shall be required to enter into an agreement for the purposes of this section.

(Amended by Stats. 2000, Ch. 1082, Sec. 103. Effective January 1, 2001.)

19613. (a) Except as provided in subdivisions (b), (c), (d), (e), and (f), the portion deducted for purses pursuant to this chapter shall be paid to or for the benefit of the horsemen and horsewomen at the racing meeting, and may include obtaining, providing, or defraying the cost of workers' compensation coverage for stable employees and jockeys of licensed trainers. For purposes of this section, the trainers' organization referred to in subdivisions (b), (c), and (d), known as the California Thoroughbred Trainers, Inc., shall be the plan sponsor, consistent with the definition set forth in Section 3 of the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(16)(B)), as amended.

(b) Any association other than a fair that conducts a thoroughbred racing meeting shall pay to the owners' organization contracting with the association with respect to the conduct of racing meetings for administrative expenses and services rendered to owners, an amount not to exceed two-thirds of $1\frac{1}{2}$ percent of the portion, and to a trainers' organization for administrative expenses and services rendered to trainers and backstretch employees an amount equivalent to one-third of $1\frac{1}{2}$ percent of the portion. That association shall also pay an amount for a pension plan for backstretch personnel to be administered by the trainers' organization equivalent to an additional 1 percent of the portion. The remainder of the portion shall be distributed as purses.

(c) Any other association may pay to the horsemen's organization contracting with the association with respect to the conduct of racing meetings for administrative expenses and services rendered to horsemen an amount out of the portion as may be determined by the association by agreement or otherwise, but, in all events, shall include, relative to a thoroughbred horsemen's organization racing, 1 percent of the portion for a pension plan for the trainers' organization. The remainder of the portion shall be distributed as purses.

(d) (1) Notwithstanding subdivisions (b) and (c), any association conducting a fair racing meeting shall pay to the horsemen's organizations contracting with the association with respect to the conduct of races for their respective breeds of horses at the meetings for administrative expenses and services rendered to their respective horsemen those amounts out of the portion as determined by the horsemen's organization for the respective breeds with the approval of the board. Pursuant to this subdivision, amounts not to exceed 3 percent of the portion for the owners' and trainers' organizations shall be distributed to any thoroughbred owners' and trainers' organizations contracting with an association for a fair racing meeting or participating in mixed breed racing meetings as follows: two-thirds of 1 percent to the owners' organization and one-third of 1 percent to the trainers' organization for administrative expenses and services rendered to both owners and trainers, 1 percent for welfare funds, and 1 percent for a pension program for backstretch personnel, to be administered by the thoroughbred trainers' organization.

(2) For purposes of subdivisions (b) and (c) and paragraph (1), the 1 percent amount for a pension plan or program may include all reasonable, documented administrative expenses attributable to the pension plan or program, including, but not limited to, the establishment, amendment, operation, or termination of the pension plan or program.

(e) Any association other than a fair that conducts a quarter horse racing meeting shall pay to the horsemen's organization contracting with the association with respect to the conduct of racing meetings for administrative expenses and services rendered to horsemen, an amount not to exceed 3 percent of the portion. The remainder of the portion shall be distributed as purses.

(f) 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, the distribution of purses shall be governed by the following:

(1) If the association conducted a racing meeting within the past 15 months and a contract was in existence, for that meeting with the horsemen's organization and the association is conducting a subsequent meeting for the same breed or mixed breeds, the amounts payable to the horsemen's organization under subdivision (c) shall be computed under the provisions of the last signed contract between the parties.

(2) This subdivision applies regardless of the cause of the failure to execute a contract, whether that failure is a result of inadvertence or otherwise.

(3) For racing meetings that do not come within paragraph (1), the board shall, within 15 days after the commencement of the racing meeting, determine the amounts payable to the horsemen's organization for administrative expenses and services, and provide for the direct payment of those amounts.

(g) Amounts distributed pursuant to this section are derived from owners' purses.

(h) For the purposes of this section, the following definitions shall apply:

(1) "Owner" means a person currently licensed by the board as an owner of a thoroughbred racehorse.

(2) "Trainer" means a person currently licensed by the board as a trainer of a thoroughbred racehorse.

(i) This section shall become operative on January 1, 2008.

(Amended by Stats. 2022, Ch. 503, Sec. 2. (AB 2969) Effective January 1, 2023.)

19613.1. (a) With respect to thoroughbred racing, except as provided in subdivision (b), the board shall determine which matters shall be the subject of negotiation and contract between the owners' organization and the association, and which matters shall be the subject of negotiation and contract between the trainers' organization and the association.

(b) The owners' organization shall generally be responsible for negotiating purse agreements, satellite simulcast agreements, and all other business agreements relating to the conduct of racing that affect the owners. The trainers' organization shall generally be responsible for negotiating issues relating to the backstretch, track safety, and the welfare of backstretch employees.

(c) The board shall resolve issues that are not settled between the associations and the organizations representing owners and trainers.

(Repealed and added by Stats. 1994, Ch. 62, Sec. 5. Effective January 1, 1995.)

19613.2. (a) Any horsemen's, owners', or trainers' organization or organization representing horsemen, owners, or trainers shall be incorporated under the laws of the State of California in order to receive a distribution or deduction under this chapter. Each corporation shall represent a majority of the horsemen, owners, or trainers in the state with respect to the breed of horses the corporation represents. The board shall initially determine the organization that represents California horsemen with respect to each breed. Any distribution or deduction received by any of those organizations shall be used only for the benefit of California horsemen.

(b) No portion of the amount distributed pursuant to Section 19613 to an owners', trainers', or horsemen's organization shall be used for the purpose of making contributions to candidates for public office, or to urge or oppose any measure on the ballot. The organizations representing owners, trainers, and horsemen may expend no more than the amount reasonably necessary to represent its members before the Legislature and the board with respect to issues that directly affect services rendered to owners, trainers, and horsemen. The board shall annually review the budgets of the organizations representing owners, trainers, and horsemen and shall determine the appropriate amount to be expended for providing the representation authorized by this subdivision.

(c) If an owners', trainers', or horsemen's organization is conducting itself contrary to statute, regulation, or order of the board, the board may take disciplinary action against the organization, including ordering an association to withhold any distribution authorized pursuant to Section 19613.

(d) Upon recognition by the board of a successor horsemen's, owners', or trainers' organization or organization representing horsemen, owners, or trainers, the board shall apportion those assets that were generated pursuant to Section 19613 for the benefit of the horsemen and the successor organization.

(Amended by Stats. 2006, Ch. 538, Sec. 29. Effective January 1, 2007.)

19613.5. Notwithstanding any other provision of this chapter, of the amount deducted for license fees, commissions, and purses from parimutuel pools at a racing meeting an amount may be retained and distributed for payment of any actual losses sustained at the meeting on parimutuel minus pools prior to the distribution of license fees, commissions, and purses. The proportion of license fees, commissions, and purses distributed for payment of such parimutuel minus pools shall be in the same proportion as they would be distributed in the provision under which they were deducted.

(Added by Stats. 1980, Ch. 76, Sec. 2.)

19613.6. Notwithstanding any other provision of this chapter, the owners' organization referred to in subdivision (a) of Section 19613.2 that represents thoroughbred owners may elect to contribute the purses from one race conducted annually by each licensed thoroughbred racing association or fair to a welfare fund. The contribution shall be used for the benefit of horsemen, and the trainers' organization shall make an accounting to the board within one calendar year of the receipt of the contribution. The designation of a specific race from which the horsemen elect to contribute the purses is subject to the mutual agreement of the horsemen's organization and the racing association or fair that conducts the race.

(Amended by Stats. 1994, Ch. 62, Sec. 8. Effective January 1, 1995.)

19613.8. Within 60 days of a statewide majority of backstretch workers having chosen to be represented by an exclusive collective bargaining agent pursuant to Article 2.5 (commencing with Section 19455) or any other law, and so long as a majority continues to be represented by the agent, that agent shall designate two representatives to replace two of the members if the CHBPA Pension Administrative Committee and the plan document shall be amended to provide for this representation.

(Added by Stats. 2001, Ch. 198, Sec. 12. Effective January 1, 2002.)

19614. (a) Notwithstanding Sections 19611 and 19612, and except for an association that qualifies pursuant to Section 19612.6, for a fair conducting a live racing meeting, 1 percent of the total amount handled on live races, excluding wagering at a satellite facility, shall be retained by the fair association for payment to the state as a license fee.

(b) Additionally, 0.48 percent of the total amount handled on live racing, excluding wagering at a satellite facility, shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2.

(c) (1) After distribution of the applicable amounts as set forth in subdivisions (a) and (b) and the payments made pursuant to other relevant sections of this chapter, all funds remaining from the deductions provided in Section 19610 shall be distributed 47.5 percent as commissions and 52.5 percent as purses. From the amount distributed as thoroughbred purses, a sum equal to 0.07 percent of the total handle shall be held by the association to be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2.

(2) Any additional amount generated for purses and not distributed during the previous corresponding meeting shall be added to the purses at the current meeting.

