

STATE OF MICHIGAN

***THE OFFICE OF
RACING COMMISSIONER***



**Christine C. White
Racing Commissioner**

2008 ANNUAL REPORT

April 2009



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
THE OFFICE OF RACING COMMISSIONER
LANSING

CHRISTINE C. WHITE
COMMISSIONER

April 15, 2009

The Honorable Jennifer Granholm
Governor of the State of Michigan
State Capitol
Lansing, Michigan 48909

Dear Governor Granholm:

In accordance with section 6(3) of Act No. 279 of the Public Acts of 1995, the Horse Racing Law of 1995, as amended, the 2008 Annual Report of the Office of Racing Commissioner is hereby submitted.

Sincerely,

A handwritten signature in cursive script that reads "Christine White".

Christine C. White
Racing Commissioner

TABLE OF CONTENTS

	Page Number
Note From the Commissioner	3
The ORC at Work	4
ORC Revenue and Expenditures	5
State Tax Summary	6
ORC Licensees and Licenses Issued	7
Total Wagering Summary	8
All Race Meet Summary	9
Pinnacle Race Course Race Meet Summary	10
Mount Pleasant Meadows Race Meet Summary	11
Hazel Park Harness Raceway Race Meet Summary	12
Jackson Harness Raceway Race Meet Summary	13
Northville Downs Race Meet Summary	14
Northville Racing Corporation Race Meet Summary	15
Sports Creek Race Meet Summary	16
2008 Michigan Horse Tracks	17

Michigan Office of Racing Commissioner
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(517) 335-1420
www.michigan.gov/horseracing

NOTE FROM THE COMMISSIONER

During 2008 Michigan pari-mutuel horse racing celebrated its 75th anniversary. It all began in September of 1933 when our first pari-mutuel race meet was held at the State Fairgrounds in Detroit. During the 31 day meet, 100,000 fans had wagered more than \$3.5 million on the Thoroughbred races.

Accordingly, in 2008 Michigan's six tracks, which now include harness and mixed breed, along with thoroughbred, held a combination of 1,737 days of live and simulcast racing. We had more than 1.1 million visitors at our tracks who wagered more than \$231 million!

The ORC continues to help maintain the integrity of Michigan's pari-mutuel horse racing providing trust and confidence to both the horsemen involved and to the wagering public. During 2008, our veterinary staff conducted 13,192 equine drug tests and our stewards gave a total number of 465 rulings with 300 fines and 73 suspensions.

While our industry is facing some great challenges, I feel that Michigan has only seen its first 75 years of pari-mutuel racing.

Have a great day at the races!

Christine White

Christine C. White
Racing Commissioner





THE ORC AT WORK

THE OFFICE OF RACING COMMISSIONER HAS MANY ROLES AND PERFORMS NUMEROUS DUTIES ON A DAILY BASIS. BELOW ARE SOME OF OUR PRIMARY RESPONSIBILITIES.

STEWARDS

- √ Responsible as representatives of the Commissioner for regulatory oversight over all aspects of pari-mutuel racing at each track during a race meeting
- √ Monitor and judge all live racing to ensure safety, enforce racing statutes and rules and ensure that everyone has a fair opportunity to compete
- √ Make decisions, hold hearings and issue rulings to enforce compliance with laws and rules in all matters related to racing
- √ Review occupational license applications and evaluate their suitability for licensing
- √ Approve or deny applications

LICENSING STAFF

- √ Accept, process and generate occupational license applications of anyone requesting approval to participate in Michigan pari-mutuel horseracing
- √ Collect and record occupational license fees and fines
- √ Review daily racing programs
- √ Maintain licensee data in the ORC computing system
- √ Provide general office assistance to ORC track staff

INVESTIGATORS

- √ Carry out investigations into alleged violations of laws and rules
- √ Conduct investigations to determine suitability of applicants for licensing
- √ Perform human drug and alcohol testing on licensees as provided for by the Horse Racing Law and ORC rules
- √ Oversee racetrack security in collaboration with track security staff
- √ Work with other jurisdictions to monitor licensee activity

