
THIRD READING

Bill No: SB 795
Author: Richardson (D)
Amended: 1/5/26
Vote: 21

SENATE GOVERNMENTAL ORG. COMMITTEE: 14-0, 1/13/26

AYES: Padilla, Valladares, Archuleta, Ashby, Blakespear, Cervantes, Dahle,
Jones, Ochoa Bogh, Richardson, Rubio, Smallwood-Cuevas, Wahab, Weber
Pierson

NO VOTE RECORDED: Hurtado

SUBJECT: Horse racing: out-of-state thoroughbred races: Delaware Handicap

SOURCE: Author

DIGEST: This bill adds the Delaware Handicap to the group of race meetings that are exempt from the 75 race-per-day limit on imported races into California for the purposes of wagering.

ANALYSIS:

Existing law:

- 1) Authorizes, pursuant to Article IV, Section 19(b) of the Constitution of the State of California, the Legislature to provide for the regulation of horse races and grants the California Horse Racing Board the authority to regulate the various forms of horse racing authorized in this state.
- 2) Authorizes thoroughbred racing associations or fairs to distribute the audiovisual signal and accept wagers on the results of out-of-state and international thoroughbred races during the calendar period the association or fair is conducting live racing, including days on which there is no live racing being conducted by the association or fair.

- 3) Limits the number of races that may be imported by associations and fairs to no more than 75 races-per-day on days when live thoroughbred or fair racing is being conducted in this state, with specified exceptions.
- 4) Exempts from that 75 races-per-day limit any imported races that are part of the race card of the Kentucky Derby, the Kentucky Oaks, the Preakness Stakes, the Belmont Stakes, the Jockey Club Gold Cup, the Travers Stakes, the Pegasus World Cup, the Arlington Million, the Breeders' Cup World Championship, the Dubai World Cup, the Arkansas Derby, the Apple Blossom Handicap, the Blue Grass Stakes, the Whitney Stakes, or the Haskell Invitational.

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Background

Author Statement. According to the author's office, "the decline in horse racing has impacted live track and off-track racing venues. In my district, Hollywood Park used to be the home of the largest horse racing venue. While it has been replaced, Hollywood Park Casino still hosts satellite racing venues. Many venues such as Hollywood Park Casino have struggled since the COVID pandemic. SB 795 would provide them an opportunity to be competitive and thrive."

Satellite Wagering. Satellite wagering via an off-track facility has been legal in California since the 1980s when California racetracks began experiencing declining attendance and handle figures. The industry believed that making the product easier to access not only would expose and market horse racing to potential customers but also make it more convenient for the existing patrons to wager more frequently. However, while off-track-betting and simulcasting can open new revenue pathways, they may cannibalize traditional on-track income, putting tracks at further financial risk and potentially contributing to closures.

Simulcasting. Simulcasting is the process of transmitting the audio and video signal of a live racing performance from one facility to a satellite for re-transmission to other locations or venues where pari-mutuel wagering is permitted. Simulcasting provides racetracks with the opportunity to increase revenues by exporting their live racing content to as many wagering locations as possible, such as other racetracks, fair satellite facilities, and Indian casinos. Revenues increase because simulcasting provides racetracks that export their live content with

additional customers in multiple locations who would not have otherwise been able to place wagers on the live racing event.

Distribution of Audiovisual Signals and Wagering. Thoroughbred racing associations and fairs in California can distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races during their own race meetings. This is allowed even on days when no live races are being held at their venues. There is a limit on the number of out-of-state races that can be imported into California for betting purposes. On days when there is live thoroughbred or fair racing happening in California, the total number of races imported from out-of-state must not exceed 75 races-per-day.

However, there are exceptions to this limit. Races that are part of specific major events like the Kentucky Derby, Breeder's Cup, and other specified races can be imported without falling under the 75 race-per-day limit. Additional exceptions are made for importing races into certain geographical zones of California when no local live racing is occurring. Any wagering on these out-of-state races must comply with specific provisions of California's Horse Racing Law that govern how betting should be conducted. Wagers on out-of-state races are not allowed after 7 p.m. Pacific Standard Time unless there is consent from the local harness or quarter horse racing association conducting live racing in either Sacramento or Orange County.

Racetrack Attendance. Prior to the COVID-19 Pandemic, and closure of non-essential businesses in California, the horse racing industry had already been experiencing a general decline in the number of people attending and wagering at live tracks in California. This has been ongoing for more than three decades due to myriad factors including increased competition from other forms of gaming, unwillingness of customers to travel a significant distance to racetracks, and the easy access to off-track wagering.

