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Governor

Edward J. Koehl, Jr.  
Chairman

Earl A. "Boo" Landry, Jr.  
1<sup>st</sup> Vice Chair

Vincent V. Tumminello, Jr., M.D.  
2<sup>nd</sup> Vice Chair



**Commissioners**

Dr. Patrick Bernard  
Rock M. Bordelon  
Leslie P. Bouie  
Larry L. Findley, Sr., DVM  
K. R. "Ron" Finkelstein, O.D.  
Nathan C. Granger  
Travis K. Miller, DVM  
Deano Thornton  
Katherine L. Winters

Stephen Landry  
Executive Director

## LOUISIANA STATE RACING COMMISSION

March 6, 2025

Senate Commerce Committee  
P.O. Box 94183  
Baton Rouge, LA 70804-9183

House Commerce Committee  
P.O. Box 94486  
Baton Rouge, LA 70804-9486

RE: ANNUAL REPORT

Dear Committee Members:

Pursuant to La. R.S. 49:966(K), I am submitting the enclosed report of action taken by the Louisiana State Racing Commission with respect to proposing, amending and adoption of rules. The report contains all actions taken on rules which were proposed or promulgated between January 1, 2024 and December 31, 2024. The report also contains information on the petitions and submissions received by the LSRC as well as the LSRC's responses to those petitions and submissions.

If you have any questions regarding the enclosed material, please contact me at (504) 483-4000.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Landry", is written over a faint, larger version of the signature.

Stephen Landry  
Executive Director

SL: eb  
Enclosures

cc: Office of the State Register  
DRP Library

## LSRC ACTIONS 2024

The following is a summary of the actions taken by the Louisiana State Racing Commission with respect to amendment and adoption of proposed rules. These actions were taken from January 1, 2024 to December 31, 2024.

Commission Meeting Dates are those on which the Louisiana State Racing Commission held public hearings pursuant to La. R.S. 49:961. Oversight submittal dates are those on which documentation was submitted to the Legislative Fiscal Office and the House and Senate Commerce Committees pursuant to La. R.S. 49:966. Publication dates are those on which the notice of intended action was published in the *Louisiana Register* pursuant to La. R.S. 49:961. Public comments are accepted for submission up to 20 days (weekends and state holidays excluded) from the Notice of Intent publication date in the *Louisiana Register* pursuant to La. R.S. 49:961. Final rule promulgation dates are those on which the actions were published in the *Louisiana Register* pursuant to La. R.S. 49:961.

### **LAC 35:XI.9905**

This proposes an amendment to Timing of Entering Next Claiming Race.

Commission Meeting Date ( <i>Public Hearing</i> ):	August 28, 2023
Oversight Submittal to House & Senate Commerce Committees:	September 14, 2023
Publication Date (Notice of Intent):	October 20, 2023
Commission Meeting ( <i>Public Hearing</i> ) Formal Adoption Vote:	April 29, 2024
Final Rule Promulgation Date:	May 20, 2024

### **LAC 35:I.322**

This proposes a new rule Disability Accommodations.

Commission Meeting Date ( <i>Public Hearing</i> ):	October 30, 2023
Oversight Submittal to House & Senate Commerce Committees:	November 16, 2023
Publication Date (Notice of Intent):	December 20, 2023
Commission Meeting ( <i>Public Hearing</i> ) Formal Adoption Vote:	April 29, 2024
Final Rule Promulgation Date:	May 20, 2024

### **LAC 35:III.5773**

This proposes an amendment to Association Annual Plan of Operation Report.

Commission Meeting Date ( <i>Public Hearing</i> ):	October 30, 2023
Oversight Submittal to House & Senate Commerce Committees:	November 16, 2023
Publication Date (Notice of Intent):	December 20, 2023
Commission Meeting ( <i>Public Hearing</i> ) Formal Adoption Vote:	April 29, 2024
Final Rule Promulgation Date:	May 20, 2024

**LAC 35:I.1725**

This proposes to amend Controlled Medication.

Commission Meeting Date ( <i>Public Hearing</i> ):	April 29, 2024
Oversight Submittal to House & Senate Commerce Committees:	May 14, 2024
Adoption of Emergency Rule per R.S. 49:962:	May 24, 2024
Oversight Notification of Emergency Rule:	May 24, 2024
[Emergency] Commission Meeting Date ( <i>Public Hearing</i> ):	June 4, 2024
Adoption of Emergency Rule per R.S. 49:962:	June 5, 2024
Oversight Notification of Emergency Rule:	June 5, 2024
[Emergency] Commission Meeting Date ( <i>Public Hearing</i> ):	June 7, 2024
Adoption of Emergency Rule per R.S. 49:962:	June 7, 2024
*Rescinds and replaces the last two Emergency Rules previously submitted regarding LAC 35:I.1725, and returns LAC 35:I.1725 to its original form.	
Oversight Notification of Emergency Rule:	June 7, 2024

**LAC 35.III.5728**

This proposes new rule House Rules.

