### Chairman's Letter

By Gary Fenton



Happy New Year! We are already off to a great start at Santa Anita Park with handle up from 2021 in the first month of the meet. Like any organization, TOC has its own goals for the new year, and we wanted to share the most important ones for 2022 with our members.

First and foremost, our fundamental goal is to see sports wagering passed and legalized by the voters in California this November. It looks like there will be two choices before the voters: 1) retail sports betting including licenses to accept sports wagers from Tribal Casinos and Del Mar Racetrack, Santa Anita Park, Golden Gate Fields and Los Alamitos and 2) a mobile/online only version with no retail locations. Please take a close read of the analysis of these two initiatives and what they each could mean to California racing on page 3.

Another top goal is to work with new HISA staff and CHRB to ensure the orderly and cost-efficient transition from CHRB to HISA prior to the July 1, 2022 implementation date. TOC remains supportive of uniform rules and what HISA stands for, and hopefully this new organization

can implement the new

medication and safety rules effectively. Rick Gold, Chairman of TOC's Medication and Welfare Committee has written an excellent summary of the state of HISA on page 3 of this issue.

TOC's 2022 wish list also includes providing more certainty for owners for both short-term and long-term off-track stabling solutions in both the North and South. TOC is working with CARF, Golden Gate and the CHRB to establish a definitive summer stabling plan for the 1100+ horses currently on the NorCal circuit by no later than February 15, 2022. As for the South, with the current auxiliary stabling deal with Los Alamitos ending in 2022 and San Luis Rey Downs on a year to year contract, talks are ongoing with racetracks and auxiliary facilities for a long term SoCal auxiliary training program that will meet horsemen's year round training needs in the most efficient manner starting in 2023.

Lastly, TOC will continue to focus on finding ways to better control workers' compensation costs to owners. Total workers compensation costs have continued to rise over the past four years for all California businesses, and horseracing is no different. TOC believes that a continued focus on safety, continuing education for trainers, backstretch workers, and exercise riders, and claims management should provide a path to reduce the amount currently paid by California owners. Following these same steps has allowed the New York Thoroughbred industry to reduce their costs by over 40% over the past five years.

Here's to a great 2022!



# **Meet New Board Member Ryan Hanson**

By Mary Forney



Ryan Hanson

to the TOC board of directors in June of 2021 as an Owner-Trainer representative. His stated intention as a candidate was to represent the small owners, breeders, and trainers in California, to bring his experience on the backstretch to the boardroom and work to make owning racehorses fun for a fresh group of people. His message resonated with the membership—with

Rvan Hanson was elected

nearly 75 percent of eligible voters selecting him on their ballots.

A fourth-generation horseman born and raised in Pocatello, Idaho, Hanson grew up on and around horses, learning from the ground up. He also rode races at Pocatello Downs and the circuit of fair meets throughout the state.

"When I was growing up, dad was a jockey and trainer," said Hanson. "Every memory I have with my dad involves horses because that's how he made his living. He worked really hard, and as kids we helped watering, feeding, and so on. We were very involved." A licensed jockey from age 16, he became a leading rider in the inter mountain region. He rode for five years, mostly for his dad, and wanted to continue but got too tall.

"I loved the speed, the adrenaline," said Hanson. He has carried that love forward and still rides his horses daily, which gives him a better understanding of the horse's racing style and abilities.

After attending college at Idaho State and briefly in Texas, he realized that he didn't want to do anything that didn't involve working with hors-

es. He continued to work alongside his dad as an assistant trainer and exercise rider. In 2007, he moved with his father to Southern California to train Quarter Horses, eventually taking over the Los Alamitos string when his father returned to Idaho in 2014. He also galloped horses for Graham Motion and Robertino Diodoro, eventually becoming Diodoro's Southern California Assistant.

As his stable grew, he went out on his own in 2017 on the ultra-competitive Southern California circuit. He currently has 25 horses in training at the track and 12 two year olds at a nearby ranch that he is breaking to race. In 2020, he won the Grade 2 Best Pal Stakes with Weston and he closed out 2021 with a Grade 3 placing with Barsabas in the Cecile B. DeMille; both co-owned with Christopher Drakos who has supported Ryan since his early days at Santa Anita.

