

**University of California, Hastings College of the Law**  
**UC Hastings Scholarship Repository**

---

Initiatives

California Ballot Propositions and Initiatives

---

1-1-1926

# Racing

Follow this and additional works at: [http://repository.uchastings.edu/ca\\_ballot\\_inits](http://repository.uchastings.edu/ca_ballot_inits)

---

## Recommended Citation

Racing California Initiative 1926-r-1 (1926).  
[http://repository.uchastings.edu/ca\\_ballot\\_inits/66](http://repository.uchastings.edu/ca_ballot_inits/66)

This Initiative is brought to you for free and open access by the California Ballot Propositions and Initiatives at UC Hastings Scholarship Repository. It has been accepted for inclusion in Initiatives by an authorized administrator of UC Hastings Scholarship Repository. For more information, please contact [marcusc@uchastings.edu](mailto:marcusc@uchastings.edu).

File: 1926 -R- 1

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE ELECTORS

The Attorney General has summarized the proposed measure as follows:

"RACING. Initiative measure. Creates board, appointed by Governor, to regulate and license horse racing and Pari-Mutuel betting within race track enclosure; limits racing period at each track; prohibits licensing racing at tracks constructed, without board's approval, after November 1, 1926; limits licensee's return to nine per cent on capital invested; prescribes as license fees five hundred dollars each race day and licensee's net profits above return allowed; appropriates fees to board's salaries and expenses, dividing balance equally between Veterans' Welfare Board and State Agricultural Board; authorizes licenses for limited period at county fairs or agricultural exhibits."

STATE OF CALIFORNIA,

County (or City and County) of.....

} ss.

To the Honorable, the Secretary of State of the State of California:

We, the undersigned, registered, qualified electors of the State of California, residents of .....County (or City and County), present to the Secretary of State this petition and hereby propose that the people of the state of California enact a law to read as hereinafter set forth in full, and petition that the same be submitted to the electors of the state of California for their adoption or rejection at the next succeeding general election or as provided by law. The proposed law reads as follows:

The people of the state of California do enact as follows:

Section 1. There is hereby created and established the California Racing Board, which shall be vested with the powers and charged with the duties in this Act specified and also the powers necessary or proper to enable it to carry out fully and effectually all the purposes of this Act. The jurisdiction, supervision, powers and duties of said California Racing Board shall extend to any and every person or persons, association or corporation that shall hereafter hold or conduct any meeting within the state of California whereat horse racing shall be conducted for any stake, purse, reward or otherwise.

Sec. 2. Said California Racing Board shall consist of three members, all of whom shall be appointed by the Governor after this Act shall have been in effect ninety days, and of whom two shall be members of the State Board of Agriculture and the other shall be appointed at large and designated by the Governor to be the chairman of the California Racing Board. The Governor, at the time of making the appointment of said three members, shall designate one of said members to serve for the term of two years, one to serve for the term of three years, and one to serve for the term of four years.

The term of office of each member thereafter appointed shall be four years from the expiration of the preceding term. Vacancies in said board shall be filled by the Governor for the unexpired term. Each member of said board shall be eligible for reappointment in the discretion of the Governor.

The Governor may remove any board member for inefficiency, neglect of duty, or misconduct in office, giving to him a copy of the charges against him and an opportunity of being heard. No person shall be eligible for appointment or shall hold the office of board member or be appointed by the board, or hold any office or position under the board, who holds any financial interest in racing within the state of California, or who accepts any pecuniary reward therefrom except as provided under this Act.

Sec. 3. Before entering upon the discharge of the duties of his office, each member of the board shall take oath of office as provided in the Political Code, and shall give bond to the state of California, with personal or corporate surety approved by the Governor in the penalty of fifty thousand dollars, with the condition that he will well and faithfully perform the duties appertaining to his office. Every such bond when duly executed and approved, shall be filed and recorded in the office of the Secretary of State. The Governor, whenever in his opinion the surety of any member of said board shall have become or is liable to become insufficient, shall require such member of said board forthwith to renew his bond. Any member of said board who shall fail to renew his bond within ten days after the same shall have been required by the Governor, shall be deemed to be guilty of neglect of duty and shall be removable as hereinbefore provided. The cost of any bond given by any member of said board under this section shall be taken to be a part of the necessary expenses of said board.