VETERINARIANS

- √ Monitor and safeguard the physical well-being of participating race horses
- √ Oversee all of the ORC's equine drug testing programs, including the collection and testing of equine blood, urine and other samples
- √ Implement vaccination protocols to protect racehorses and prevent the spread of infectious equine diseases
- √ Examine horses pre and post races for soundness to race and to continue racing
- √ Oversee the Laborers who procure the drug samples

ORC REVENUE AND EXPENDITURES

SUMMARY OF ORC REVENUE

January 1, 2008 through December 31, 2008

Pari-Mutuel Simulcast Wagering Taxes	\$7,451,713
Occupational License Fees	120,482
Outs*	529,720
Racing Fines	25,265
Track Licenses	3,400
TOTAL ORC REVENUE	\$8,130,580

SUMMARY OF ORC EXPENDITURES

January 1, 2008 through December 31, 2008

Salaries, Wages, Retirement and Benefits	\$2,701,363
Total Contractual Services, Supplies and Materials	251,102
Assessments	103,577
Travel	76,756
Equipment	66,589
Other	28,461
TOTAL ORC EXPENDITURES	\$3,227,848

*OUTS

Great Lakes Downs	\$28,535
Mount Pleasant Meadows	7,619
Hazel Park Harness Raceway	233,940
Jackson Harness Raceway	38,515
Northville Downs	92,575
Northville Racing Corporation	60,663
Sports Creek Raceway	67,873
TOTAL OUTS REVENUE	\$529,720

"Outs" are un-cashed winning tickets governed by Public Act 505, 1998. The race meeting licensee (the track) keeps 50% of the winning payout on the tickets and the other 50% is deposited into the Agriculture Equine Fund. The funds were received as revenue in 2008. As such, GLD's outs were revenue and no Pinnacle outs were received in 2008.

STATE TAX SUMMARY

	2008	2007
Thoroughbred		
Pinnacle Race Course	\$ 342,860	364,862**
Mixed Breed		
Mount Pleasant Meadows	\$ 90,446	\$ 80,092
Harness		
Hazel Park Harness Raceway	\$ 3,265,028	\$ 3,604,200
Jackson Harness Raceway	320,340	365,052
Northville Downs	1,636,214	1,842,254
Northville Racing Corporation	869,730	1,136,234
Sports Creek Raceway	927,095	1,026,014
Harness Totals	\$ 7,018,407	\$ 7,973,754
TOTAL STATE TAX	<u>\$ 7,451,713</u>	<u>\$ 8,418,708</u>

There is a 3.5% tax on all money wagered on simulcast races at each licensed track. Live wagering is not taxed in Michigan.



**This figure for the state tax collected in 2007 for a thoroughbred track reflects Great Lakes Downs in Muskegon which closed in 2007. Pinnacle Race Course opened in 2008 and as such does not have its own state tax figure for 2007.

ORC LICENSEES AND LICENSES ISSUED

During 2008, the ORC licensed **4,985** individuals who held a total of **6,428** licenses. Some licensees hold more than one license.

The ORC issues licenses for owners, trainers, assistant trainers, drivers, jockeys, apprentice jockeys, veterinarians, farriers, racing officials, track and association employees, grooms, stable help, vendors, corporations, partnerships and temporary licenses for authorized people to go to the backside of the track. There are 58 licensing categories.

The ORC has moved forward and put all its licensing forms online at www.michigan.gov/horseracing. The license applications are available for download and can be submitted in person at one of our licensing offices or via fax. Each track has an ORC field office that is open during live racing. Office hours vary by track and schedules are posted on the ORC website.