Commission Meeting Date ( <i>Public Hearing</i> ):	April 29, 2024
Oversight Submittal to House & Senate Commerce Committees:	May 14, 2024
Publication Date (Notice of Intent):	July 20, 2024
Commission Meeting ( <i>Public Hearing</i> ) Formal Adoption Vote:	October 17, 2024
Final Rule Promulgation Date:	November 20, 2024

**LAC 35:III.5734**

This proposes new rule Purses from Sports Wagering.

Commission Meeting Date ( <i>Public Hearing</i> ):	April 29, 2024
Oversight Submittal to House & Senate Commerce Committees:	May 14, 2024
Publication Date (Notice of Intent):	July 20, 2024
Commission Meeting ( <i>Public Hearing</i> ) Formal Adoption Vote:	October 17, 2024
Final Rule Promulgation Date:	November 20, 2024

**LAC 46:XLI.725**

This proposes an amendment to Jockey Fee Schedule.

Commission Meeting Date ( <i>Public Hearing</i> ):	October 17, 2024
Oversight Submittal to House & Senate Commerce Committees:	November 15, 2024
Publication Date (Notice of Intent):	December 20, 2024
Commission Meeting ( <i>Public Hearing</i> ) Formal Adoption Vote:	Tentatively- April 29, 2024
Final Rule Promulgation Date:	Tentatively- May 20, 2024

## PETITIONS AND SUBMISSIONS TO LSRC 2023

The following is a summary of the petitions and submissions received by the Louisiana State Racing Commission (hereinafter “LSRC”) with respect to amendment and adoption of rules and the LSRC’s response to those petitions and submissions from January 1, 2024 to December 31, 2024.

### **I. Petitions and Submissions Resulting in Rulemaking**

#### **LAC 35:III.5728 “House Rules”**

Comments: Mr. Gary P. Palmisano, Jr., Vice President of Racing at Churchill Downs Inc., presented Churchill Downs Incorporated and Louisiana Horseracing Company, LLC’s written comments in response to Proposed Rule LAC 35:III.5728 via email on August 16, 2024. He requested the complete removal of subparagraph two of the Proposed Rule, which states that new association house rules shall first be submitted to the Louisiana Horsemen’s Benevolent and Protective Association for review. Mr. Palmisano accused the Commission of ceding its decision-making authority to the LaHBPA, which he claims is legally questionable and a direct impediment to the spirit of cooperation that Fair Grounds wishes to enjoy with its racing partners.

Response: Commissioners heard verbal arguments from Churchill Downs representatives—Mr. Gary P. Palmisano, Jr., Vice President of Racing, Dr. William Farmer, Equine Medical Director, and Mr. Oz Shariff, Counsel for Churchill Downs—at the August 26, 2024 LSRC Meeting. LSRC denied their request to remove subparagraph two from the Proposed Rule.

### **II. Petitions and Submissions that have not resulted in Rulemaking at this time**

None.

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\* IN RE: LOUISIANA STATE RACING \*  
\* COMMISSION MEETING OF \*  
\* 8/26/24 \*  
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VOLUME I

Louisiana State Racing Commission meeting  
taken in the above-captioned matter, on Monday,  
August 26th, 2024, at the Hotel Montelone, 214  
Royal Street, New Orleans, Louisiana, commencing  
at 9:05 a.m.

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APPEARANCES:

THE LOUISIANA STATE RACING COMMISSION:

- Mr. Edward J. Koehl, Jr., Chairman
- Dr. Patrick Bernard, Commissioner
- Ms. Leslie M. Bouie, Commissioner
- Mr. Rock M. Bordelon, Commissioner
- Mr. Mike R. McHalfey, Commissioner
- Dr. K.R. "Ron" Finkelstein, Commissioner
- Mr. Earl A. "Boo" Landry, Jr., Commissioner
- Dr. Travis K. Miller, Commissioner
- Dr. Vincent V. Tumminello, Jr., Commissioner
- Ms. Katherine Winters, Commissioner

LOUISIANA STATE RACING COMMISSION STAFF:

- Mr. Stephen Landry, Executive Director
- Mr. Brett Bonin, Assistant Attorney General
- Mr. Dawn Himel, Director of Gaming, AG
- Ms. Olga Bogran, Assistant Attorney General
- Mr. Michael Dildy, Director of Administration
- Mr. Gerald J. Calogero, Assistant Executive Director
- Mr. Charles Ashy, State Steward Evangeline Downs
- Mr. Roy Wood, State Steward, Louisiana Downs
- Mr. Patrick Stanley, Chief Auditor
- Mr. Tony Magee, Diirector of Parimutuel Wagering
- Mr. Nathan Broussard, Director of Enforcement
- Dr. Matt Cooley, Equine Medical Director
- Dr. Catherine Mauberret, Asst. Equine MD
- Ms. Stephanie Matthews, Executive Assistant
- Mr. Charles Gardiner, Director of Policy & Planning

