

CSI - Ohio

The Common Sense Initiative

Business Impact Analysis

Agency Name: Ohio State Racing Commission

Regulation/Package Title: Chapter 7 New and Amended Rules

Rule Number(s): New Rules 3769-7-13, 25, 36, 42, 44 Amended Rules 3769-7-01, 04, 35,

Date: September 24, 2018

These rules are new and amended rules and may be found by accessing the Commission's website at www.racingohio.net.

Rule Type:

New

5-Year Review

Amended

Rescinded

The Common-Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

Regulatory Intent

1. Please briefly describe the draft regulation in plain language.

3769-7-01 requires an owner to be licensed. The proposed change would require an owner to demonstrate competent riding ability before he/she would be able to ride his/her horse in a race. The other change would require both the owner and trainer to have workers compensation coverage for his/her employees.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

CSIOhio@governor.ohio.gov

3769-7-04 discusses racing colors and jockey caps. The proposed change would require less equipment from permit holders.

3769-7-13 A jockey needs a license. The proposed change would require a potential jockey to demonstrate competent riding ability before a license is issued.

3769-7-25 states the rules for jockeys while in the jockey's quarters. The proposed change would relax the restriction to be in the jockey quarters one hour before the races begin. It would also allow jockeys to meet with individuals if the stewards would allow.

3769-7-35 The rule requires a fine to be paid to the stewards within forty-eight hours

3769-7-36 requires a person to pay their own fine. The proposed change would have the fine money deposited into a commission account not a permit holder account.

3769-7-42 The rule states the procedure to appeal a decision of the stewards. The proposed change would remove the five-hundred-dollar deposit requirement.

3769-7-44 states a penalty if a person issues a bad check to the commission or the permit holder. The proposed change would remove the payment of witness costs from the five-hundred-dollar deposit.

2. Please list the Ohio statute authorizing the Agency to adopt this regulation.

R.C. 3769.03

3. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?

No, the commission is the only entity that regulates horse racing in Ohio.

4. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.

These rules are not part of any federal requirement or program

5. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?

3769-7-01 requires a license to be an owner. These regulations would require an owner to show competent riding ability before riding his/her horse in a race. The owner and trainer must comply with Ohio law by having workers compensation coverage

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

CSIOhio@governor.ohio.gov

3769-7-04 there is a requirement for jockey caps and colors, so the stewards and the public can distinguish the race participants.

3769-7-13 The rule requires a license to be a jockey. The proposed change would require an applicant to show competent riding ability before a license could be issued

3769-7-25 There is a need to limit individuals contacting the jockeys to obtain information not available to the public.

3769-7-35 There needs to be a deadline to pay a fine

3769-7-36 A licensee is personally responsible for any sanctions if he/she violates the rules of racing.

3769-7-42 The procedure to appeal a decision of the stewards.

3769-7-44 A penalty is required if a person pays with a bad check and shows irresponsible financial practices

6. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?

The Commission has employees at all race tracks and can monitor these changes so racing operations run smoothly and the races are conducted in a fair and safe manner.

Development of the Regulation

7. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.

The primary stakeholders are the seven commercial permit holders and members of the horsemen's association who are required to implement and/or follow these rules.

8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

These rules were provided to stakeholders and comments were received for suggested changes. The stakeholders recommended changes to 3769-7-01, 3769-7-04, 3769-7-13, 3769-7-25 and the commission agreed.

The commission recommended changes to 3769-7-35, 3769-7-36, 3769-7-42 and 3769-7-44. These changes cause less burden on the permit holder and licensees

9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

No additional scientific data was used to develop these rules, only the suggestions and comments of the stakeholders.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

CSIOhio@governor.ohio.gov

10. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?

No alternative regulations were considered since the commission agreed with the stakeholder's changes. The commission changes would reduce the burden on permit holders and licensees

11. Did the Agency specifically consider a performance-based regulation? Please explain.

No, these regulations require permit holders, owners, trainers, and drivers to follow a consistent set of rules.

12. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

No measures were taken because no other agency regulate horse racing in Ohio, therefore no duplication will occur.

13. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

The Commission has employees at all the commercial tracks who can ensure these regulations are applied consistently and predictably for the regulated community.

Adverse Impact to Business

14. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:

a. Identify the scope of the impacted business community;

The scope of the impacted business community includes the seven-commercial race track permit holders in Ohio and the licensees associated with horse racing.

b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and

3769-7-01 The owner must pay a license fee. The owner may need more time to ensure he/she can comply with the requirements of 3769-7-13 before riding the horse in a race. The owner and the trainer must provide workers compensation for their employees

3769-7-04 The permit holder must provide jockey caps.

3769-7-13 The applicant for a jockey license may need more time to demonstrate that he/she has competent riding ability.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

CSIOhio@governor.ohio.gov

3769-7-25 The jockeys must be in the jockey quarters at a time designated by the stewards and must remain in the quarters until all riding engagements are finished for the day.

3769-7-35 A fine must be paid within forty-eight hours if not paid the person would be automatically suspended.

3769-7-36 A person could be fined or suspended for paying the fine of another person.

3769-7-42 There is no adverse impact. The five-hundred-dollar deposit requirement has been removed.

3769-7-44. A person is fined fifty dollars for writing a bad check to the commission or a permit holder.

c. Quantify the expected adverse impact from the regulation.

3769-7-01 The license fee for an owner's license is fifty dollars. Depending on the owners riding ability, he/she may need more time to demonstrate that he/she can comply with the requirements of 3769-7-13. Very few if any owners also ride their horses. The costs to the owner and/or trainer would depend on the number of employees that must be provided workers compensation coverage.

3769-7-04 The price of a jockey cap is between ten to fifteen dollars per cap. The requirement that a number is fixed to each jockey cap has been removed which will save money for the permit holder.

3769-7-13 Depending on their riding ability, an applicant for a jockey license may need more time to show that he/she has competent riding ability.

3769-7-25 The jockeys must be in the jockey quarters a half hour to an hour before the races begin

3769-7-35 A person is suspended until the fine is paid.

3769-7-36 A person could be fined up to one thousand dollars and suspended up to one year.

3769-7-42 There is no adverse impact.

3769-7-44 A person is fined fifty dollars for writing a bad check to the commission or a permit holder

15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

3769-7-01 The license fee is minimal. If an owner rides his/her horse in a race, he/she must be demonstrate competent riding ability. Workers compensation coverage is required under Ohio law

3769-7-04 Jockey caps help identify riders during a race.

3769-7-13 The jockey guild recommended these changes to ensure the safety of all jockeys during a race.

3769-7-25 There is a need to limit individuals contacting the jockeys to obtain information not available to the public.

3769-7-35 There must be a deadline to pay a fine

3769-7-36 A person should be personally responsible if he/she violates the rules of racing.

3769-7-42 There is no adverse impact.

3769-7-44 There is a deterrent to not issue a check with insufficient funds.

Regulatory Flexibility

16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

No, this regulation applies to only seven commercial race track permit holders and all licensees; therefore an exemption for small businesses is not applicable.

17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

R.C. 119.14 is not applicable.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

CSIOhio@governor.ohio.gov

18. What resources are available to assist small businesses with compliance of the regulation?

The Commission website at www.racingohio.net

The Commission phone number at 614-466-2757

The Commission facsimile number at 614-466-1900

The Deputy Director and Legal Counsel at Michael.Rzymek@racing.ohio.gov