(d) In addition to the amounts deducted pursuant to Section 19610, any fair racing association shall deduct 1 percent from the total amount handled in its daily conventional and exotic parimutuel pools. The additional 1 percent shall be deposited into the Fair and Exposition Fund and is hereby appropriated for the purposes specified in Section 3204 of the Food and Agricultural Code, except as specified in subdivision (e).

(e) (1) A fair conducting a live racing meeting at a fair in the northern zone or a joint powers authority designated by a fair racing association in the northern zone involved in conducting live racing meetings at fairs in the northern zone may retain the funds described in subdivision (d) for the purposes of improving a fair enclosure, racetrack maintenance, safety at fairs, or other similar activities if both of the following conditions are satisfied:

(A) The administrative costs do not exceed 7.5 percent of the funds retained.

(B) An annual audit of the funds is conducted by an independent third party to ensure compliance with the law and approved standards and policies that shall be filed with the Department of Food and Agriculture, the board, and the Senate and Assembly Committees on Governmental Organization.

(2) This subdivision shall apply retroactively to January 1, 2016.

(Amended by Stats. 2024, Ch. 559, Sec. 11. (AB 2143) Effective January 1, 2025.)

19614.2. (a) In addition to the amounts otherwise deducted pursuant to this chapter, a fair, or an association conducting its meeting pursuant to Section 19549.1, may deduct from the total amount handled in daily double, quinella, exacta, and other multiple wagering pools approved by the board up to 3 percent thereof to be distributed as additional commissions and purses in the current year of the fair meet. Of the amount deducted, if any, 52.5 percent shall be distributed as additional purses and 47.5 percent shall be distributed as additional commissions. From the amount distributed as thoroughbred purses, a sum equal to 0.07 percent of the total amount handled shall be held by the association to be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2.

(b) At least 30 days prior to the commencement of its meeting, the association shall file with the board a statement of the additional deduction to be made pursuant to subdivision (a). Except with the consent of the board, the amount of the deduction shall not be changed during the course of the meeting.

(c) From the amount deducted for quarter horse purses under subdivision (a), a sum equal to 25 percent thereof shall be paid as breeder premiums and owners' and stallion awards as provided in Section 19617.7, shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7, and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7.

(d) From the amount deducted for Arabian horse purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency, pursuant to Section 19617.8, and thereafter shall be distributed in

accordance with Section 19617.8. The board shall designate the officially recognized organization representing Arabian horsemen to administer this subdivision and to distribute premiums. The organization may, with the approval of the board, make a deduction for expenses of up to, but not to exceed, 10 percent of the total awards fund.

(e) From the amount deducted for Appaloosa horse purses under subdivision (a), a sum equal to 13.33 percent thereof shall be paid as breeder premiums and owners' and stallion awards as provided in Section 19617.9, and shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9, and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9.

(f) Amounts distributed pursuant to this section are derived from owners' purses.

(Amended by Stats. 2000, Ch. 1082, Sec. 106. Effective January 1, 2001.)

19614.3. (a) Notwithstanding any other provision of law, a racing association and the organization representing horsemen may agree to reduce the portion deducted from the parimutuel pool for purses and commissions, provided that the change only affect funds available for purses and commissions.

(b) Any collective bargaining agreement that is premised in part on the amount of commissions earned shall continue to be calculated based on the amount of commissions that would have been earned had this section not become law.

(c) An agreement by a horsemen's organization and a racing association to reduce the portion deducted from the parimutuel pool for purses and commissions is subject to the approval of the California Horse Racing Board, and may not be approved unless notice has been given to any labor organization that could be affected by the agreement.

(Added by Stats. 2002, Ch. 924, Sec. 2. Effective January 1, 2003.)

19614.4. (a) Notwithstanding any other provision of law and in addition to any amounts provided for purses by any other provision of this chapter, from the amount deposited with the official registering agency for distribution pursuant to Section 19617.2, the official registering agency shall make the following distributions as owners' premiums:

(1) An amount equal to 20 percent of the winner's share of the purse for a qualifying race, as defined in paragraph (2) of subdivision (b) of Section 19617, shall be distributed as an owner premium to the owner of a registered California-bred thoroughbred horse conceived by a registered eligible thoroughbred stallion, as provided in subdivision (d) of Section 19617, which finishes first in the race.

(2) An amount equal to 10 percent of the winner's share of the purse for a qualifying race, as defined in paragraph (2) of subdivision (b) of Section 19617, shall be distributed as an owner premium to the owner of a registered California-bred thoroughbred horse that finishes first in the race and that was not conceived by a registered eligible thoroughbred stallion as provided in subdivision (d) of Section 19617, which finishes first in the race.

(b) The official registering agency shall develop a policy for the payment of owner premiums pursuant to paragraphs (1) and (2) in the event of a dead heat that involves one or more registered California-bred horses.

(c) From the amounts distributed as purses pursuant to this chapter, the organization responsible for negotiating purse agreements on behalf of thoroughbred horsemen participating in racing meetings, at its discretion, may pay an owner's premium for a qualifying race, as defined by the organization, to the owner of a registered California-bred thoroughbred that finishes first through fifth in the qualifying race. Notwithstanding the foregoing, these payments shall be not less than the amount of the total payments made by the organization in 1998, and the discretion accorded the organization pursuant to this subdivision shall be exercised on a statewide basis for all racing meetings.

(d) The organization responsible for negotiating purse agreements on behalf of thoroughbred horsemen participating in racing meetings shall pay, from purse revenues generated, to the official registering agency for the purpose of the California-bred bonus program an amount equal to the amount determined in paragraph (3) of subdivision (b) of Section 19617.2, not to exceed two million dollars (\$2,000,000) annually, and that amount shall be used for California-bred incentive awards.

(Amended by Stats. 2009, Ch. 550, Sec. 1. (AB 1578) Effective January 1, 2010.)

19614.6. Notwithstanding Section 19614, any county fair in the central zone that conducted fair racing meetings prior to January 1, 1980, commencing with the 2006 racing season, may retain that portion of the license fee applicable to its live racing meeting that exceeds the amount of license fees paid during its 2004 live racing meeting for payment of a capital expense loan incurred for the purpose of improving its facilities for horse racing. The license fee retention shall be applicable only during the loan period, only in an amount equal to the loan payments, and only if all the moneys retained are used to pay off the loan for those capital expenses. Any portion of the license fee in excess of the amount needed to make loan payments pursuant to this section shall be deposited in the Fair and Exposition Fund. However, if after the effective date of this section, the rate of the license fee imposed on fairs is reduced, the county fair may retain that portion of the license fee applicable to its live racing meeting that exceeds the amount of the license fees that would have been paid on its 2004 live racing meeting at the reduced rate.

19615. (a) The board shall provide a method for estimating the aggregate handle for each association's proposed race meeting. Estimates may be revised during the course of the meeting. Based upon the estimate, each association shall pay its license fee weekly, and purses shall be reasonably allocated over the period of the association's anticipated race meeting pursuant to a purse program developed by the association in consultation with the horsemen's organization contracting with the association with respect to the conduct of racing meetings subject to approval of the board.

(b) Within seven days after the close of a race meeting, an association shall pay any license fee theretofore unpaid, or shall have refunded to it any excess license fee theretofore paid.

(c) If, at the close of a thoroughbred racing meeting, it is determined that the association conducting the meeting has not made payments to or for the benefit of owners and breeders of horses in an amount equaling the percentages set forth in this chapter, any excess shall be deducted from, and any deficiency not in excess of an amount agreed upon between the association and the horsemen's organization contracting with the association with respect to the conduct of racing meetings shall be added to, the amount the association is required to pay to or for the benefit of owners and breeders of horses at its racing meeting in the following calendar year. Any deficiency in excess of the amount agreed upon shall be distributed as provided in the agreement.

(d) If, at the close of any other racing meeting, it is determined that the association conducting the meeting has not made payments to or for the benefit of owners and breeders of horses in an amount equaling the percentages set forth in this chapter, any excess shall be deducted from, and any deficiency shall be added to, the amount the association is required to pay to or for the benefit of owners and breeders of horses at its racing meeting in the following calendar year.

(e) Any two associations conducting a meeting pursuant to Section 19612 or 19612.6 may, with the approval of the board, combine their excesses or deficiencies from prior meetings if the associations and the organizations representing the horsemen all agree.

(f) Any associations conducting a harness meeting in the northern zone, including an association conducting any meeting pursuant to Section 19549.3, may, with the approval of the board, combine their excesses or deficiencies from prior meetings if the associations and the organizations representing horsemen all agree.

(Amended by Stats. 1991, Ch. 139, Sec. 2. Effective July 22, 1991.)

19616. (a) Notwithstanding any other provision of law, wagers accepted on out-of-state or out-of-country races pursuant to Sections 19596 and 19596.2, or on any multiple race exotic wager involving out-of-state races that is designated as a national wager, but not included in the parimutuel pool or pools of the entity conducting the out-of-state or out-of-country racing, shall be placed in a separate parimutuel pool or pools and shall be distributed as provided by this section.