REPORTED BY:

Mary E. Lee, CCR  
 Certified Court Reporter  
 State of Louisiana

1 MR. EARL LANDRY:

2 Yes.

3 MR. STEPHEN LANDRY:

4 Mike McHalfey?

5 MR. MCHALFFEY:

6 Yes.

7 MR. STEPHEN LANDRY:

8 Dr. Travis Miller?

9 DR. MILLER:

10 Yes.

11 MR. STEPHEN LANDRY:

12 Dr. Vincent Tumminello?

13 DR. TUMMINELLO:

14 Yes.

15 MR. STEPHEN LANDRY:

16 Ms. Catherine Winters?

17 MS. WINTERS:

18 Yes.

19 MR. STEPHEN LANDRY:

20 That motion and second is passed  
21 unanimately, Mr. Chairman.

22 CHAIRMAN KOEHL:

23 Thank you. If you guys want to stay, we  
24 will get to your next issue on the agenda.

25 This calls for a discussion of the notice of

1 intent.

2 Do you have the rule on the screen?

3 MR. BONIN:

4 Yes.

5 MR. PALMISANO:

6 I think this is a current rule. There is  
7 a rule, a house rule, that was discussed at  
8 the last meeting that I think is what the  
9 notice of intent applies to, correct?

10 MR. BONIN:

11 That is correct.

12 MR. PALMISANO:

13 So do you want to put that one up or do  
14 you want to keep this one up? It is up to  
15 you.

16 MR. BONIN:

17 I was just keeping that up because it  
18 also kind of --

19 MR. PALMISANO:

20 Absolutely.

21 So at the past meeting there was a notice  
22 of intent regarding a new rule, a new  
23 regulation that would be put into effect that  
24 at, I believe, Part A gives the Commission  
25 approval to -- Oz has it pulled up here -- the

1 house rule Part A gives the Commission  
2 approval over any house rule that an  
3 association creates, if I'm thinking about it  
4 right, provided it is not contrary or  
5 contradictory to current regulations, but then  
6 it adds Part B, which says that new  
7 association house rules shall first be  
8 submitted to Louisiana HBPA for their review,  
9 and then submitted to the Commission, approval  
10 -- Commission for approval noting whether or  
11 not the HBPA is in agreement or disagreement  
12 with the proposed new house rules.

13 So, Mr. Bonin, the statute that I think  
14 you had -- or the regulation that you had  
15 pulled up is exactly what is in place today,  
16 which gives the Commission approval over each  
17 track's, each association's condition book.  
18 Within our condition book is our rules. So  
19 Part A of the new rule is already, to some  
20 extent invalid, because the Commission is  
21 already approving house rules through the  
22 already established regulation, which gives  
23 the Commission approval of the condition book.

24 So Part B or No. 2, as it is on the  
25 screen, is I think where our question or what

1 we would like to point out to the Commission  
2 as a potential pitfall and something for  
3 you-all to consider, and I'll use an example  
4 just to sort of simplify the conversation  
5 here, our first house rule that we have had in  
6 place for a number of years is that a  
7 five-year-old first-time starter requires a  
8 veterinarian exam before they compete. So  
9 playing this scenario out, under this  
10 potential new rule, let's use a hypothetical,  
11 although I will tell you-all that this will  
12 absolutely come in front of you at some point  
13 in time, somewhere down the line, let's say,  
14 hypothetically speaking, the HBPA disagrees  
15 with the safety initiative that a racetrack  
16 proposes. So we have got a racetrack saying  
17 that a five-year-old first time starter should  
18 have a veterinarian exam before their first  
19 career race. There is obviously a reason why  
20 a five-year-old horse has never made a start  
21 before. So if a track is requiring that horse  
22 to have an additional veterinary exam, it  
23 seems like a reasonable safety approach.  
24 Let's say, hypothetically, under this rule, we  
25 come to you and say the HBPA disagrees with

1           that.

2           This Commission is now put in a terrible  
3           position of having to referee that  
4           disagreement. Your Commission is going to  
5           have to decide whether or not the track safety  
6           rule is correct or whether or not the  
7           horsemen's opinion of a five-year-old first  
8           time starter and his health is correct. My  
9           concern, and I think what should be your  
10          concern, is making the wrong choice.

11          Let's say, again, hypothetically, that  
12          you-all choose to take the HBPA's disagreement  
13          of that rule and wipe that house rule off and  
14          an incident were to happen with a  
15          five-year-old first time starter. I think  
16          this Commission would be very looked down upon  
17          and very nonfavorably mentioned throughout the  
18          industry press.