TOTAL WAGERING SUMMARY

LIVE WAGERING

Thoroughbred

Pinnacle Race Course \$ 2,733,374

Mixed Breed

Mount Pleasant Meadows 152,867

Standardbred

Jackson Harness Raceway 1,416,300

Hazel Park Harness Raceway 8,244,337

Northville Downs 2,746,490

Northville Racing Corp. 1,422,066

Sports Creek Raceway 1,605,706

TOTAL LIVE WAGERING **\$ 18,321,140**

SIMULCAST WAGERING

Thoroughbred

Pinnacle Race Course \$ 9,795,901

Mixed Breed

Mount Pleasant Meadows 2,584,073

Standardbred

Jackson Harness Raceway 9,152,564

Hazel Park Harness Raceway 93,286,256

Northville Downs 46,748,837

Northville Racing Corp. 24,849,332

Sports Creek Raceway 26,488,188

TOTAL SIMULCAST WAGERING **\$ 212,905,151**

TOTAL WAGERING IN 2008 **\$ 231,226,291**

****Total Wagering in 2007 was \$260,963,087****

Note: The 2007 figure includes Great Lakes Downs while the 2008 figure includes Pinnacle Race Course.

ALL RACE MEETS Race Meeting Summary

	2008**	2007**
Live Dates Ran	376	445
Total Live and Simulcast Dates	1737	1936
Live Wagering Total	\$18,321,140	\$20,429,573
Simulcast Wagering Total	\$212,905,150	\$240,533,513
Combined Wagering Total	\$231,226,290	\$260,963,087
Winning Tickets Payout	\$177,348,198	\$200,802,643
State Racing Tax	\$7,451,713	\$8,418,707
Track Share Commission	\$34,654,708	\$39,427,926
Local Government Breakage	\$1,008,649	\$1,097,381

Winning Tickets Payout – The amount of winnings paid to bettors.

State Racing Tax - There is a 3.5% tax on all money wagered on simulcast races at each licensed track. Live wagering is not taxed in Michigan.

Track Share Commission - The amount the race meet licensee (track) deducts from the total wagers for services rendered.

Local Government Breakage - Breakage is the difference in cents between the winning payouts and the nearest dime (or nickel in a minus pool situation). For example, if a winning bet is computed to pay \$3.12 then the bettor receives \$3.10. The breakage of \$0.02 is deposited into a fund distributed and used by the cities or townships where the tracks are located. Breakage figures are all breakage incurred at the track during the calendar year.

****Note:** The 2007 figures include Great Lakes Downs while the 2008 figures include Pinnacle Race Course.

PINNACLE RACE COURSE Race Meeting Summary

	2008	2007
Live Dates Ran	62	NA
Total Live and Simulcast Dates	165	NA
Live Wagering Total	\$2,733,374	NA
Simulcast Wagering Total	\$9,795,901	NA
Combined Wagering Total	\$12,529,275	NA
Winning Tickets Payout	\$9,480,078	NA
State Racing Tax	\$342,860	NA
Track Share Commission	\$1,953,717	NA
Huron Township Breakage	\$70,904	NA



MOUNT PLEASANT MEADOWS Race Meeting Summary

	2008	2007
Live Dates Ran	36	35
Total Live and Simulcast Dates	262	299
Live Wagering Total	\$152,867	\$164,847
Simulcast Wagering Total	\$2,584,073	\$2,288,214
Combined Wagering Total	\$2,736,939	\$2,453,061
Winning Tickets Payout	\$2,108,349	\$1,860,796
State Racing Tax	\$90,446	\$80,092
Track Share Commission	\$370,726	\$340,664
Isabella Township Breakage	\$12,978	\$12,256



HAZEL PARK HARNESS RACEWAY Race Meeting Summary

	2008	2007
Live Dates Ran	92	108
Total Live and Simulcast Dates	363	361
Live Wagering Total	\$8,244,337	\$9,713,564
Simulcast Wagering Total	\$93,286,256	\$102,976,797
Combined Wagering Total	\$101,530,593	\$112,690,361
Winning Tickets Payout	\$77,825,976	\$86,604,590
State Racing Tax	\$3,265,028	\$3,604,199
Track Share Commission	\$15,156,897	\$16,926,561
City of Hazel Park Breakage	\$457,596	\$498,882



