



*From the EXECUTIVE CORNER*



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## 2016 LEGISLATIVE SESSION THE FORCE MAJEURE

The legislative session ended after 1:00 a.m., running just past the Aug. 31 midnight deadline and lowered the gavel on one of the busiest sessions in many years. The fight to legalize Internet poker came closer than ever before to becoming law in California, but in the final weeks new amendments gained new support and new opposition.

Through it all, racing's proposed \$60 million annual revenue stream was never challenged by tribes, card rooms, or other stakeholders. This is great news going forward, given most experts agree California will eventually pass an I-poker bill. The approximate one-million Californians playing Internet poker today are forced to gamble on illegal offshore sites. No one wins if we continue this unregulated, prohibited market, which fails to protect consumers and cheats the state of treasured revenue. Most handicappers in the Capitol thought this would be the year when the legislature returned to Sacramento in August. That was until we ran into the Force Majeure.

August in this presidential election year was, by definition, a force majeure, a natural and unavoidable catastrophe that interrupts the expected course of events. Last-minute amendments to address the so-called bad actors took the Amaya co-

alition from support to a strong oppose and the Pechanga/Agua coalition from oppose to support. Chairman Adam Gray fought hard to negotiate a compromise to pass his bill off the Assembly, holding countless stakeholder meetings.

The vote count on Friday looked very promising for the following Monday. Then the force began. Amaya wouldn't budge on the proposed five-year ban from entering the California market. A well-planned negative media campaign with editorials, ads, and innuendo also began on that Friday. Legislators fearful in this most uncertain election year expressed frustration and concern, and the clock simply ran out.

Through this entire anguished effort to pass a bill to benefit breeders with increased purses and incentives, we have strengthened and enhanced our relationship with legislators, with our racing unions, and with respective Tribal Governments, all of which will bolster efforts to improve the future of racing in California. More legislators than ever came to the track this year. We worked side by side with the Jockeys' Guild, SEIU, and the Teamsters, and we hosted important Tribal Chairs at the track for the first time. This mutual respect between our organizations is the foundation for our future. Creating a California where all

gaming interests can survive and thrive is becoming more a common interest and less a competing interest. Understanding the changes in our customer profiles is now something we all need to diagnose and treat respectfully.

The progress made this year will hopefully result in passage of a bill next year. The failure of the legislature to pass a Daily Fantasy Sports bill this year without enactment of legislation to benefit racing should also be seen as a victory. We expect both issues to be back in January, along with many new legislators.

The August forces also came into play with the resurrection of Assembly Member Lorena Gonzalez's bill that removed the exemption for agricultural employees from overtime over the course of four years, beginning in 2019 to 2022. The bill will allow for employers with 25 or fewer employees an additional three years to comply with the phase-in. The intense efforts on behalf of farmers and farmworkers resulted in the failure of a similar bill by Gonzalez earlier in the year. Despite the best efforts of farmers and the very farmworkers who will likely see less pay upon enactment of this bill, the new bill passed in the final week of session after the Assembly Speaker Anthony Rendon made the bill a priority. **CTB**