

NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* first as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council or the Attorney General. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Register* after the final rules have been submitted for filing and publication.

Editor's Note: The following Notice of Final Rulemaking was originally published at 9 A.A.R. 4651, October 31, 2003 with the incorrect text of the rules. The Notice is republished here with the version of the text intended for publication.

NOTICE OF FINAL RULEMAKING

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 2. ARIZONA RACING COMMISSION

PREAMBLE

- 1. Sections Affected** **Rulemaking Action**
R19-2-107 Amend
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statute: A.R.S. § 5-104(A)(2) and (T)
Implementing statutes: A.R.S. §§ 5-104(B) and 5-107.01
- 3. The effective date of the rule:**
December 6, 2003
- 4. A list of all previous notices appearing in the Register addressing the final rule:**
Notice of Rulemaking Docket Opening: 9 A.A.R. 1244, April 18, 2003
Notice of Proposed Rulemaking: 9 A.A.R. 3014, July 11, 2003
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
Name: William J. Walsh
Address: Arizona Department of Racing
1110 W. Washington, Suite 260
Phoenix, AZ 85007
Telephone: (602) 364-1700
Fax: (602) 364-1703
- 6. An explanation of the rule, including the agency's reasons for initiating the rule:**
The rulemaking repeals subsections that prevent licensed owners of racehorses from having more than one stable name or from using a stable name and a legal name for racing. The amendments are intended to eliminate restrictions on the ownership of racehorses and will permit a horse owner to be part of a multi-owner stable as well as own horses alone. Other changes are made to modernize the rule's language.
- 7. A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**
The agency did not rely on any study in this rulemaking.
- 8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
None

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9. The summary of the economic, small business, and consumer impact:

The rule may increase ownership in the horse racing industry which may mean more horses, more sales of horses, and an increase in the amount of wagering on races. If wagering increases, this would increase purse structure for horse owners as well as increase revenue for the state and racetracks.

10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

Minor changes were made to the proposed rule at the suggestion of G.R.R.C. staff.

11. A summary of the principal comments and the agency response to them:

The agency did not receive any written comments on the rulemaking.

12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

13. Incorporations by reference and their location in the rule:

None

14. Was this rule previously adopted as an emergency rule?

No

15. The full text of the rule follows:

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 2. ARIZONA RACING COMMISSION

ARTICLE 1. HORSE RACING

Section

R19-2-107. Stable Names

ARTICLE 1. HORSE RACING

R19-2-107. Stable Names

- ~~A. A licensed owner wishing to race under a stable name shall register with the Department and shall pay the fee set forth in these rules.~~
- ~~1. Only owners shall register or secure a license under a stable name.~~
 - ~~2. A name other than the legal name of the owner shall be deemed to be a stable name.~~
- ~~B. The registration referred to in subsection (A) of this Section must include the identity of the individual(s), partnership(s), or corporation(s) represented by the stable name.~~
- ~~1. All persons represented by a stable name shall have owners' licenses.~~
 - ~~2. All persons represented by a stable name shall sign an authorized agent's application which appoints 1 person to act as the agent for the stable name.~~
 - ~~3. If the stable name represents a corporation:~~
 - ~~a. The corporation shall register to do business according to the laws of the state of Arizona.~~
 - ~~b. The corporation shall submit a complete list of stockholders whose ownership exceeds 10% and the number of shares owned by each.~~
 - ~~e. The corporation shall notify the Department immediately if any change of stock ownership exceeding 10% occurs.~~
 - ~~d. The corporate name under which the corporation does business in Arizona shall be considered a stable name for the purposes of these rules.~~
- ~~C. A stable name other than a corporate stable name may be changed at any time by registering a new stable name and by paying the fee set forth in these rules.~~
- ~~D. A registered stable name may be abandoned by a licensed owner after written notice of such abandonment has been given to the Department.~~
- ~~E. A stable name shall be plainly distinguishable from any other registered stable name.~~
- ~~F. A licensed owner shall not register such owner's stable name:~~
- ~~1. One which the Department determines to be misleading to the public;~~
 - ~~2. One which the Department determines to be unbecoming to the sport.~~
- ~~G. A licensed owner shall not be a party to more than 1 stable name at 1 time.~~
- ~~H. A licensed owner shall not use such owner's legal name for racing purposes if such owner has a registered stable name within the state of Arizona.~~
- ~~I. Only 1 stable shall be registered under a stable name.~~

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- ~~J. All persons represented by or operating under a stable name shall be liable for all entry fees and penalties against the stable.~~
- ~~K. The stable name shall be carried on the official program as the name of the owner.~~
- A. A licensed owner who wishes to race under a stable name shall register the stable name with the Department and pay the fee listed in R19-2-106.
 - 1. Only an owner may register or secure a license under a stable name.
 - 2. A name other than the legal name of an owner is a stable name.
- B. When registering a stable name, a licensed owner shall identify any individual or business entity operating under the stable name.
 - 1. An individual operating under a stable name shall possess and be able to produce the individual's owner's license upon request by a racing official.
 - 2. An individual operating under a stable name shall sign the authorized agent's application.
 - 3. A business entity operating under a stable name shall:
 - a. Register to do business according to the laws of the state of Arizona;
 - b. Submit a list that identifies each stockholder who owns more than 10% of the existing shares, or each partner in a partnership;
 - c. Notify the Department immediately of any change in ownership; and
 - d. Use the name under which the business entity does business in Arizona as its stable name.
- C. If consistent with other laws, a licensed owner may change a stable name by registering the new stable name and paying the applicable fee in R19-2-106.
- D. To abandon a registered stable name, a licensed owner shall provide written notice to the Department.
- E. A licensed owner shall select a stable name that is distinguishable from other registered stable names.
- F. Upon registration, the Department shall determine whether a prospective stable name will be:
 - 1. Misleading to the public, or
 - 2. Unbecoming to the sport.
- G. The Department shall not register a stable name that is misleading to the public or unbecoming to the sport.
- H. A licensed owner shall register a separate name for each of the owner's stables.
- I. A licensed owner operating under a stable name shall pay all entry fees for and penalties against the stable.
- J. At the time of entry, a licensed owner shall ensure that the applicable stable name is furnished for the official program.