Despite poor weather conditions and a sloppy racing surface, Churchill Downs reported that 147,406 people attended the 2025 Kentucky Derby. The all-sources betting handle on the Derby and the entire racing card reported records of \$234.4 million and \$349 million, respectively. [NBC Sports reported](#) an average of 17.7 million viewers across NBC and Peacock for their 25th Kentucky Derby broadcast, the largest television audience for the race since 1989. The declining attendance at live horse racing events in California has prompted racetracks to rely on revenues from in-state and out-of-state satellite wagering and account wagering.

Status of the Horse Racing Industry in California. The California horse racing industry's long-term health is threatened by a combination of factors including competition from racing in other states and over-seas, other forms of gaming within California, declining attendance, and the potential for higher value return by redeveloping the track property rather than continuing to operate in the face of declining revenues. As resources shrink, the industry is experiencing deficits in virtually every one of its revenue sources. Traditional take out, allocation, and distribution formulas are no longer able to sustain ongoing operations.

As the value of racing operations decline, track ownership is struggling to maximize the necessary return on the investment and tempted by alternative uses of the property potentially yielding higher returns. Consequently, the racing industry is suffering unprecedented instability and capital flight. Tens of thousands of industry jobs are in jeopardy, along with breeding farms and open space in urban centers throughout California. Also at risk is a substantial amount of local and state revenue generated both directly and indirectly by the industry.

Further exacerbating the horse racing industry's woes, the *USA Today* published an article in June of last year titled, "[ICE raid on track workers sends shockwaves around racing, 'puts horses at risk.'](#)" The article notes that federal Immigration and Customs Enforcement (ICE) agents raided the Delta Downs racetrack in Vinton, Louisiana on June 17, 2025. More than 80 backstretch workers were reportedly detained, which the article notes "should be a wake-up call for an industry that would simply not be able to function without a workforce of grooms and hotwalkers and stall cleaners who are, by some credible estimates, 75% immigrants. They come from places like Venezuela, Panama, Colombia and Mexico, working low-wage jobs but filling indispensable roles, caring round-the-clock for animals worth hundreds of thousands, even millions of dollars."

The Delaware Handicap. The Delaware Handicap is a Grade 2 race open to fillies and mares three years-old and up. Sometimes referred to as the "Del Cap," it is run at a distance of one and three-sixteenth of a mile in mid-July. The race is held at Delaware Park in Stanton, Delaware, which is located about ten miles from Wilmington, the largest city in the state. The race was first run in 1937 – the inaugural year of the track – as the New Castle Handicap. In 1953, it became the first-ever \$100,000 race for fillies and mares, making it the richest race in the world for female racers. The 2026 Delaware Handicap is scheduled to take place on July 18th.

Prior/Related Legislation

SB 397 (Strickland, 2025) authorizes thoroughbred and Appaloosa horses to enter into quarter horse races at any distance, as specified; and amends the conditions that a licensed quarter horse racing association can conduct thoroughbred racing as part of its racing program, as specified. (Pending in the Senate Governmental Organization Committee)

SB 844 (Rubio, 2025) increases the limit on the importation of out-of-state thoroughbred races by a California thoroughbred racing association or fair for pari-mutuel wagering from 75 to 80 races-per-day, as specified. (Pending in the Assembly Governmental Organization Committee)

AB 1389 (Rubio, 2025) adds the New York Stakes to the group of identified race meetings which are exempt from the 75-race per day limit on imported races into California for the purposes of wagering. (Pending on the Senate Inactive File)

AB 1526 (Committee on Governmental Organization, 2025) makes various technical and non-substantive changes to provisions of law related to horse racing. (Pending on the Senate Inactive File)

AB 1946 (Alanis, Chapter 366, Statutes of 2024) added the Whitney Stakes to the group of races which are exempt from the imported race-per-day limitation.

AB 3261 (M. Fong, Chapter 439, Statutes of 2024) raised the previous limit on the importation of out-of-state thoroughbred races, for the purposes of accepting wagers on those races, from 50 to 75 out-of-state races-per-day; as specified.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

Senate Rule 28.8.

SUPPORT: (Verified 1/14/26)

None received

OPPOSITION: (Verified 1/14/26)

None received

Prepared by: Brian Duke / G.O./ (916) 651-1530
1/15/26 15:57:40

**** **END** ****