JACKSON HARNESS RACEWAY Race Meeting Summary

	2008	2007
Live Dates Ran	31	36
Total Live and Simulcast Dates	224	244
Live Wagering Total	\$1,416,300	\$1,574,495
Simulcast Wagering Total	\$9,152,564	\$10,430,059
Combined Wagering Total	\$10,568,863	\$12,004,554
Winning Tickets Payout	\$8,060,636	\$9,216,752
State Racing Tax	\$320,340	\$365,052
Track Share Commission	\$1,627,000	\$1,863,874
City of Jackson Breakage	\$52,863	\$59,171



NORTHVILLE DOWNS Race Meeting Summary

	2008	2007
Live Dates Ran	48	55
Total Live and Simulcast Dates	211	211
Live Wagering Total	\$2,746,490	\$3,147,821
Simulcast Wagering Total	\$46,748,837	\$52,635,646
Combined Wagering Total	\$49,495,327	\$55,810,467
Winning Tickets Payout	\$38,416,569	\$43,241,216
State Racing Tax	\$1,636,214	\$1,842,254
Track Share Commission	\$7,287,195	\$8,297,165
City of Northville Breakage	\$201,985	\$232,629



NORTHVILLE RACING CORPORATION Race Meeting Summary

	2008	2007
Live Dates Ran	41	43
Total Live and Simulcast Dates	150	149
Live Wagering Total	\$1,422,066	\$2,048,476
Simulcast Wagering Total	\$24,849,332	\$32,463,718
Combined Wagering Total	\$26,271,398	\$34,512,194
Winning Tickets Payout	\$20,154,999	\$26,747,928
State Racing Tax	\$869,730	\$1,136,234
Track Share Commission	\$3,930,680	\$5,216,196
City of Northville Breakage	\$104,392	\$122,923



SPORTS CREEK RACEWAY Race Meeting Summary

	2008	2007
Live Dates Ran	66	70
Total Live and Simulcast Dates	361	362
Live Wagering Total	\$1,605,706	\$1,698,842
Simulcast Wagering Total	\$26,488,188	\$29,314,355
Combined Wagering Total	\$28,093,894	\$31,013,197
Winning Tickets Payout	\$21,301,591	\$23,733,293
State Racing Tax	\$927,095	\$1,026,014
Track Share Commission	\$4,328,493	\$4,811,706
City of Swartz Creek Breakage	\$107,931	\$121,146



2008 MICHIGAN HORSE RACE TRACKS

HARNESST RACKS

Hazel Park Harness Raceway

1650 East Ten Mile Road
Hazel Park, MI 48030
248-398-1000
www.hazelparkraceway.com



Jackson Harness Raceway

200 West Ganson Street
Jackson, MI 49204
(Closed Nov 2008)

Northville Downs

301 South Center Street
Northville, MI 48167
248-349-1000
www.northvilledowns.com



Sports Creek Raceway

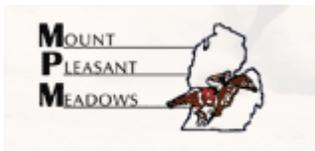
4290 Morrish Road
Swartz Creek, MI 48473
810-635-3333
www.sportscreek.com



MIXED BREED TRACK

Mount Pleasant Meadows

500 North Mission Road
Mount Pleasant, MI 48858
989-773-0012
www.mpmhorseracing.com



THOROUGHbred TRACK

Pinnacle Race Course

18000 Vining Road
New Boston, MI 48164
734-753-2000
www.pinnacleracecourse.com



Each track has an ORC field office that is open during live racing.
Office hours vary by track and schedules are posted on the ORC website.



Christine White

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