(b) Each association accepting wagers on an out-of-state or out-of-country race shall deduct a percentage of the amount handled in its conventional and exotic parimutuel pools that is equal to the percentage deducted from the amount handled by the association in its parimutuel pools at its racing meeting.

(c) Each association shall pay a state license fee and make other distributions in accordance with Section 19601.

(d) The amount remaining from the deduction under subdivision (b), after payment of the state license fee and the contractual payment to the out-of-state host racing association, shall be distributed in accordance with applicable provisions of Section 19601.

(e) From the amount distributed under subdivision (d) for Appaloosa purses, a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9, and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9.

(f) From the amount distributed under subdivision (d) for quarter horse purses, a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7, and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7.

(g) From the amount distributed under subdivision (d) for Arabian purses, a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency, pursuant to Section 19617.8, and shall thereafter be distributed in accordance with Section 19617.8.

(Amended by Stats. 1998, Ch. 335, Sec. 29. Effective January 1, 1999.)

19616.1. (a) Notwithstanding any other provision of law, wagers accepted on out-of-state or out-of-country races pursuant to Section 19596 or 19596.2, or on any multiple race exotic wager involving races from out of state that is designated by the board as a national wager and included in the parimutuel pool or pools of the entity conducting the racing shall be distributed as provided in this section.

(b) From the amount handled by the association and included in the parimutuel pool or pools of the entity conducting the out-of-state or out-of-country racing, each association may, with the permission of the board, deduct a percentage equal to the percentage deducted by the entity conducting the out-of-state or out-of-country racing.

(c) From the amount deducted pursuant to subdivision (b), if any, each association shall pay a state license fee and make other distributions in accordance with Section 19601.

(d) The amount remaining from the deduction under subdivision (b), if any, after payment of the state license fee and the contractual payment to the out-of-state or out-of-country host racing association, shall be distributed in accordance with the applicable provisions of Section 19601.

(e) From the amount distributed under subdivision (d) for Appaloosa purses, a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9, and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9.

(f) From the amount distributed under subdivision (d) for quarter horse purses, a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7, and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7.

(g) For the purposes of subdivisions (a) and (b), with respect to any multiple race exotic wager involving races from out of state that is designated by the board as a national wager, the totalizer hub for the wager shall be considered the "entity conducting the racing."

(h) Notwithstanding any other provision of law, if a thoroughbred association conducting a racing meeting in this state accepts wagers on a race that is part of a national wager as designated by the board, or acts as the totalizer hub pursuant to subdivision (g), the association shall not be required to pay a license fee to the state on those wagers. Amounts received by the association from the wagering shall be distributed 50 percent as commissions and 50 percent as purses to the horsemen and horsewomen participating in the racing meeting.

(i) From the amount distributed under subdivision (d) for Arabian purses, a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency, pursuant to Section 19617.8, and shall thereafter be distributed in accordance with Section 19617.8.

(Amended by Stats. 1998, Ch. 335, Sec. 30. Effective January 1, 1999.)

19616.2. (a) Except as provided in Section 19616.1, an association conducting wagering on an out-of-state feature race that is included in the parimutuel pool of the out-of-state entity conducting the out-of-state racing shall deduct a percentage equal to the percentage deducted from the amount handled by the association in its parimutuel pools at its racing meeting.

(b) An association that accepts wagers in a common parimutuel pool on an out-of-state feature race and deducts a percentage equal to that deducted from the amount handled by the association in its parimutuel pool at its racing meeting, as specified in subdivision (a), shall calculate payments on winning tickets as provided in Section 19602.

(Amended by Stats. 1992, Ch. 644, Sec. 2. Effective September 14, 1992.)

19616.51. (a) Notwithstanding any other law, and in lieu of any license fee payable to the state prescribed for or referred to in Section 19491, 19491.5, 19596.3, 19601, 19601.2, 19602, 19603, 19604, 19605.25, 19605.35, 19605.45, 19605.6, 19605.7, 19605.71, 19606.5, 19606.6, 19610.8, 19611, 19612, 19614, 19616, 19616.1, 19616.2, or 19641, any association or fair that conducts a racing meeting shall only pay its proportional amount, as determined by the formula devised pursuant to paragraph (1), as a license fee to the state, to be deposited into the Horse Racing Fund, which is hereby established, to fund the board and the equine drug testing program as follows:

(1) All racing associations and fairs including all breeds of racing shall participate in the funding of the board in accordance with a formula devised by the board in consultation with the industry.

(2) The baseline funding for the board and equine drug testing program in the first fiscal year after the enactment of this section shall be the amount approved in the 2008–09 Budget Act.

(3) Adjustments to the funding in subsequent budget years may only be made by an act of the Legislature.

(b) The license fee reductions resulting from subdivision (a), after payments to fund the board and the equine drug testing program, shall be distributed as follows:

(1) For thoroughbred racing only, 3 percent of the amount of the reduction shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2. The remaining amount shall be distributed to the association that conducts the racing meeting and to horsemen participating in that racing meeting as follows:

(A) Fifty percent to the association as commissions.

(B) Fifty percent to the horsemen as purses.

(2) For quarter horse racing, 3 percent of the amount of the reduction shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7, and shall thereafter be distributed in accordance with subdivisions (c), (d), (e), and (f) of Section 19617.7, the remaining amount shall be distributed to the association that conducts the racing meeting and to horsemen participating in that racing meeting as follows:

(A) Fifty percent to the association as commissions.

(B) Fifty percent to the horsemen as purses.

(3) For harness racing, 6 percent of the amount of the reduction shall be distributed as specified in Section 19617.6, the remaining amount shall be distributed to the association that conducts the racing meeting and to horsemen participating in that racing meeting as follows:

(A) Fifty percent to the association as commissions.

(B) Fifty percent to the horsemen as purses.

(4) For all other breeds, the remaining amount shall be distributed to the association that conducts the racing meeting and to horsemen participating in that racing meeting as follows:

(A) Fifty percent to the association as commissions.

(B) Fifty percent to the horsemen as purses.

(Amended by Stats. 2010, Ch. 193, Sec. 1. (AB 1792) Effective January 1, 2011.)

19617. The following definitions shall govern the construction of this section and Section 19617.2:

(a) "Breeder" means a person who is registered as a breeder of a California-bred thoroughbred with the official registering agency and is named on the applicable Certificate of Registration issued by the Jockey Club of New York.

(b) "Qualifying race" means the following:

(1) In the case of breeder awards, all races in this state, all graded stakes races conducted within the United States, and other stakes races as designated by the official registering agency.

(2) As qualified by paragraph (5), in the case of owner premiums, certain claiming races, as defined by paragraph (4), and all allowance races, including maiden special weights. No owner premiums shall be paid on California-bred restricted races pursuant to Section 19568.

(3) As qualified by paragraph (5), in the case of stallion awards, all nonclaiming races and certain claiming races, if the nonclaiming races and the certain claiming races are conducted in this state during racing meetings where more than one-half of the races on every racing program are for thoroughbreds, all graded stakes races conducted within the United States, and other stakes races as designated by the official registering agency.

(4) "Certain claiming races" means thoroughbred races in the central and southern zone with a minimum claiming level of forty thousand dollars (\$40,000) for winners and thoroughbred races in the northern zone with a minimum claiming level of twenty thousand dollars (\$20,000) for winners.

(5) No owner premium or stallion award shall be paid on races with purses of less than fifteen thousand dollars (\$15,000). In determining whether a race complies with the definition in paragraph (4), the official registering agency shall base its determination on the actual amount of the purse at the time the race was conducted and shall not take into consideration any postrace adjustments to that purse.

(c) "Eligible earnings" means the following:

(1) In the case of breeder awards, the annual amount earned by a California-bred thoroughbred for finishing first, second, or third in qualifying races.

(2) In the case of owner premiums, the annual amount earned by a California-bred thoroughbred for winning qualifying races.

(3) In order for earnings from a qualifying race to be considered as eligible earnings, a California-bred thoroughbred shall be registered as such with the official registering agency before the date entries were taken by the association for the qualifying race

in which that horse earned purse money.

(4) In the case of stallion awards, the annual amount earned by California-conceived or California-bred foals of an eligible thoroughbred stallion in winning qualifying races plus the amount earned by those foals for finishing second or third in a stakes race in this state, for finishing first, second, or third in a graded stakes race within the United States, and for finishing first, second, or third in other stakes races as designated by the official registering agency.

(5) For purposes of this section, the maximum purse considered earned in any qualifying race within this state shall be three hundred thirty thousand dollars (\$330,000) for a win, one hundred twenty thousand dollars (\$120,000) for a second, and ninety thousand dollars (\$90,000) for a third place finish and the maximum purse considered earned in any qualifying race outside of this state shall be one hundred sixty-five thousand dollars (\$165,000) for a win, sixty thousand dollars (\$60,000) for a second, and forty-five thousand dollars (\$45,000) for a third place finish.