19          So our recommendation, our ask is to keep  
20          what is in place today, which currently gives  
21          the Commission the approval of the condition  
22          book, inclusive of our house rules and that  
23          seems like the best path forward to, A, keep  
24          the Commission out of a situation of  
25          refereeing a difficult decision and, B,

1 maintains the Commission's authority  
2 overseeing house rules and not deferring that  
3 authority to a party, like the HBPA, and then  
4 finally I would close by saying at the end of  
5 the day horsemen have a right to run wherever  
6 they want to run. So if we require a  
7 five-year-old first time starter to jump  
8 through an extra hoop of a veterinarian exam  
9 and a horsemen chooses not to do that they do  
10 not have to race at the Fair Grounds. If that  
11 is a burden that they do not want to overcome  
12 or a house rule where if a horse hasn't run in  
13 the last year they are required an extra  
14 veterinarian exam, if that is an extra hurdle,  
15 there is other opportunities to race, but if  
16 our track wants to have an additional safety  
17 measure in place it should be up to the  
18 Commission through the process that is already  
19 well documented, already established and  
20 already going through every year the approval  
21 of the condition book.

22 MR. MCHALFFEY:

23 I have a question, please.

24 Do you want to go first or --

25 MR. SHARIFF:

1                   No. You go ahead.

2           MR. MCHALFFEY:

3                   You-all have a 15-day quarter horse meet  
4                   going on right now. How many safety rules  
5                   have you put in the house rules for that?

6           MR. PALMISANO:

7                   Our equine medical director, Dr. Farmer,  
8                   is here. He can speak directly to that. I  
9                   know he was here last week conducting his  
10                  typical safety --

11          MR. MCHALFFEY:

12                  Extra house safety rules for the quarter  
13                  horses. Have you done anything like they are  
14                  talking about doing for thoroughbreds?

15          MR. PALMISANO:

16                  State your name.

17          DR. FARMER:

18                  My name is Dr. William Farmer. Last name  
19                  is spelled F-A-R-M-E-R, equine medical  
20                  director for Churchill Downs.

21                  So in the condition book we did not have  
22                  any stated additional house rules.

23          MR. MCHALFFEY:

24                  That is what I wanted to know. Thank  
25                  you.

1 CHAIRMAN KOEHL:

2 Last year didn't you-all get together  
3 with the LHBPA and submit your house rules and  
4 there was no dispute between the two?

5 MR. SHARIFF:

6 Chairman Koehl, we do that by contract.  
7 The HBPA agreement with the Fair Grounds  
8 requires that no later than four days prior to  
9 us going and publishing these, we have to  
10 provide them to the HBPA. That has been the  
11 case. Now, Gary can speak a little bit about  
12 -- there was -- there has been a little bit of  
13 a wrinkle last year and in our public comments  
14 that were provided to this Commission on  
15 August 16th by letter, which I hope everyone  
16 received, we did clarify that there was a bit  
17 of a wrinkle, but Gary can add a little more  
18 color to it.

19 MR. KOEHL:

20 So then you-all worked with them last  
21 year on --

22 MR. SHARIFF:

23 Yes.

24 CHAIRMAN KOEHL:

25 -- on submitting your house rules?

1 MR. SHARIFF:

2 Yes. At our --

3 CHAIRMAN KOEHL:

4 And this year you haven't?

5 MR. PALMISANO:

6 It is August. That is typically -- We  
7 are not ready to --

8 MR. SHARIFF:

9 We are a little bit early.

10 MR. PALMISANO:

11 We are not ready to produce our condition  
12 book or any of that material yet. That  
13 typically is going to happen in the month of  
14 September.

15 CHAIRMAN KOEHL:

16 What is the reason for delay?

17 MR. PALMISANO:

18 That is our standard process. We put the  
19 condition book around the end of September and  
20 that is when conversations start, but to your  
21 point we did disagree with the HBPA  
22 particularly on our trainer veterinarian  
23 agreement. So, at our other five CDI  
24 properties, we have an agreement that  
25 basically states that the trainer agrees to

1 all of the onsite rules and regulations at a  
2 CDI facility.

3 MR. MCHALFFEY:

4 The tracks are under HISA?

5 MR. PALMISANO:

6 Doesn't matter. It is a house rule. The  
7 trainer agreement is not anything HISA  
8 specific. It is saying that you agree to play  
9 by the rules of the racetrack. You agree that  
10 what your employees do is on you. You agree  
11 that your tending veterinarian is going to  
12 uphold all veterinarian standards and  
13 practices.

14 Point being the HBPA pushed back on that  
15 and we did not require that at the last Fair  
16 Grounds meet. So we did work together,  
17 exactly to your point, and I think we are  
18 losing a little bit of ground here, sight of  
19 the overall picture. The current rules that  
20 we have in place, the HBPA has agreed to over  
21 the last many number of years.