Sec. 4. Said board shall meet at such times and places within the state of California as the board shall determine. The members thereof shall be entitled to their reasonable expenses for each meeting so attended. A majority of the board shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the board. The board may appoint a secretary, an attorney and such officers, clerks, stenographers, inspectors, experts and employees as may be necessary, all of whom shall serve during the pleasure of said board. The board may require bonds from any or all of such appointees. The secretary shall keep a record of all proceedings of the board and shall preserve all books, maps, documents and papers belonging to the board or intrusted to its care, and perform such other duties as the board may prescribe.

Sec. 5. The salary of each member of the board except the chairman shall be three thousand dollars per year; the salary of the chairman of the board shall be four thousand dollars per year. The board shall fix the salaries of the secretary and other appointees of the board. All moneys collected by the board shall be paid

# INITIATIVE MEASURE REGULATING HORSE RACING; PERMITTING PARI-MUTUEL BETTING; ALL PROFITS OVER NINE PER CENT TO GO TO STATE INSTITUTIONS

---

to the State Treasurer and shall be deposited to the credit of the California Racing Board Fund. All moneys in such fund to the amount of thirty thousand dollars annually are hereby appropriated to be used to pay the salaries of the members of the board, the secretary and other appointees of the board, and the rental of offices, and other expenses of the board. Moneys to pay such expenses shall be drawn from said fund upon warrants drawn by the Controller of the State upon demands made by the board and audited by the State Board of Control. All moneys remaining in said fund at the close of each fiscal year shall be transferred and are hereby appropriated as follows:

Fifty per cent of said moneys shall be paid to the Veterans' Welfare Board of the state of California, to be used by said board for the purposes of the Act of the Legislature of the state of California by which said board was created, approved May 30, 1921, and any Acts amendatory thereof; and the other fifty per cent of said moneys shall be paid to the State Board of Agriculture, to be held, used and expended in the discretion of said board for the purpose of promoting, encouraging and improving agriculture, horticulture, animal industry and the breeding and improving of live stock in the state of California, and for aiding, assisting and promoting State fairs and fairs conducted by agricultural fair corporations now or hereafter organized or created under the laws of the state of California.

Sec. 6. No person or persons, association or corporation shall hereafter hold or conduct any meeting within the state of California whereat horse racing shall be permitted for any stake, purse, reward or otherwise, except as such person, association or corporation shall be licensed by the board as hereinafter provided.

Sec. 7. Any person or persons, association or corporation desiring to conduct horse racing within the state of California, as hereinafter defined, shall apply to the California Racing Board for a license to do so. Such application shall be filed with the secretary of the board on or before such day as shall be fixed by the board from time to time. Such application shall specify the days on which such racing is desired to be conducted or held, and shall be in such form and supply such data and information as the said board shall prescribe. Said board shall, as soon as practicable during the year nineteen hundred and twenty-seven (1927) and on or before the first day of March of each year thereafter, award all dates for racing in the state of California within the period ending on the first day of March of the next following calendar year; but the dates so awarded to any one track shall not exceed two meetings of not to exceed twenty-five days each during any calendar year and at least ninety days shall elapse between each of said race meetings, and the decision of the board on the award of such dates shall be final. The board shall have the power to reject any application for a license in any case where it shall have reason to believe that the applicant has not sufficient financial responsibility to insure the proper completion of the race meeting applied for, or that the applicant is not likely to conduct the same in strict accordance with law and the rules and regulations of said board, or for any cause which it may deem sufficient, and the action of the board shall be final. No person, corporation or association shall be given a license to race before 7 o'clock a. m. or after 7 o'clock p. m. No person, corporation, or association shall be granted a license to conduct a race meeting or meetings on tracks constructed after November 1, 1926, unless such person, corporation or association shall have submitted to the California Racing Board before such construction, its location and detailed plans of construction and established its ability to finance the completion thereof, and received said board's written approval.