In 2014 he married on-air handicapper Michelle Yu, and they now have two children.

"Michelle is a huge part of the operation," said Hanson. "She helps break horses, does billing, and works at the barn many days." They attend auction sales together, where they try to buy a few babies for themselves or partnerships every year.

"We own a part of most of our trainees," he said. "We put our money where our mouth is. If we're going to ask people to invest, we will too."

Hanson reflected on the importance of family in shaping him as a person.

"My parents really worked hard," he explained. "My mom went to school, worked a job, and ran the household, while my dad was training seven days a week. Watching them work so hard instilled a good work ethic in me, and I'm really appreciative. I have two small kids, and now I see how much they sacrificed for us. Every day I tell myself I need to work hard to be the best dad I can be." His father still trains horses in Idaho, while his mother breeds Quarter Horses.

Like all new board members, Hanson was amazed at the depth of understanding, work, and commitment required.

"The biggest eye opener has been learning how much input the TOC board has regarding purse structure and the negotiations on the distribution of handle," he said. "And listening to the discussions about Southern California training facilities – the amount of money we contribute from the purse account to keep two training facilities (Los Alamitos and San Luis Rey) open is crazy to me. I believe it's important that other owners and trainers really understand this. The funding struggle needs to lose the 'because that's the way it's always been done' train of thought," he concluded. "We need be open to more possibilities or pathways that lead us to longevity and success for every stakeholder."

"Since I've been on the board," Hanson added, "I have discovered that there's a lot more that goes into it than I thought. I'm getting my feet wet slowly. I continue to try to represent the small people – those of us who own and train our own horses. I believe I can offer insights into the day-to-day running on the backside for the TOC."

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## **Sports Wagering Update**

By Greg Avioli

The California Legalize Sports Betting on American Indian Lands Initiative (the "Retail Initiative") is officially on the ballot for November 8, 2022. If the Retail Initiative passes, sports wagering becomes legal in California at brick-and-mortar retail locations at tribal casinos AND four racetracks—Del Mar, Santa Anita Park, Golden Gate Fields, and Los Alamitos.

We expect at least one additional sports wagering ballot initiative on the November 2022 ballot—a mobile wagering only initiative announced this summer by a consortium of the larger sports wagering operators, including FanDuel, Draft Kings and Bet MGM politically named *The California Solutions for Homelessness, Educational Funding, Affordable Housing and Reduction of Problem Gaming Act* (the "Mobile Only Initiative"). This Mobile Only initiative would only authorize mobile or Internet wagering and would NOT include retail wagering at Thoroughbred racetracks listed above.

Election experts predict there will be hundreds of millions of dollars of media advertising spent in California by supporters and opponents of these two initiatives over the next 10 months. An initiative must receive at least 50% of the votes to pass. If both initiatives receive more than the requisite 50% of votes, then the initiative with the highest number of votes will become law. This means if Retail Only receives 52% and Mobile Only receives 51%, then Retail Only would become the law. Conversely, if Retail Only receives 49% and Mobile Only receives 48% neither initiative would pass.

TOC is working to best position California horseracing and TOC

members in the event either of these two initiatives should pass. For the Retail Initiative, we are currently in negotiations with our track partners on business terms for sharing any new sports wagering revenues that would be derived from sports wagering at the tracks if the Retail Initiative passes. TOC's position in these negotiations is that any such net sports wagering revenues should be treated in substantially the same way as parimutuel wagers and shared equally between tracks and owners.

In the event the Mobile Only Initiative were to pass, horseracing could potentially have millions of new California sports wagering account holders as potential new customers. Under the leadership of TOC Sports Wagering Committee Chairman Bob Liewald, TOC is heading up an effort to work through the complex legal, financial, and technical issues of how sports betting companies could offer parimutuel wagering through their existing sites in what is known as a "merged wallet" environment. This potential influx of new racing bettors could substantially benefit California purses from pari-mutuel wagers placed through sports betting accounts in all states where sports betting is or will become legal — including potentially California in November of this year.