(6) In determining the purse earned in any qualifying race that is a stakes race, the amount earned shall be based solely on the added money, with no consideration to be given to other sources of the purse, such as nomination, entry, or starting fees, bonuses, and sponsor contributions, or any combination thereof.

(7) On or before February 15 of any year, it is the ultimate responsibility of the stallion owner to advise the official registering agency of any and all purses earned during the preceding year that shall be considered in determining the amount of the stallion award to which the owner is entitled.

(8) On or before February 15 of any year, it is the ultimate responsibility of the breeder to advise the official registering agency of any and all purses earned during the preceding year in graded stakes races outside of this state by horses bred by breeder.

(d) "Eligible thoroughbred stallion" means a thoroughbred stallion that was continuously present in this state from February 1 to June 15, inclusive, of the calendar year in which the qualifying race was conducted, and if the sire left this state after June 15 of the calendar year in which the qualifying race was conducted, the sire returned to and was present in this state by February 1 of the following calendar year and thereafter remained until June 15 of that year. If a sire dies in this state and stood his last season at stud in this state, he shall thereafter continue to be considered an eligible thoroughbred stallion.

(1) Notwithstanding any provision to the contrary, a thoroughbred stallion shall be considered an eligible thoroughbred stallion only if its owner has filed a claim for stallion award on or before February 15 of the calendar year immediately following the calendar year for which the awards are being distributed and is registered with the official registering agency.

(2) The official registering agency shall establish procedures for the registration of stallions and may charge a fee for that registration.

(3) This subdivision shall apply only to thoroughbred stallions standing at stud in this state before January 1, 2010, and as to foals conceived in this state before January 1, 2010.

(e) "Eligible thoroughbred stallion" means a thoroughbred stallion that was continuously present in this state from February 1 to June 15, inclusive, of the year 2010 or any subsequent calendar year in which he stood at stud and fathered the participant in the race. If a sire dies in this state in the year 2010 or any subsequent year and stood his last season at stud in this state, or was standing at stud in this state on the date of his death in the year 2010 or any subsequent year, he shall thereafter continue to be considered an eligible thoroughbred stallion regarding a race participant fathered by him in that season.

(1) Notwithstanding any provision to the contrary, a thoroughbred stallion shall be considered an eligible thoroughbred stallion only if the stallion owner has filed a claim for stallion award on or before February 15 of the calendar year immediately following the calendar year for which the awards are being distributed and the stallion and the stallion owner are registered with the official registering agency.

(2) The official registering agency shall establish procedures for the registration of stallions and stallion owners and may charge a fee for that registration.

(3) This subdivision shall apply only to thoroughbred stallions standing at stud in this state on or after January 1, 2010, and as to foals conceived in this state on or after January 1, 2010.

(f) "Official registering agency" means the California Thoroughbred Breeders Association.

(g) "Owner" means the person who is registered with the paymaster of purses on the date the qualifying race was conducted as the owner of the California-bred thoroughbred earning purse money in that race.

(h) "Quotient," for any fund, means the amount allocated to that fund pursuant to subdivision (b) of Section 19617.2 divided by the aggregate eligible earnings of the horses applicable to that fund. In calculating the quotient for each of the funds, any retroactive purse payments with respect to a race shall not be considered after the disbursement of the fund.

(i) "Stallion owner" means the person who is the owner of the eligible thoroughbred stallion as of December 31 of the calendar year in which that sire's foals had eligible earnings or the person who owned the eligible thoroughbred sire on the date that the stallion died. This subdivision shall only apply to thoroughbred stallions standing at stud in this state before January 1, 2010, and as to foals conceived in this state before January 1, 2010.

(j) "Stallion owner" means the person who is the owner of the eligible thoroughbred stallion as of December 31 of each calendar year in which the eligible thoroughbred stallion stands at stud in this state as to all of that sire's foals (1) that were conceived in this state in that calendar year and (2) that thereafter have eligible earnings. If the eligible thoroughbred stallion dies prior to December 31 of a year in which that stallion stands at stud in this state, the person who owned the eligible thoroughbred stallion on the date that the stallion died shall be the stallion owner for that year. This subdivision shall only apply to thoroughbred stallions standing at stud in this state on or after January 1, 2010, and as to foals conceived in this state on or after January 1, 2010.

(Amended by Stats. 2010, Ch. 272, Sec. 4. (AB 2792) Effective January 1, 2011.)

19617.2. (a) Except as otherwise provided in this chapter, any association conducting a race meeting that includes thoroughbred racing shall deposit with the official registering agency 0.54 percent of the total amount handled ontrack in daily conventional and exotic parimutuel pools resulting from thoroughbred wagers made in this state. These deposits shall be made at the following intervals:

(1) For any meeting of 20 racing days or less, the requisite deposit shall be made not later than seven days immediately following the last day of that meeting.

(2) For any meeting of more than 20 racing days, the initial deposit shall be made not later than 27 racing days after the commencement of that meeting and every 20 racing days thereafter, with a final deposit made not later than seven days following the last day of that meeting. The initial deposit for that meeting shall be based upon the applicable amount handled during the first 20 racing days of the meeting, and deposits thereafter shall be based upon the applicable amount handled during the ensuing periods of 20 racing days with the last deposit being based upon the applicable amount handled from the end of the last 20-racing-day period for which a deposit has been made to the end of the meeting.

(b) After deducting a sum equal to 5 percent of the total deposits made pursuant to subdivision (a) and the total deposits made pursuant to Section 19602, the amount to compensate the official registering agency for its administrative cost and for expenses it incurs for educational, promotional, and research programs, the official registering agency shall for computational purposes distribute annually the balance of the deposits in the following manner:

(1) To the California-bred race fund, 10 percent to be used for the promotion of California-bred races and from which purses are to be provided or supplemented for California Cup Day, other California-bred races, and, upon the approval of the official registering agency, races featuring California-breds. This fund shall be administered by the official registering agency. Any funds not used for those purposes during any year, up to 1 percent of the total breeder, stallion, and owner award receipts, shall remain in the California-bred race fund to be distributed for the purposes of this paragraph the following year. Any funds remaining thereafter shall be redistributed to augment the funds referred to in subdivision (c), and shall be allocated to the breeder fund and to the stallion fund as provided in that subdivision. It is the intent of the Legislature that all funds used for purses shall supplement and not supplant existing purses for California-breds.

(2) To the owner fund for the purpose of owner premiums pursuant to Section 19614.4.

(3) To the California-bred bonus program, 15 percent of the amount remaining to be used for the payment of bonuses to California-bred horses in maiden allowance races in California. This bonus program shall be administered by the official registering agency.

(c) The funds remaining after the distributions made pursuant to subdivision (b) shall be distributed as follows:

(1) To the breeder fund 75 percent, from which breeder awards are to be paid.

(2) To the stallion fund 25 percent, from which stallion awards are to be paid.

(d) The official registering agency shall make the following payments to the owner, breeder, and stallion owner so as to encourage agriculture and the breeding of higher quality horses in this state:

(1) The owner shall be paid an owner premium pursuant to Section 19614.4.

(2) The breeder shall be paid a breeder award equal to the quotient for the breeder fund multiplied by the eligible earnings of the horse bred by the breeder.

(3) The stallion owner shall be paid a stallion award equal to the quotient for the stallion fund multiplied by the eligible earnings of the stallion owner's eligible thoroughbred stallion.

(4) Owner premiums for California-bred horses shall be listed in the racing program alongside the advertised purse, and shall be distributed to the owner pursuant to Section 19614.4 at the same time as the purse.

(5) The breeder and stallion awards shall be paid not later than March 31 of the calendar year immediately following the calendar year for which the awards or premiums were earned.

(Amended by Stats. 2010, Ch. 272, Sec. 5. (AB 2792) Effective January 1, 2011.)

19617.3. (a) The following definitions govern the construction of this section:

(1) "Breeder" means a person who is registered as the breeder of a California-bred paint horse with the official registering agency and is named on the applicable Certificate of Registration issued by the American Paint Horse Association.

(2) "Eligible earnings" means the following:

(A) In the case of breeder premiums, the annual amount earned by a California-bred paint horse for finishing first or second in qualifying races.

(B) In the case of owners' awards, the annual amount earned by a California-bred paint horse for finishing first or second in qualifying races.

(C) In the case of stallion awards, the annual amount earned by California-conceived or California-bred foals of an eligible paint horse sire for finishing first or second in qualifying races.

(D) In order for earnings from a qualifying race to be considered as eligible earnings, a California-bred paint horse shall be registered as such with the official registering agency before the entries were taken by the association for the qualifying race in which that horse earned purse money.

(E) For purposes of this paragraph, the maximum purse considered earned in any qualifying race within this state is two hundred thousand dollars (\$200,000) for a win, and eighty thousand dollars (\$80,000) for a second place finish.

(F) In determining the purse earned in any qualifying race that is a stakes race, the amount earned shall be based on the added money and other sources of the purse, such as nomination, entry, or starting fees, bonuses, and sponsor contributions, or any combination thereof.