Sec. 8. Each applicant desiring to hold races on the days or day awarded by the board shall, before the issuance of any license therefor, pay to the said board a license fee of five hundred dollars for each day of any meeting for the conduct of races so licensed.

Section 9. Said board may at its discretion meet subsequent to the first day of March and award dates for racing within the limits hereinbefore provided on applications submitted to it, provided that the days so awarded in no way conflict with licenses granted to others or with the further provisions of this Act; and provided, further, that no license for a race meeting shall issue prior to the payment of the fees therefor at the rate hereinbefore provided.

Sec. 10. Upon the award to any applicant and upon payment of the license fees as hereinbefore prescribed, the board shall issue a license which shall permit the licensee, during the dates awarded to such applicant and for which license fees shall have been paid, to conduct at its track a race meeting, or meetings, and wagering on the results thereof as hereinafter provided. Such license shall be subject to all rules, regulations and conditions from time to time prescribed by the board and shall contain such conditions as shall be deemed by said board necessary or desirable for the purposes of this Act. Such license shall be subject to suspension or revocation by the board in any case where the board shall have reason to believe that any condition of its license has not been complied with or any law or any rule or regulation of such board shall have been broken or violated. If any license is suspended or revoked, said board shall state publicly its reason for so doing, and cause an entry of such reasons to be made on the minute book of the board, and the action shall be final, provided, however, that the propriety of such action shall be subject to review, upon questions of law only, by the Superior Court of the county or city and county within which such license was to be exercised, the action of the board to stand unless and until reversed by the court.

Sec. 11. Said racing board shall have full power to prescribe rules, regulations and conditions under which all horse races shall be conducted within the state of California. Said board shall make rules governing, permitting and regulating mutual wagering on horse races under the system of betting known as the Pari-Mutuel method of betting, which shall be conducted only by such licensee and only within the enclosure and only on the dates for which such horse racing has been licensed by the board. All other forms of wagering or betting on the result of a horse race shall be and remain illegal and any and all wagering or betting on horse races outside the enclosure where such horse races shall have been licensed by the board shall be and remain illegal.

All salaries, fees and compensation paid by any person or persons, association or corporation licensed as hereinbefore provided, shall be the subject of the approval of the board. Said board shall have power to compel

# INITIATIVE MEASURE REGULATING HORSE RACING; PERMITTING PARI-MUTUEL BETTING; ALL PROFITS OVER NINE PER CENT TO GO TO STATE INSTITUTIONS

the production of any and all books, memorandum or documents showing the receipts and disbursements of any person, corporation or association licensed under the provisions of this Act to conduct race meetings. The board may at any time require the removal of any employee or official employed by any licensee hereunder in any case where it shall have reason to believe that such employee or official has been guilty of any dishonest practice in connection with horse racing or has failed to comply with any condition of such licensee's license, or has violated any law or any rule or regulation of said board. The board shall also have the power to require that the books and financial or other statements of any person, corporation or association licensed under the provisions of this Act shall be kept in any manner which to the board may seem best, and the board shall also be authorized to visit, investigate and place expert accountants and such other persons as it may deem necessary in, the offices, tracks or places of business of any such person, corporation or association, for the purpose of satisfying itself that the board's rules and regulations are strictly complied with, and the salaries and expenses of such expert accountants or any other persons shall be paid by the person, corporation or association to whom they shall be so assigned. The said board shall have power to summon witnesses before it and to administer oaths or affirmations to such witnesses whenever, in the judgment of the board, it may be necessary for the effectual discharge of its duties; and any person failing to appear before said board at the time and place specified in answer to said summons, or refusing to testify, shall be deemed guilty of a misdemeanor, and, upon conviction in a court of competent jurisdiction, shall be punishable by a fine of not more than five hundred dollars or by imprisonment for not more than six months, or by both such fine and imprisonment in the discretion of the court.