22 I think when you look at the future  
23 rules, I don't know what that could bring and  
24 I think my position or my point to you-all to  
25 consider is what position will you be in

1           refereeing that dispute in the future and how  
2           much are you willing to take on for that  
3           refereeing, as opposed to just maintaining the  
4           status quo, which is we talked to the HBPA, we  
5           submit the condition book, the Commission  
6           reviews it.

7           When you go down this path, you are  
8           opening yourselves up to having to referee  
9           publically a disagreement over a potential  
10          safety issue between an association and the  
11          horsemen's group and, for me, that just feels  
12          risky as a Commission.

13         DR. TUMMINELLO:

14                 Well, Gary, it sounds like we are  
15                 refereeing already. I mean we refereed this  
16                 morning for the last hour. We are refereeing  
17                 again because you guys can't work things out  
18                 together.

19         MR. PALMISANO:

20                 And I think --

21         DR. TUMMINELLO:

22                 You put us in a position that makes us  
23                 have to referee.

24         MR. MCHALFFEY:

25                 Brett, do --

1 CHAIRMAN KOEHL:

2 That is what the obligation of the Racing  
3 Commission is.

4 MR. PALMISANO:

5 It is to regulate, not referee.

6 MR. MCHALFFEY:

7 Do we need to make a position to go  
8 forward with this or do we -- What are we --  
9 What's --

10 CHAIRMAN KOEHL:

11 This is just a discussion.

12 MR. SHARIFF:

13 This is public comments.

14 MR. BONIN:

15 Mr. Vice Chair, it is just they asked for  
16 the ability to comment on it, but I do want to  
17 add that this is a public Commission and  
18 everything is intended to be aired out in  
19 public at a meeting like this.

20 When you-all promulgate rules those go  
21 through an additional step where -- not only  
22 this Commission in a meeting here, but it goes  
23 through a lengthy process of going even to the  
24 legislature, to the -- the governor gets  
25 notice of it. I think that is the proper

1 procedure perhaps for -- if they have certain  
2 safety rules or things that they want, I think  
3 that is the better way to go and the channel  
4 to go where it is even more public. The  
5 governor knows, the legislature knows what is  
6 going on.

7 I think the intent of this rule was not  
8 have house rules that are inconsistent or  
9 contrary to the Commission's rules,  
10 regulations and directives. You don't want  
11 this Commission doing something that the  
12 governor has ostensibly looked at, that the  
13 legislature has okayed, that public from the  
14 entire state gets put on notice by the  
15 register and has the ability to comment as  
16 Churchill has.

17 So I think there is a pretty big danger  
18 in allowing somebody to really do a lot with,  
19 quote-unquote, rules that are put in as a  
20 condition on poor people that are just trying  
21 to get their horses in. This is the proper --  
22 the legislature is proper, the governor having  
23 notice. So I think that this house rules was  
24 directly on point. This Commission has to  
25 approve the condition book, but everybody

1 needs to be a part of it and certainly the  
2 horsemen need to be a part of it and all this  
3 requires is that more people get better  
4 notice.

5 So you-all just brought out that this  
6 is going to be promulgated, I guess, their  
7 house rules, at the end of September. We have  
8 a meeting in October. That gives a very  
9 short, potentially three-week, timeline to be  
10 able to review house rules, but I think the  
11 more people that are required to look at it,  
12 the more people that they are required to say  
13 have either agree or don't agree so that this  
14 Commission can then look at it publically and  
15 vote on it as in the public interest and if  
16 they really do have specific safety rules that  
17 they want to do that they think are that  
18 important, then they should be requesting to  
19 promulgate rules and have those be made a rule  
20 where it goes through an even further and  
21 bigger process where the governor can take a  
22 look at it, the legislature can take a look at  
23 it.

24 MR. SHARIFF:

25 But, respectfully, we are not -- We would

1 not seek to have new rules promulgated through  
2 the legislature. Things are dynamic. Things  
3 change. Conditions change. Things are put in  
4 place for the protection of our equine  
5 athletes that need to remain fluid. We are  
6 not looking for laws to be created. There are  
7 rules that come, there are rules that go.  
8 When I say rules, I mean house rules. They  
9 are not statistic.

10 So, respectfully, I don't think that is  
11 what we are looking for here. What we are  
12 looking for is a concession that, look, we --  
13 this has nothing to do with HISA -- we are not  
14 looking at putting anything in place that is  
15 contrary or contradictory to Louisiana law.  
16 That is very clear and this Commission's task  
17 is to ensure that that doesn't happen. No  
18 issue there with No. 1, but this sort of  
19 pseudo consent right for the HBPA, which by  
20 the way they already contractually, Mr. Bonin,  
21 they are a part of the process. So I think  
22 this is a little superfluous and unnecessary.  
23 They are already part of this process. They  
24 already disagreed with the trainer agreement  
25 last year, which we then did not promulgate

1 and require be part of our condition book, but  
2 the fact that they already have a seat at the  
3 table, this seems like a little bit of  
4 overreach because, as Gary mentioned, there is  
5 going to be a disagreement at some point and  
6 the now formal requirement that HBPA's  
7 approval or disapproval by law be noted puts  
8 the Commission in a very precarious position  
9 and I think it is almost -- I used the word in  
10 my public comment letter -- that was a bit of  
11 a pseudo delegation to the HBPA, it sort of --  
12 look, this Commission's job -- someone  
13 mentioned sort of in passing that, yes, it  
14 seems like we are refereeing.