(G) On or before February 1, of any year, the stallion owner shall verify with the official registering agency the eligibility of a stallion to receive the stallion award to which the owner is entitled.

(3) "Eligible paint horse sire" means a paint horse, thoroughbred, or quarter horse sire of a registered paint horse foal, where the sire was continuously present in this state from February 1 to July 15, inclusive, of the calendar year in which the qualifying race was conducted, as well as from February 1 to July 15, inclusive, of the following calendar year. If a sire dies in this state and stood his last seasons at stud in this state, he shall thereafter continue to be considered an eligible paint horse sire. Notwithstanding any other provision of law, a paint horse stallion shall be considered an eligible paint horse sire only if its owner has verified the stallion's eligibility with the official registering agency for stallion awards on or before February 1 of the calendar year immediately following the calendar year for which the awards are being distributed.

(4) "Official registering agency" means the Pacific Coast Quarter Horse Racing Association.

(5) "Owner" means the person who is registered with the paymaster of purses on the date the qualifying race was conducted as the owner of the California-bred paint horse earning purse money in that race.

(6) "Qualifying race" means all paint horse only races in this state.

(7) "Stallion owner" means the person who is the owner of the eligible paint horse sire as of December 31 of the calendar year in which that sire's foals had eligible earnings or the person who owned the eligible paint horse sire on the date that the sire died.

(b) Any association conducting a race meeting that includes paint horse racing shall deposit with the official registering agency 0.2 of 1 percent of the total amount handled ontrack, and 0.4 of 1 percent of the total amount handled offtrack, in daily conventional and

exotic parimutuel pools and a sum equal to 25 percent of those funds specified for purses in Sections 19612.1, 19612.2, 19614.2, 19616, and 19616.1 and the sums specified in Sections 19567 and 19617.5, resulting from paint horse racing. The deposits shall be made at the following intervals:

(1) For any meeting of 20 racing days or less, the requisite deposit shall be made not later than seven days immediately following the last day of that meeting.

(2) For any meeting of more than 20 racing days, the initial deposit shall be made not later than 27 racing days after the commencement of that meeting and every 20 racing days thereafter, with a final deposit made not later than seven days following the last day of that meeting. The initial deposit for that meeting shall be based upon the applicable amount handled during the first 20 racing days of the meeting, and deposits thereafter shall be based upon the applicable amount handled during the ensuing periods of 20 racing days, with the last deposit being based upon the applicable amount handled from the end of the last 20-racing-day period for which a deposit has been made to the end of the meeting.

(c) After deducting a sum up to, but not to exceed, 10 percent of the total deposits made pursuant to subdivision (b) and the total deposits made pursuant to other provisions of this chapter, including Sections 19612.1, 19612.2, 19614.2, 19616, and 19616.1, to compensate the official registering agency for its administrative costs, the official registering agency shall distribute annually the balance of the deposits in the following manner:

(1) Sixty percent to the breeder fund from which breeder premiums are to be paid.

(2) Twenty-five percent to the owner fund from which owners' premiums are to be paid.

(3) Fifteen percent to the stallion fund from which stallion awards are to be paid.

(d) The official registering agency shall make the following payments to the breeder, owner, and stallion owner to encourage agriculture and the breeding of high quality horses in this state:

(1) The breeder shall be paid a sum based on a prorated share, but not less than 10 percent, of first and second place earnings from qualified races by a California-bred paint horse. If the sum paid to the breeder is less than 10 percent of the purse paid for a first or second place finish in a qualifying race, the owners' award and stallion award pools shall respectively contribute 62.5 percent and 37.5 percent of the moneys necessary to the breeder premium pool to raise the breeder premium to 10 percent minimum. In calculating the 10 percent breeder premium, the maximum purse considered earned in any qualifying race within this state is two hundred thousand dollars (\$200,000) for a first place finish, and eighty thousand dollars (\$80,000) for a second place finish.

(2) The owner shall be paid an owners' award, a sum based on a prorated share of first and second place earnings from qualified races by a California-bred paint horse.

(3) The stallion owner shall be paid a stallion award, a sum based on a prorated share of first and second place earnings from qualified races by a California-bred paint horse. Stallion awards shall not be made to the owner of a sire that has been out of the state for breeding purposes during the calendar year.

(4) The breeder premium and owners' and stallion awards shall be paid not later than March 31 of the calendar year immediately following the calendar year for which the awards or premiums were earned. Any payments for awards or premiums that are uncashed on December 31 of the year issued shall accrue to the following year for distribution on an equal basis.

(e) The amount remaining for distribution under this section, if any, after the payments are made under subdivision (d) shall be used for the payment of paint horse breeders premiums and owners' and stallion awards on a prorated percentage based on the win and second place shares of the purse exclusive of all purse money not derived from the parimutuel pools, to the breeders, owners, and owners of sires of paint horses who have been officially placed first or second in one or more qualifying races.

(f) If there are insufficient funds to make all of the distributions in this section, there shall be no assessments made against any association to fund the deficiencies.

(Added by Stats. 2002, Ch. 282, Sec. 2. Effective January 1, 2003.)

19617.4. (a) The official registering agency shall invest the funds deposited with it, and the interest earned on those deposits shall be a part of the total deposits distributable under subdivisions (b) and (c) of Section 19617.2.

(b) In the event there are insufficient funds to make the distributions described in Section 19617.2, there shall be no additional assessments made against any association or the state to fund the deficiencies.

(c) Any award or premium remaining uncollected for two consecutive years from that date of disbursement shall be deemed null and void. The official registering agency shall deposit the amount of the uncollected award or premium into the breeder fund existing at that time.

(d) Any dispute with respect to a breeder award, owner premium, or stallion award shall be decided by the official registering agency, which may demand and inspect any registration certificate or record, or require the submission of claims forms, affidavits, and declarations or make that inspection and require submissions of that information. The decision of the official registering agency shall be subject to review by the board pursuant to subdivision (e).

(e) A decision made by the official registering agency with respect to a breeder award, owner premium, or stallion award may be appealed to the board. The appeal shall be submitted in writing to the board in such manner and at such time as to permit the board, in the exercise of reasonable diligence, to determine the appeal prior to the time at which distribution of that award or premium is to be made. The board's decision on this matter shall be final and binding upon all parties.

(f) The official registering agency shall report annually to the board, which in turn shall report annually to the Governor and Legislature, with respect to the funds deposited pursuant to subdivision (a) of Section 19617.2.

(Added by Stats. 1989, Ch. 1019, Sec. 9.)

19617.5. (a) Any association conducting a quarter horse or harness racing meeting shall pay the sums required to be paid by Section 19567 out of the amounts deducted from the parimutuel pool for license fees, commissions, and purses in the same proportion as the distribution of the license fees, commissions, and purses.

Those sums deducted for quarter horse meetings shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7.

(b) Notwithstanding subdivision (a), any association conducting a fair racing meeting other than a harness meeting or conducting a mixed breed meeting shall deduct an additional 0.34 of 1 percent of the total amount handled in its daily conventional and exotic parimutuel pools for all races for payment of breeder and stallion awards provided for in this chapter. Following the close of the meeting, the respective official registering agency or officially recognized horsemen's organization shall distribute the amounts so deducted as follows:

(1) With respect to thoroughbred races, the amounts deducted shall be paid as breeder awards, owners' premiums, and stallion awards as provided in Section 19617.2.

(2) With respect to quarter horse races, the amounts deducted shall be paid as breeder premiums, and owners' and stallion awards, as provided in Section 19617.7.

(3) With respect to Arabian races, the amounts deducted shall be paid as breeder premiums, and owners' and stallion awards as provided in Section 19617.8.

(4) With respect to Appaloosa races, the amounts deducted shall be paid as breeder premiums, and owners' and stallion awards, as provided in Section 19617.9.

(5) With respect to paint horse races, the amounts deducted shall be paid as breeder and owners' premiums, and stallion awards, as provided in Section 19617.3.

(Amended by Stats. 2003, Ch. 62, Sec. 10. Effective January 1, 2004.)

19617.6. (a) Since the purpose of this chapter is to encourage agriculture and the breeding of horses in this state, a sum equal to 10 percent of the first money of each purse won by a registered California-bred horse at a harness racing meeting shall be paid by the licensee conducting the meeting to the owner of the horse. This section applies to any California-bred standardbred horse for all races except the California Standardbred Sires Stakes races, other stakes races designed for California-bred standardbred horses, and late closing events and series conducted at the harness racing meetings in California.

(b) Each licensee conducting a harness race meeting shall pay the sums required to be paid in subdivision (a) out of the amount deducted for purses pursuant to subdivision (b) of Section 19612, Section 19612.6, and subdivision (d) of Section 19616.1.

(c) Funds paid to owners of California-bred standardbred horses pursuant to this section shall be distributed by the licensed harness racing association no later than 30 calendar days after the conclusion of the racing meeting.

(Added by Stats. 1998, Ch. 12, Sec. 2. Effective April 1, 1998.)