Sec. 12. Each person, association or corporation licensed to hold racing meets within the state of California as hereinbefore provided, shall on or before the 20th day of January of each year return to the board a full statement, under oath, of his or its receipts from all sources whatsoever during the preceding calendar year, and of all expenses and disbursements, all itemized in such manner and form as shall be directed by the board, and with such allowances as may be approved by the board, showing the net revenue from all sources derived by such persons, association or corporation engaged in or conducting horse racing.

In addition to all other license fees hereinbefore provided for every such licensee shall pay to the board as an additional license fee or tax all the net profits of such licensees, of whatever description, derived from the conduct of such race meetings after first deducting from the gross income of every kind and from whatever source derived, including concessions, all expenses, depreciations, taxes allowed by the board, and a sum equal to nine per cent net on the capital invested by such licensee in acquiring and constructing the grounds, buildings and equipment used in connection with such race meetings. Such additional license fee or tax shall be paid at the time the statements shall be approved by the board. Any licensee failing or refusing to pay the amount found to be due by the board as the tax on the net revenue, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punishable by a fine of not more than twenty-five thousand dollars in addition to the amount due the board, and by imprisonment for not more than six months, or by both such fine and imprisonment, in the discretion of the court. All fines up to the amount found to be due the board when paid into court by a licensee found guilty of violating this section, shall be transmitted and paid over by the clerk of the court to the board.

Sec. 13. In addition to licensing racing for not exceeding fifty days in the aggregate on any one track, as hereinbefore provided, the board may license bona fide county fairs or agricultural exhibits to conduct racing not more than six days each in any one year, upon payment by the applicant of a license fee of fifty dollars per day for each meeting so authorized. No such license shall be granted unless the board is satisfied that such fair or agricultural exhibit is conducted by a non-profit association or corporation, or is supported in whole or in part by funds appropriated by the State, and that its main purpose is the encouragement of agriculture and animal husbandry and that the same constitutes a bona fide exhibit of that character.

Sec. 14. Immediately after the last days of June and December in each year, the board shall file with the State Board of Control a complete statement of its receipts and disbursements for the preceding six months. The board shall make a report to the Governor on or before the first day of January of each year beginning in the year 1928, which report shall include copies of the said statements of receipts and disbursements, and any additional information and recommendations which the board may deem of value.

Sec. 15. Any person aiding or abetting in the conduct of any meeting within the state of California at which racing of horses shall be permitted for any stake, purse or reward except in accordance with a license duly issued and unsuspended or unrevoked by the California Racing Board, shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than five hundred dollars and not more than ten thousand dollars for each day of such unauthorized meeting, together with all profits, or by imprisonment for not exceeding two years, or by both such fine and imprisonment, in the discretion of the court.

Sec. 16. If by reason of any cause beyond control, and through no fault or neglect of any licensee, and when such licensee is not in default, it should become impossible for such licensee to hold or conduct racing upon any date or dates licensed by the board, the board in its discretion and at the request of such licensee shall have power to return the fees paid by such licensee for racing upon the days upon which it is impossible for such licensee to hold or conduct racing or to specify any other day or days which may replace the days omitted and to take their place.

Sec. 17. It shall be the duty of all officers of the law to co-operate with the board for the proper enforcement of this Act.

Sec. 18. If any section, sub-section, sentence, clause or phrase of this Act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of the Act. It is hereby declared that this Act and each section, sub-section, sentence, clause and phrase thereof, would have been enacted irrespective of the fact that any one or more other sections, sub-sections, sentences, clauses or phrases be declared unconstitutional.

Sec. 19. All other acts and parts of acts inconsistent with the provisions of this Act are hereby repealed.