15 The job of the Commission is to regulate  
16 and to regulate both parties, HBPA's licensed  
17 trainers, owners, jockeys, et cetera and the  
18 association is similarly licensed. So there  
19 has to be some neutrality here and this just  
20 -- I think this puts the Commission in a  
21 precarious position that it is favoring HBPA's  
22 view on a house rule that the racetrack may  
23 put in place for the protection of its equine  
24 athletes.

25 MR. BONIN:

1           Mr. Chairman, I do want to caution the  
2 Commission. He mentioned being able to use  
3 house -- you know, these conditions as a fluid  
4 means of dealing with safety issues, but as  
5 this Commission is aware that is the whole  
6 reason for the rule process, that everybody  
7 gets notified, and as this Commission is well  
8 aware when the emergency medication rules were  
9 put forth, the legislature wanted to weigh in  
10 and the governor's office can weigh in. This  
11 Commission should never want to be that fluid  
12 where racetracks are just promulgating all of  
13 these safety rules that may or may not mesh  
14 with rules that have been placed by this  
15 Commission for decades, some perhaps several  
16 hundred years.

17           So they should all be taken very  
18 cautiously and methodically and they should  
19 follow -- anything that is that important with  
20 a safety rule shouldn't be fluid where it is  
21 just coming out and it is 30 days and, you  
22 know, there is a problem with the horsemen  
23 having notice or other people having advanced  
24 notice because then you get into the same  
25 problem that you got -- that can be seen with

1           -- you are passing big rules that can have a  
2           big effect on the horse racing industry, the  
3           Commission, the tracks and trickle down to  
4           everybody else.

5           So I really think that if they have that  
6           big of concerns it really has to be requesting  
7           a rule and requesting where everybody is  
8           getting notice, where the legislature is  
9           getting notice and the governor is getting  
10          notice. This idea that there would be fluid  
11          changes in safety rules and stuff is -- can be  
12          problematic, Mr. Chairman.

13         MR. MCHALFFEY:

14                 Building on what you said and what they  
15                 are saying and Dr. Farmer, there was no safety  
16                 rules for the quarter horse meet. Does that  
17                 make -- That makes no sense.

18         MR. SHARIFF:

19                 We haven't had a quarter horse meet in  
20                 five years at the racetrack.

21         MR. MCHALFFEY:

22                 But you are running one now.

23         MR. PALMISANO:

24                 Brett, I would ask -- Brett, I would ask  
25                 you, after your sort of spiel there, then how

1 are emergency rules reasonable. If everyone  
2 is required notice, if the legislature needs  
3 to be involved, if the governor wants to look  
4 at them, if there is a process and public  
5 comment, then why is there even an emergency  
6 rule procedure? If rules aren't meant to be  
7 fluid, if you recognize and realize there was  
8 a massive issue with the way the mediations --  
9 then we shouldn't allow emergency rules,  
10 right?

11 MR. BONIN:

12 No. So the bottom line is that the  
13 system worked. The important thing to  
14 remember here is that if you go through the  
15 regular rule process, you know, it is a  
16 180-day process, approximately, and it gives  
17 people a lot of time to look at stuff, but if  
18 you say, for instance, like you-all were  
19 talking about, you know, safety rules that you  
20 are going to do at the end of September to be  
21 voted on by this Commission in October, that  
22 is almost akin to an emergency regulation and,  
23 as everybody can see, there are heightened --  
24 much more height requirements both in law and  
25 administrative regulation for the State of

1 Louisiana that says, man, if you are going to  
2 do something on an emergency basis, you need  
3 to meet these higher requirements. So these  
4 higher requirements, for instance, this  
5 Commission is required to send notice if they  
6 are even thinking about an emergency  
7 regulation to two attorneys in the governor's  
8 office and they need to get their approval to  
9 even be able to proceed on an emergency rule  
10 and there is strict procedures. If they don't  
11 respond within 48 hours, then this Commission  
12 can go ahead and move forward. The  
13 legislature, if they have a problem, they will  
14 literally call up, which they have, and said,  
15 "We have a problem with this and we want you  
16 to rethink it; otherwise, we are going to have  
17 a hearing," and then the Commission gets  
18 hauled before a hearing in the legislature and  
19 the legislature can strike out and obliterate  
20 that rule.