19617.7. (a) The following definitions govern the construction of this section:

(1) "Breeder" means a person who is registered as the breeder of a California-bred quarter horse with the official registering agency and is named on the applicable Certificate of Registration issued by the American Quarter Horse Association.

(2) "Eligible earnings" means the following:

(A) In the case of breeder premiums, the annual amount earned by a California-bred quarter horse for finishing first or second in qualifying races.

(B) In the case of owners' awards, the annual amount earned by a California-bred quarter horse for finishing first or second in qualifying races.

(C) In the case of stallion awards, the annual amount earned by California-conceived or California-bred foals of an eligible quarter horse sire for finishing first or second in qualifying races.

(D) In order for earnings from a qualifying race to be considered as eligible earnings, a California-bred quarter horse shall be registered as such with the official registering agency before the entries were taken by the association for the qualifying race in which that horse earned purse money.

(E) For purposes of this paragraph, the maximum purse considered earned in any qualifying race within this state is two hundred thousand dollars (\$200,000) for a win, and eighty thousand dollars (\$80,000) for a second place finish.

(F) In determining the purse earned in any qualifying race that is a stakes race, the amount earned shall be based on the added money and other sources of the purse, such as nomination, entry, or starting fees, bonuses, and sponsor contributions, or any combination thereof.

(G) On or before February 1 of any year, the stallion owner shall verify with the official registering agency the eligibility of a stallion to receive the stallion award to which the owner is entitled.

(3) "Eligible quarter horse sire" means a quarter horse, or thoroughbred stallion, bred to a quarter horse mare, where the sire was continuously present in this state from February 1 to July 15, inclusive, of the calendar year in which the qualifying race was conducted, as well as from February 1 to July 15, inclusive, of the following calendar year. If a sire dies in this state and stood his last season at stud in this state, he shall thereafter continue to be considered an eligible quarter horse sire. Notwithstanding any other provision of law, a quarter horse or thoroughbred stallion shall be considered an eligible quarter horse sire only if its owner has verified the stallion's eligibility with the official registering agency for stallion awards on or before February 1 of the calendar year immediately following the calendar year for which the awards are being distributed.

(4) "Official registering agency" means the Pacific Coast Quarter Horse Racing Association.

(5) "Owner" means the person who is registered with the paymaster of purses on the date the qualifying race was conducted as the owner of the California-bred quarter horse earning purse money in that race.

(6) "Qualifying race" means all quarter horse races in this state.

(7) "Stallion owner" means the person who is the owner of the eligible quarter horse sire as of December 31 of the calendar year in which that sire's foals had eligible earnings or the person who owned the eligible quarter horse sire on the date that the sire died.

(b) Any association conducting a race meeting that includes quarter horse racing shall deposit with the official registering agency 0.2 of 1 percent of the total amount handled ontrack, and 0.4 of 1 percent of the total amount handled offtrack, in daily conventional and exotic parimutuel pools and a sum equal to 25 percent of those funds specified for purses in Sections 19612.1, 19612.2, 19614.2, 19616, and 19616.1 and the sums specified in Sections 19567 and 19617.5, resulting from quarter horse racing. The deposits shall be made at the following intervals:

(1) For any meeting of 20 racing days or less, the requisite deposit shall be made not later than seven days immediately following the last day of that meeting.

(2) For any meeting of more than 20 racing days, the initial deposit shall be made not later than 27 racing days after the commencement of that meeting and every 20 racing days thereafter, with a final deposit made not later than seven days following the last day of that meeting. The initial deposit for that meeting shall be based upon the applicable amount handled during the first 20 racing days of the meeting and deposits thereafter shall be based upon the applicable amount handled during the ensuing periods of 20 racing days with the last deposit being based upon the applicable amount handled from the end of the last 20-racing-day period for which a deposit has been made to the end of the meeting.

(c) After deducting a sum up to, but not to exceed, 10 percent of the total deposits made pursuant to subdivision (b) and the total deposits made pursuant to other provisions of this chapter, including Sections 19612.1, 19612.2, 19614.2, 19616, and 19616.1, to compensate the official registering agency for its administrative costs, the official registering agency shall distribute annually the balance of the deposits in the following manner:

(1) Sixty percent to the breeder fund from which breeder premiums are to be paid.

(2) Twenty-five percent to the owner fund from which owners' awards are to be paid.

(3) Fifteen percent to the stallion fund from which stallion awards are to be paid.

(d) The official registering agency shall make the following payments to the breeder, owner, and stallion owner to encourage agriculture and the breeding of high quality horses in this state:

(1) The breeder shall be paid a sum based on a prorated share, but not less than 10 percent, of first and second place earnings from qualified races by a California-bred quarter horse.

If the sum paid to the breeder is less than 10 percent of the purse paid for a first or second place finish in a qualifying race, the owners' award and stallion award pools shall respectively contribute 62.5 percent and 37.5 percent of the moneys necessary to the breeder premium pool to raise the breeder premium to 10 percent minimum. In calculating the 10 percent breeder premium, the maximum purse considered earned in any qualifying race within this state is two hundred thousand dollars (\$200,000) for a first place finish, and eighty thousand dollars (\$80,000) for a second place finish.

(2) The owner shall be paid an owners' award, a sum based on a prorated share of first and second place earnings from qualified races by a California-bred quarter horse.

(3) The stallion owner shall be paid a stallion award, a sum based on a prorated share of first and second place earnings from qualified races by a California-bred quarter horse.

Stallion awards shall not be made to the owner of a sire that has been out of the state for breeding purposes during the calendar year.

(4) The breeder premium, and owners' and stallion awards shall be paid not later than March 31 of the calendar year immediately following the calendar year for which the awards or premiums were earned. Any payments for awards or premiums that are uncashed on December 31 of the year issued, shall accrue to the following year for distribution on an equal basis. All uncashed payments for premiums and awards that have accumulated as of December 31, 1994, shall be paid to the 1995 awards program in accordance with subdivision (c).

(e) The amount remaining for distribution under this section, if any, after the payments are made under subdivision (d) shall be used for the payment of quarter horse breeder premiums and owners' and stallion awards on a prorated percentage based on the win and second place shares of the purse, exclusive of all purse money not derived from the parimutuel pools, to the breeders, owners, and owners of sires of quarter horses who have been officially placed first or second in one or more qualifying races.

(f) If there are insufficient funds to make all of the distributions in this section, there shall be no assessments made against any association to fund the deficiencies.

(Amended by Stats. 1998, Ch. 32, Sec. 1. Effective May 5, 1998.)

19617.75. (a) The Legislature finds and declares that the breeding and ownership of quarter horses for racing is an industry that has proven to be beneficial to the welfare of the state's economic growth. The Legislature further finds and declares that an annual California-bred Quarter Horses Championship races program will further expand and improve the quality of mares bred to California stallions and promote ownership of quality breeding stock in the State of California, which thereby will establish a foundation for expanded investment in this great industry.

(b) It is the intent of the Legislature that in addition to the awards, premiums, and payments provided for in Section 19617.7, the official registering agency for quarter horses shall establish a separate, segregated account for the deposit of funds distributed to it pursuant to subdivision (c) of Section 19605.7 and subdivision (c) of Section 19605.71. Moneys in this fund shall be used to supplement purses in the annual California-bred Quarter Horse Championship races, to be established pursuant to regulation of the California Horse Racing Board. The distribution of these purse moneys among these races shall be made pursuant to mutual agreement between the quarter horse association and the registering agency. On June 1 of each year, the official registering agency shall provide the board with an annual report accounting for the current and projected balance of this separate fund. Furthermore, it is the intent of the Legislature that the authorization for this fund be retroactive from June 1, 2000, so as to enable the running of the 2001 California-bred Quarter Horse Championship races.

(Added by Stats. 2001, Ch. 65, Sec. 3. Effective July 16, 2001.)

19617.8. (a) The following definitions govern the construction of this section:

(1) "Breeder" means the person or persons listed as breeder of record by the Arabian Horse Registry of America and so indicated on the horse's registration papers.

(2) "Eligible earnings" means the following:

(A) In the case of breeder premiums, the annual amount earned by a California-bred Arabian horse for finishing first or second in qualifying races.

(B) In the case of owners' awards, the annual amount earned by a California-bred Arabian horse for finishing first or second in qualifying races.

(C) In the case of stallion awards, the annual amount earned by California-bred Arabian foals of an eligible Arabian horse sire for finishing first or second in qualifying races.

(D) In order for earnings from a qualifying race to be considered as eligible earnings, an Arabian horse shall be registered as a California-bred horse with the official registering agency before the date entries were taken by the association for the qualifying race in which that horse earned purse money.

(E) In determining the purse earned in any race that is a stakes race, the amount earned shall be based 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.

(F) On or before February 15 of any year, the stallion owner shall advise the official registering agency of any and all purses earned during the preceding year to be considered in determining the amount of the stallion award to which the owner is entitled.