While TOC prefers the Retail Initiative given its direct benefits to California tracks, we expect a nice bump in purses in California if either passes this coming November. In the unlikely event that neither initiative passes in November, we expect sports wagering will be legalized in California by 2024. There are just too many tax dollars for the State at stake.

## HISA Update

By Rick Gold

The passage of the Horseracing Integrity and Safety Act in December 2020 established the Horseracing Integrity and Safety Authority (HISA) as a national regulatory body overseeing medication and safety issues within US horse racing. Since then, HISA has appointed a board of directors, engaged a small staff, and recently hired a CEO. Two board committees, one each for safety and medication, have been working to draft detailed rules in preparation for a planned implementation date of July 1, 2022.

The TOC has been engaged with the HISA process since even before the legislation was passed. We have had multiple meetings with the sponsors of HISA, with HISA board members and staff, with fellow horsemen's organizations in other states, with California track operators, and with the CHRB. While we support the objective of transparent, uniform national rules with meaningful and consistent enforcement, we've had many concerns about the details of the proposed rules and process, about the overlap with our state regulator and laws, and about the potential cost. Our goal is, and has been, to advocate where and when we can to make sure the net effect of HISA for California racing is as constructive as possible

and that extra costs do not put us out of business.

So far, more than a year after the law was signed, HISA's progress is mixed. The draft safety rules generally mirror what we're already doing in California, including many of the reforms adopted in 2019. There are still a number of issues, but they appear to be workable, and the process is on track for the target date of July 1.

The medication rules are not as far along. HISA initially engaged with USADA (United States Anti-Doping Agency) to be their medication enforcement partner. USADA drafted a set of rules based on human athletes that would have been completely unworkable in an equine environment. HISA recently terminated the relationship with USADA and has postponed the effective date for medication rules until at least 1/1/23. We understand that the drafting process has been restarted and that it will involve participants with appropriate knowledge of equine medicine and sport.

We continue to be in contact with HISA and our counterpart organizations as the process moves forward. We are encouraged that our suggestions and concerns are being taken seriously and in most cases addressed in the drafting of rules. But the work is far from over, and we still have no insight into cost, except that it will be more than we are spending today. HISA's impact on California racing will be an important priority for TOC throughout 2022, and most likely beyond.

### UPCOMING TOC EVENTS —

Depending on possible COVID-19 restrictions, TOC has tentatively scheduled the following events through June. On Friday, February 11, TOC will host a Tax Webinar (registration opens January 11). Owner Appreciation events will be held at Golden Gate Fields on Saturday, February 19, and at Santa Anita on Saturday, March 5. From March through April, we will release segments of our filmed conformation clinic on our website and social media. For more details about our events, please click <a href="here">here</a>.

To stay in the loop, please click <u>here</u> and subscribe to our email list to receive the latest news & updates.

## Northern California Update

By Wayne Atwell



Happy 2022! We are calling an end to 2021, let's take a minute to revisit the past 12 months. What were your horse ownership highlights? Did you meet a new friend at the racetrack? What are the experiences of horse ownership you hope to build upon in 2022?

I hope taking a minute to reflect on that put a smile on your face – it did for me.

To the delight of all Northern California horse owners, Golden Gate Fields announced a \$3000 purse increase to all claiming, maiden

claiming, and starter races for the 2022 Winter Spring meet. The 2022 Winter Spring meet stakes schedule sees the addition of a Cal-Bred stakes race that was run during the Fall meet the last two years. The highlight of the Winter Spring meet this year will once again be the "Gold Rush" weekend on April 30th and May 1st with eight stakes races including two Cal-Bred stakes, and the El Camino Real Derby on February 12th, a race won by Rombauer last year who went on to win the Preakness Stakes (Gr. 1). Mark your calendars.

With the conclusion of 2021, TOC would like to congratulate GGF Fall Meet leading owners Tommy Town Thoroughbreds LLC with eight wins and Troy Ornato (Hat Trick Racing) and partners with seven wins. Tommy Town Thoroughbreds was the leading owner in terms of earnings with \$232,130 in purse winnings.



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