21 So each time you sort of, you know, speed  
22 up the timeline for important rules and  
23 regulations, the requirements get higher and  
24 higher and higher and you-all saw that with  
25 the emergency medication rules where, you

1 know, there was feedback from the legislature,  
2 there was feed back from the governor. The  
3 system worked. It, basically, allowed people  
4 the opportunity to be able to weigh in and say  
5 what they thought and how they should handle  
6 it, and then this Commission can respond  
7 appropriately, just like it did, but if you  
8 start staying that you want the opportunity to  
9 be fluid with your rules that then come before  
10 this Commission and you don't want the  
11 horsemen to necessarily be able to have  
12 notice --

13 MR. SHARIFF:

14 They have notice.

15 MR. BONIN:

16 -- that's a public problem, but just the  
17 requirement that you have to send them and you  
18 have to get a response. They are representing  
19 ten to thirteen thousand licensees in the  
20 state that form the core of the horse racing  
21 industry in the state along with the tracks.  
22 So I think the Commission needs to be guided  
23 by what is in the public interest in putting  
24 all of this out there in the public and  
25 requiring and ensuring that the horsemen get

1 notice, that every -- the tracks, that  
2 everybody that is involved have notice and if  
3 you are going to change something dealing with  
4 safety, you are talking about vets and having  
5 a vet be able to review, we were just -- many  
6 of us were all out at the Fair Grounds, your  
7 track, this past Saturday for an LQHBA  
8 meeting. There were three commissioned vets  
9 checking out horses on the front side. There  
10 was a Commission vet on the backside doing  
11 drug testing. So there were four vets that  
12 worked for this Commission that were on that  
13 track.

14 So, again, you know -- And it should be  
15 state public vets that are doing this where if  
16 somebody doesn't have a particular interest,  
17 maybe where it is just the track's interest or  
18 it is just the HBPA interest, all of these  
19 things literally should go through the  
20 Commission and the Commission should be  
21 enforcing them to ensure that there is no  
22 partiality and that one side is over  
23 represented or has their vet checking and  
24 deciding whether or not a horse can run or not  
25 because some of the things that have been

1 mentioned about having these pre-vet checkouts  
2 potentially by somebody other than a State  
3 vet, I mean that person, a non-state vet,  
4 could determine that a horse is unfit to run,  
5 in which case you would have a non-state vet  
6 deciding that a horse that may be going into a  
7 million-dollar futurity can't run, and then  
8 they are cut out of the process with no  
9 involvement by the State vets or the State  
10 Racing Commission

11 MR. STEPHEN LANDRY:

12 Dr. Farmer, did you want to comment on  
13 the question that Commissioner McHalfey  
14 asked --

15 DR. FARMER:

16 Yes.

17 MR. STEPHEN LANDRY:

18 -- about the safety -- the fact that  
19 there is none in the condition book for the  
20 quarter horse meet?

21 DR. FARMER:

22 So, just for some background information,  
23 when I started in this role, this is my first  
24 meet for a quarter horse meet and we did the  
25 same thing with the thoroughbred meet. When I

1 first started everything stayed as is, we  
2 didn't have any changes the first year that I  
3 was with Churchill Downs.

4 One for me is to learn the industry in  
5 this jurisdiction and to see what our risks  
6 were and where we could potentially improve,  
7 and then over the years we have added the  
8 first -- the second year that I was here, we  
9 added a few rules, we have added a few since.  
10 So to the question about why there was no  
11 quarter horse specific house rules, that was  
12 in keeping status quo with what has been the  
13 tradition in Louisiana at the other  
14 racetracks. So that wasn't a -- we weren't  
15 turning a blind eye saying quarter horses are  
16 different than thoroughbreds. Obviously, they  
17 are a very different industry than the  
18 thoroughbred, they have different risks, but  
19 that was our opportunity to assess that.

20 MR. STEPHEN LANDRY:

21 Just could I ask one question. It is my  
22 understanding that you agreed on the condition  
23 book last year, which contained house rules.  
24 Does Churchill Downs plan on having new house  
25 rules in this year's thoroughbred condition

1 book that was not in last year's condition  
2 book?

3 DR. FARMER:

4 Not at this time.

5 MR. STEPHEN LANDRY:

6 So then why are we here?

7 MR. PALMISANO:

8 The only thing that was not --

9 CHAIRMAN KOEHL:

10 They are allowed to make comments on the  
11 rule.

12 MR. SHARIFF:

13 And I think we did. Executor Landry, I  
14 think we did. It is anticipating the future.  
15 It may not be the case for this upcoming meet.  
16 I think we are very candid here, we don't have  
17 any plans for the upcoming meet that is going  
18 to raise any questions, but, yes, we don't  
19 know about the future and we didn't want the  
20 Commission to be that arbiter.