(3) "Eligible Arabian sire" means an Arabian stallion that was continuously present in this state for the calendar year in which the qualifying race was conducted. If a sire dies in this state and stood his last season at stud in this state, he shall thereafter continue to be considered an eligible Arabian sire. Notwithstanding any other provision of law, an Arabian or stallion shall be considered an eligible Arabian sire only if its owner has registered the stallion with the official registering agency for the stallion awards on or before February 15 of the calendar year immediately following the calendar year for which the awards are being distributed. Stallion claim forms are due February 15, whether or not the official registering agency solicits them.

(4) "Official registering agency" means the officially recognized organization representing Arabian horsemen designated by the board.

(5) "Owner" means the person who is registered with the paymaster of purses on the date the qualifying race was conducted as the owner of the California-bred Arabian horse earning purse money in that race.

(6) "Qualifying race" means all Arabian horseraces in this state.

(7) "Stallion owner" means the person who is the owner of the eligible Arabian sire as of December 31 of the calendar year in which that sire's foals had eligible earnings or the person who owned the eligible Arabian sire on the date that the sire died.

(b) Any association conducting a race meeting that includes Arabian horseracing shall deposit with the official registering agency 0.2 of 1 percent of the total amount handled ontrack, and 0.4 of 1 percent of the total amount handled offtrack, in daily conventional and exotic parimutuel pools and a sum equal to 13.33 percent of those funds specified for purses in Section 19612.1 and the sums specified in Sections 19567 and 19617.5, resulting from Arabian horseracing. The deposits shall be made at the following intervals:

(1) For any meeting of 20 racing days or less, the requisite deposit shall be made not later than seven days immediately following the last day of that meeting.

(2) For any meeting of more than 20 racing days, the initial deposit shall be made not later than 27 racing days after the commencement of that meeting and every 20 racing days thereafter, with a final deposit made not later than seven days following the last day of the meeting. The initial deposit for that meeting shall be based upon the applicable amount handled during the first 20 racing days of the meeting and deposits thereafter shall be based upon the applicable amount handled during the ensuing periods of 20 racing days with the last deposit being based upon the applicable amount handled from the end of the last 20-racing-day period for which a deposit has been made to the end of the meeting.

(c) After deducting a sum up to, but not to exceed, 10 percent of the total deposits made pursuant to subdivision (b) and the total deposits made pursuant to other provisions of this chapter, including Sections 19612.1 and 19612.2, to compensate the official registering agency for its administrative costs, the official registering agency shall distribute annually the balance of the deposits in the following manner:

(1) Fifty-five percent to the breeder fund from which breeder premiums are to be paid.

(2) Twenty percent to the owner fund from which owners' awards are to be paid.

(3) Fifteen percent to the stallion fund from which stallion awards are to be paid.

(4) Ten percent to the California-bred race fund to be used for the promotion of California-bred races and programs, which fund shall be administered by the official registering agency. Any funds not so used during the year shall augment the owner fund of that year and shall be distributable therefrom. It is the intent of the Legislature that all funds used for purses shall supplement and not supplant existing purses for California-breds.

(d) The official registering agency shall make the following payments to the breeder, owner, and stallion owner to encourage agriculture and the breeding of high quality horses in this state:

(1) The breeder shall be paid a sum based on a prorated share of first and second place earnings.

(2) The owner shall be paid an owners' award, a sum based on a prorated share of first and second place earnings from qualified races by a California-bred Arabian horse.

(3) The stallion owner shall be paid a stallion award, a sum based on a prorated share of first and second place earnings from the Arabian horses who placed first or second in one or more races at a fair meeting, mixed breed meeting, or other type of meeting.

Stallion awards shall not be made to the owner of a sire that has been out of the state for breeding purposes during the calendar year. Stallion awards shall not be made for any race run outside of the State of California.

(4) The breeder premium, and owners' and stallion awards shall be paid not later than March 31 of the calendar year immediately following the calendar year for which the awards or premiums were earned.

(e) The amount remaining for distribution under this section, if any, after the payments are made under subdivision (d) shall be paid at the end of the year on a prorated percentage basis to the owners of sires of Arabian horses who placed first in one or more races at a fair meeting, mixed breed meeting, or other type of meeting.

(f) If there are insufficient funds to make all of the distributions in this section, there shall be no assessments made against any association to fund the deficiencies.

(g) Any award remaining uncollected for one year from the date of disbursement is null and void. The official registering agency shall deposit the amount of the uncollected award into the award fund existing at that time.

(Repealed and added by Stats. 1995, Ch. 826, Sec. 11. Effective October 13, 1995.)

19617.9. (a) The following definitions govern the construction of this section:

(1) "Breeder" means a person who is registered as the owner of the dam at the time the mare foals.

(2) "Eligible earnings" means the following:

(A) In the case of breeder premiums, the annual amount earned by a California-bred Appaloosa horse for finishing first or second.

(B) In the case of owners' awards, the annual amount earned by a California-bred Appaloosa horse for finishing first or second in qualifying races.

(C) In the case of stallion awards, the annual amount earned by Appaloosa foals of an eligible Appaloosa sire for finishing first or second.

(D) In order for earnings from a qualifying race to be considered as eligible earnings, an Appaloosa horse shall be registered as such with the official registering agency before the date entries were taken by the association for the qualifying race in which that horse earned purse money.

(E) In determining the purse earned in any race that is a stakes race, the amount earned shall 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.

(F) On or before February 1 of any year, the stallion owner shall advise the official registering agency of any and all purses earned during the preceding year to be considered in determining the amount of the stallion award to which the owner is entitled.

(3) "Eligible Appaloosa sire" means an Appaloosa stallion that was continuously present in this state from February 1 to July 15, inclusive, of the calendar year in which the qualifying race was conducted, and, if the sire left this state after July 15 of the calendar year in which the qualifying race was conducted, the sire returned to and was present in this state by February 1 of the following calendar year and thereafter remained until July 15 of that year. If a sire dies in this state and stood his last season at

stud in this state, he shall thereafter continue to be considered an eligible Appaloosa sire. Notwithstanding any other provision of law, an Appaloosa stallion shall be considered an eligible Appaloosa sire only if its owner has registered the stallion with the official registering agency for stallion awards on or before February 1 of the calendar year immediately following the calendar year for which the awards are being distributed.

(4) "Official registering agency" means the officially recognized organization representing Appaloosa horsemen designated by the board.

(5) "Owner" means the person who is registered with the paymaster of purses on the date the race was conducted as the owner of the California-bred Appaloosa horse earning purse money in that race.

(6) "Qualifying race" means all Appaloosa horseraces in this state for breeders and stallions; for owners' awards, a qualifying race must be equal to or above four thousand dollars (\$4,000) claiming.

(7) "Stallion owner" means the person who is the owner of the eligible Appaloosa sire as of December 31 of the calendar year in which that sire's foals had eligible earnings or the person who owned the eligible Appaloosa sire on the date that the sire died.

(b) Any association conducting a race meeting that includes Appaloosa horseracing shall deposit with the official registering agency 0.2 of 1 percent of the total amount handled ontrack, and 0.4 of 1 percent of the total amount handled offtrack, in daily conventional and exotic parimutuel pools and a sum equal to 13.33 percent of those funds specified for purses in Section 19612.1, and the sums specified in Sections 19567 and 19617.5, resulting from Appaloosa horseracing. The deposits shall be made at the following intervals:

(1) For any meeting of 20 racing days or less, the requisite deposit shall be made not later than seven days immediately following the last day of that meeting.

(2) For any meeting of more than 20 racing days, the initial deposit shall be made not later than 27 racing days after the commencement of that meeting and every 20 racing days thereafter, with a final deposit made not later than seven days following the last day of that meeting. The initial deposit for that meeting shall be based upon the applicable amount handled during the first 20 racing days of the meeting and deposits thereafter shall be based upon the applicable amount handled during the ensuing periods of 20 racing days with the last deposit based upon the applicable amount handled from the end of the last 20-racing-day period for which a deposit has been made to the end of the meeting.

(c) After deducting a sum up to, but not to exceed, 10 percent of the total deposits made pursuant to subdivision (b) and the total deposits made pursuant to other provisions of this chapter, including Sections 19612.1 and 19612.2, to compensate the official registering agency for its administrative costs, the official registering agency shall distribute annually the balance of the deposits in the following manner:

(1) Sixty percent to the breeder fund from which breeder premiums are to be paid.

(2) Twenty-five percent to the owner fund from which owners' awards are to be paid.

(3) Fifteen percent to the stallion fund from which stallion awards are to be paid.

(d) The official registering agency shall make the following payments to the breeder, owner, and stallion owner to encourage agriculture and the breeding of high quality horses in this state:

(1) The breeder shall be paid a sum based on a prorated share of first and second place earnings.

(2) The owner shall be paid an owners' award, a sum based on a prorated share of first and second place earnings from qualified races by a California-bred Appaloosa horse.

(3) The stallion owner shall be paid a stallion award, a sum based on a prorated share of first and second place earnings from Appaloosa horses who placed first or second in one or more races at a fair meeting or a mixed breed meeting.

Stallion awards shall not be made to the owner of a sire that has been out of the state for breeding purposes during the calendar year. Stallion awards shall not be made for any race run outside the State of California.

(4) The breeder premium, and owners' and stallion awards shall be paid not later than March 31 of the calendar year immediately following the calendar year for which the awards or premiums were earned.

(e) If there are insufficient funds to make all of the distributions in this section, there shall be no assessments made against any association to fund the deficiencies.

(Amended by Stats. 1995, Ch. 6, Sec. 2. Effective May 23, 1995.)

19618. (a) Except as provided in Article 9.2 (commencing with Section 19605), no person licensed under this chapter to conduct a racing meeting shall pay or distribute 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 this chapter.

(b) Except as provided in Article 9.2 (commencing with Section 19605), no horse owner, any agent, or person or organization representing any horse owner or owners, shall receive, solicit, or obtain from any person licensed under this chapter to conduct a race meeting, purses, or any other type of consideration to, or for, the benefit of horsemen, other than that expressly provided in this chapter.

(c) No plaque, cup, tray, ribbon, trophy, or similar award given in recognition of achievement or special event is deemed to be consideration for the purpose of subdivisions (a) and (b).

(d) Subdivisions (a) and (b) do not apply to any payment by an association in connection with any match race or special racing event.

(e) Notwithstanding subdivision (a) or (b), or any other provision of law, the horsemen's organization that represents the horsemen participating in a racing meeting and a licensed racing association may enter into an agreement which provides for the division of, and sharing by the organization and the association of, the interest earned on the association's paymaster accounts during racing meetings conducted prior to, during, or subsequent to, 1990, if both of the following conditions are satisfied:

(1) The agreement is filed with the board.

(2) The share of earned interest allocated to the horsemen's organization is used exclusively for the benefit of horsemen, including, among other purposes, purses.

(f) Notwithstanding subdivision (a) or (b), or any other provision of law, the horsemen's organization that represents the horsemen participating in a racing meeting and a licensed racing association may enter into an agreement that provides for the supplementing of purses due to the impact, if any, of activities regulated pursuant to the provisions of Chapter 5 (commencing with Section 19800) that are conducted on the association's property during a race meeting, if both of the following conditions are satisfied:

(1) The agreement is approved by the board.

(2) Any sum agreed to pursuant to this subdivision is used exclusively to supplement purses.

(Amended by Stats. 1999, Ch. 127, Sec. 1. Effective January 1, 2000.)

19618.1. Subdivisions (a) and (b) of Section 19618 shall not apply to any payment by a licensed harness racing association in the northern zone, or by any fair, in connection with promotional contests or sponsorship contributions.

(Added by Stats. 1999, Ch. 127, Sec. 2. Effective January 1, 2000.)

19618.2. Subdivisions (a) and (b) of Section 19618 shall not apply to either of the following:

(a) Any payment by a licensed quarter horse racing association in the southern zone, to horsemen participating in its race meeting.

(b) Any payment by a licensed thoroughbred racing association in connection with funds contributed or authorized by the horsemen's organization responsible for negotiating purse agreements on behalf of the horsemen participating in the racing meeting, including purse supplements, sponsorship contributions, or promotional funds.

(Amended by Stats. 2007, Ch. 75, Sec. 1. Effective January 1, 2008.)

19619. (a) Since the purpose of this chapter is to encourage agriculture and the breeding of horses in this state, a California Standardbred Sires Stakes Program is hereby established for standardbred horses bred in the State of California.

(b) Horses eligible to race in the California Standardbred Sires Stakes Program shall be the offspring of a registered California standardbred stallion standing in California during an entire breeding season, or the offspring of a registered standardbred stallion standing in Iowa, Maine, Michigan, Minnesota, or Wisconsin, or the Province of Alberta, Canada.

(c) (1) Responsibility for the California Standardbred Sires Stakes Program is with the board. Administration of the California Standardbred Sires Stakes Program is the responsibility of the California Standardbred Sires Stakes Committee. The committee shall consist of five members and one alternate selected from and by the California Harness Horsemen's Association.

(2) Administrative expenses of the committee in any given year shall not exceed 4 percent of that year's income to the California Standardbred Sires Stakes Program, and all expenses shall be approved by the board.

(d) The board may do all that is necessary to ensure that the California Standardbred Sires Stakes Program is appropriately administered and shall prepare, issue, and adopt rules and regulations providing for all of the following:

(1) Classes and divisions of races, eligibility of horses and owners therefor, and prizes and awards to be awarded.

(2) Nominating, sustaining, and entry fees for horses and races.

(3) Registration and certification of California stallions, mares bred to those stallions, and foals produced thereby.

(4) Any other matter that is considered to be necessary and appropriate for the proper administration and implementation of the California Standardbred Sires Stakes Program.

(e) The funds for the California Standardbred Sires Stakes Program made available pursuant to Section 19491.7 and the nominating, sustaining, and entry fees provided for in this section shall be deposited with the California Standardbred Sires Stakes Committee. The committee shall distribute the funds deposited with it in accordance with this section for the purposes of the program in the manner approved by the board.

(f) Pursuant to Section 19491.7, the breakage used to fund the California Standardbred Sires Stakes Program and to increase purses shall be divided in accordance with the following criteria:

	California Standardbred	
	Sires Stakes Program	Purses
1977	10%	90%
1978	20%	80%
1979	25%	75%
1980	50%	50%
January 1 to June 30, 1981	75%	25%
July 1, 1981, and thereafter	100%	0%

(g) An amount equal to 10 percent of the total purses raced for in the California sires stakes races shall be awarded to the standardbred breeders of the horses that earned purse money in the California standardbred sires stakes races in proportion to the amount of purse money earned by each horse.

(h) An amount equal to 2 percent of the total purses raced for in the California sires stakes races shall be awarded to the owners of the registered California standardbred stallions that sired horses that earned purse money in the California standardbred sires stakes races in proportion to the amount of purse money earned by each horse so sired.

(i) Notwithstanding subdivision (b), the board may establish a series of races for two-year-old and three-year-old fillies that are wholly owned by a California resident on the first day of January of the year that they become two years old and are wholly owned by a California resident on the day of the race.

(j) The balance of the remaining funds, including nominating, sustaining, and entry fees, and after the expenditures described in subdivisions (e), (g), (h), and (i) have been made, shall be allocated to purses for races comprising the California Standardbred Sires Stakes Program.

(k) The schedule of races that shall comprise the California Standardbred Sires Stakes Program during each year shall be set by the board in accordance with the following criteria:

(1) California standardbred sires stakes races shall be scheduled for two-year-old or three-year-old trotters and two-year-old and three-year-old pacers at the discretion of the California Standardbred Sires Stakes Committee, except that no two-year-old races shall be held before the first day of June of any year. Races for four-year-old or aged trotters and four-year-old or aged pacers may also be scheduled.

(2) Base purses for each set of races conducted during any given year at any race meeting shall be determined by the committee.

(3) In each division of each race in the California standardbred sires stakes races, the purse shall be divided in the following manner:

1st	50%
2nd	25%

3rd	12%
4th	8%
5th	5%

(Amended by Stats. 2017, Ch. 561, Sec. 9. (AB 1516) Effective January 1, 2018.)

19619.1. With respect to harness meetings, all funds that are not distributed to horsemen as purses pursuant to subdivision (b) of Section 19612, Section 19612.6, and subdivision (d) of Section 19616.1 or as breeder awards pursuant to Sections 19567 and 19617.5 within 180 days after the conclusion of a licensed harness race meet or a portion of a split harness meet, shall be deposited into the account for the California Standardbred Sires Stakes Program established pursuant to Section 19619.

(Added by Stats. 1992, Ch. 748, Sec. 2. Effective January 1, 1993.)

19619.2. Notwithstanding any other provision of this chapter, funds may be made available to supplement the purses distributed by the California Standardbred Sires Stakes Program from purse funds generated pursuant to Sections 19612, 19612.2, 19612.3, and 19612.6 upon agreement by the recognized harness horsemen's organization and the harness racing association conducting the live racing meeting.

(Added by Stats. 1997, Ch. 180, Sec. 2. Effective January 1, 1998.)

19619.6. Every association or fair that provides a live audiovisual signal of its program to a satellite wagering facility pursuant to Sections 19608 and 19608.1 shall cooperate with the operator of the satellite wagering facility with respect to arrangements with the ontrack totalizator company for access to its ontrack totalizator system for purposes of combining parimutuel pools.

(Amended by Stats. 1998, Ch. 57, Sec. 4. Effective January 1, 1999.)

19619.7. Notwithstanding any other provision of this chapter, no later than July 1, 2008, the board shall provide that the jockey who rides the horse that finishes in fourth place in a thoroughbred horse race shall be entitled to a reasonable riding fee, not to exceed 2 percent of the owner's share of the purse, provided that the riding fee is no greater than that earned by the jockeys whose horses finish second and third in the same race.

(Added by Stats. 2007, Ch. 605, Sec. 2. Effective January 1, 2008.)