21 Chairman Koehl, quickly, I will say it  
22 again, Brett is a very competent lawyer, I  
23 have worked with him and I enjoy my time  
24 working with him, particularly when we are on  
25 the same side, not opposite sides, but I just

1 wanted to clarify and actually push back on  
2 one comment.

3 There is a lot of discussion about the  
4 rule making process and the importance of all  
5 the stakeholders to weigh in when rules and  
6 laws are created. I have to clarify.  
7 Churchill Downs is not making law. When you  
8 say rule for Churchill, we are not a state  
9 actor, we are a private racetrack and we are  
10 not creating law. So we don't have to go  
11 through that process of rule making and all  
12 the legislature and this. If the rule is not  
13 comfortable, it is voluntary. When the  
14 Commission makes a rule or a regulation, it is  
15 law.

16 So there is a distinction here. So the  
17 input of stakeholders is very important. The  
18 current infrastructure allows for that and  
19 this Commission has to regulate and approve  
20 the conditions book. The HBPA is in an  
21 ongoing conversation with us. We worked  
22 through it last year. We don't agree with  
23 HBPA's position with respect to the trainer  
24 agreement, we nixed that last year. There is  
25 going to be an issue that comes some time down

1 the road, I'm sure of it, that there is going  
2 to be a disagreement to Gary's point, the  
3 Commission is going to have to be that arbiter  
4 again and be put in an awkward position, but  
5 we are not creating rules, we are not creating  
6 law. We are a racetrack and it is purely  
7 voluntary. When this Commission puts in place  
8 a rule, it becomes law. So I just wanted to  
9 create that distinction there, that we are not  
10 creating law.

11 MR. MCHALFFEY:

12 One more comment about that. There is a  
13 fine line between what you are talking about  
14 and the statement that you made, if you don't  
15 like the house rules, you can run somewhere  
16 else, that concerns me. You know, that  
17 concerns me when you said they are voluntary,  
18 they are voluntary so if you don't want to be  
19 here, you can go somewhere else. That is what  
20 I got out of that right there.

21 MR. PALMISANO:

22 I get that. I would say let's use  
23 another example. If the Louisiana law  
24 requires one ambulance, human ambulance, to  
25 follow the field and Fair Grounds wants to

1 say, hey, we want two, it might make sense for  
2 jockeys to come ride at Fair Grounds because  
3 they feel an impetus that it is an extra safe  
4 environment.

5 So, to that extent, that is a voluntary  
6 decision that we are making to provide a safer  
7 environment and a rider would have the  
8 opportunity to come take advantage of that or  
9 not.

10 MR. MCHALFFEY:

11 I understand.

12 MR. BONIN:

13 Mr. Chairman, if we could also just,  
14 since this is comment --

15 CHAIRMAN KOEHL:

16 Wait a minute. You said that last year  
17 you-all consulted with the LHBPA about your  
18 rules and that you had an agreement -- a  
19 contract with them to do so.

20 MR. SHARIFF:

21 Yes, the current contract with the  
22 HBPA --

23 CHAIRMAN KOEHL:

24 Do you have the same contract for this  
25 year for this thoroughbred meet coming up in

1           October?

2           MR. SHARIFF:

3                    It's in the pipeline. I don't think it  
4           has been signed -- I'm sorry. Yes, we do. It  
5           is the same contract.

6           CHAIRMAN KOEHL:

7                    And it requires you to run whatever  
8           rules, house rules, you are going to have by  
9           them?

10          MR. SHARIFF:

11                    Yes.

12          CHAIRMAN KOEHL:

13                    Well, that's exactly what this says.

14          MR. PALMISANO:

15                    The difference is --

16          CHAIRMAN KOEHL:

17                    There is no difference. There is no  
18          difference.

19          MR. PALMISANO:

20                    -- in the future -- in the future it is  
21          going to come up to you to decide between the  
22          disagreement.

23          CHAIRMAN KOEHL:

24                    Well, if there is a disagreement.

25          MR. MCHALFFEY:

1                   That is what we do.

2           MR. PALMISANO:

3                   There might be a disagreement.

4           CHAIRMAN KOEHL:

5                   But it doesn't mean that we are going to  
6 side with LHBPA or Churchill Downs.

7           MR. PALMISANO:

8                   It doesn't.

9           CHAIRMAN KOEHL:

10                   So, you know --

11           MR. PALMISANO:

12                   It just feels like an extra step when it  
13 is already happening. So our point is this  
14 entire rule is unnecessary because all of  
15 these things are already happening.

16           CHAIRMAN KOEHL:

17                   And there is nothing wrong with it. End  
18 of discussion.

19           MR. BONIN:

20                   Yes, Mr. Chairman, that is what I wanted  
21 to clarify.

22           CHAIRMAN KOEHL:

23                   We are finished discussing this and we  
24 are going to take a five-minute break and Boyd  
25 can be ready to report next. We will take a


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