

# The Office of Racing Commissioner

## Annual Report to the Governor



**Calendar Year 2009**

# **Annual Report to the Governor**

Calendar Year 2009

Office of Racing Commissioner  
Lansing, MI 48909

Submitted April 15, 2010  
In accordance with  
Section 6(3) of Act No. 279 of  
(Public Acts of 1995 the Horse Racing Law of 1995)

*This document is also available online at*  
[www.michigan.gov/mgcb](http://www.michigan.gov/mgcb)



STATE OF MICHIGAN  
MICHIGAN GAMING CONTROL BOARD  
LANSING

JENNIFER GRANHOLM  
GOVERNOR

RICHARD S. KALM  
EXECUTIVE DIRECTOR

April 15, 2010

The Honorable Jennifer Granholm  
Governor of the State of Michigan

TO GOVERNOR JENNIFER GRANHOLM AND THE MICHIGAN  
LEGISLATURE:

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 2009 Annual Report of the Office of Racing Commissioner is hereby submitted.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard S. Kalm".

Richard S. Kalm  
Executive Director

## FROM THE EXECUTIVE DIRECTOR



Calendar year 2009 was a period of pivotal change for horse racing in Michigan. Executive Order 2009-45 of 2009, effective January 17, 2010, transferred the duties of the Office of Racing Commissioner from the Department of Agriculture to the Michigan Gaming Control Board. As Executive Director of the Michigan Gaming Control Board, I welcome the opportunity to take up the mantle of past racing commissioners and further the mission of horse racing in Michigan.

During the past year, our five race tracks held 263 days of live racing and 1,698 days of simulcast racing. Visitors to our tracks wagered more than \$203,338,687 and generated nearly \$7 million in state tax revenue.

Although horse racing is seeing a decline in live race days, attendance, and wagering, the staff at the Michigan Gaming Control Board look forward to working with industry leaders to ensure the integrity and long term viability of horse racing in Michigan.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard S. Kalm". The signature is fluid and cursive, with a prominent initial "R" and "S".

Richard S. Kalm  
Executive Director

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THE OFFICE OF RACING COMMISSIONER (ORC) 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 licensing 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 racehorses
- 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

# REVENUES AND EXPENDITURES

## SUMMARY OF REVENUES

*January 1, 2009, through December 31, 2009*

Pari-Mutuel Simulcast Wagering Taxes	\$6,702,699
Occupational License Fees	109,005
Outs*	484,951
Racing Fines	33,136
Track Licenses	6,600
<b>TOTAL REVENUES</b>	<b>\$7,336,391</b>

## SUMMARY OF EXPENDITURES

*January 1, 2009, through December 31, 2009*

Salaries, Wages, Retirement, and Benefits	\$1,931,593
Total Contractual Services, Supplies, and Materials	177,823
Assessments	144,659
Travel	64,795
Equipment	5,333
Other	90,804
<b>TOTAL EXPENDITURES</b>	<b>\$2,415,007</b>

## OUTS

Pinnacle Race Course	\$ 42,955	<i>"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 2009.</i>
Mt. Pleasant Meadows	9,737	
Hazel Park Harness Raceway	206,897	
Jackson Harness Raceway	30,403	
Northville Downs	78,653	
Northville Racing Corporation	48,841	
Sports Creek Raceway	67,465	
<b>TOTAL OUTS REVENUE</b>	<b>\$484,951</b>	

## STATE TAX SUMMARY

	2009	2008
<b>Thoroughbred</b>		
Pinnacle Race Course	\$960,823	\$342,860
<b>Mixed Breed</b>		
Mount Pleasant Meadows	\$86,027	\$ 90,446
<b>Harness</b>		
Hazel Park Harness Raceway	\$2,898,381	\$3,265,028
Jackson Harness Raceway	0	320,340
Northville Downs	1,262,504	1,636,214
Northville Racing Corporation	678,090	869,730
Sports Creek Raceway	827,735	927,095
<b>Harness Totals</b>	<b>\$5,666,710</b>	<b>\$ 7,018,407</b>
<b>TOTAL STATE TAX</b>	<b>\$6,713,560</b>	<b>\$ 7,451,713</b>

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



## LICENSEES AND LICENSES ISSUED

- The ORC licensed **4,653** individuals who held a total of **5,541** 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 access various restricted areas of the track. There are 58 licensing categories.
- Licensing forms are available online at [www.michigan.gov/mgcb](http://www.michigan.gov/mgcb) and can be downloaded and 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 website at [www.michigan.gov/mgcb](http://www.michigan.gov/mgcb) .



## TOTAL WAGERING SUMMARY

### LIVE WAGERING

#### Thoroughbred

Pinnacle Race Course \$2,146,726

#### Mixed Breed

Mount Pleasant Meadows 89,558

#### Standardbred

Jackson Harness Raceway 0

Hazel Park Harness Raceway 5,614,248

Northville Downs 1,680,809

Northville Racing Corp. 869,148

Sports Creek Raceway 1,208,767

**TOTAL LIVE WAGERING \$11,609,256**

### SIMULCAST WAGERING

#### Thoroughbred

Pinnacle Race Course \$27,400,587

#### Mixed Breed

Mount Pleasant Meadows 2,457,867

#### Standardbred

Jackson Harness Raceway 0

Hazel Park Harness Raceway 82,810,749

Northville Downs 36,071,422

Northville Racing Corp. 19,374,542

Sports Creek Raceway 23,614,264

**TOTAL SIMULCAST WAGERING \$191,729,431**

**TOTAL WAGERING IN 2009 \$ 203,338,687**

**\*\*Total Wagering in 2008 was \$231,226,291\*\***

## ALL RACE MEETS

### RACE MEETING SUMMARY

	2009	2008
Live Dates Ran	263	376
Total Live and Simulcast Dates	1,698	1,737
Live Wagering Total	\$11,609,256	\$18,321,140
Simulcast Wagering Total	\$191,729,431	\$212,905,150
Combined Wagering Total	\$203,338,687	\$231,226,290
Winning Tickets Payout	\$155,043,843	\$177,348,198
State Racing Tax	\$6,713,560	\$7,451,713
Track Share Commission	\$30,102,099	\$34,654,708
Local Government Breakage	\$850,046	\$1,008,649

**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.

# PINNACLE RACE COURSE

## RACE MEETING SUMMARY

	2009	2008
Live Dates Ran	74	62
Total Live and Simulcast Dates	361	165
Live Wagering Total	\$2,146,726	\$2,733,374
Simulcast Wagering Total	\$27,400,587	\$9,795,901
Combined Wagering Total	\$29,547,313	\$12,529,275
Winning Tickets Payout	\$22,498,047	\$9,480,078
State Racing Tax	\$960,823	\$342,860
Track Share Commission	\$4,261,851	\$1,953,717
Huron Township Breakage	\$133,246	\$70,904



# MOUNT PLEASANT MEADOWS

## RACE MEETING SUMMARY

	2009	2008
Live Dates Ran	19	36
Total Live and Simulcast Dates	257	262
Live Wagering Total	\$89,558	\$152,867
Simulcast Wagering Total	\$2,457,867	\$2,584,073
Combined Wagering Total	\$2,547,425	\$2,736,939
Winning Tickets Payout	\$1,935,414	\$2,108,349
State Racing Tax	\$86,027	\$90,446
Track Share Commission	\$338,038	\$370,726
Isabella Township Breakage	\$11,011	\$12,978



# HAZEL PARK HARNESS RACEWAY

## RACE MEETING SUMMARY

	2009	2008
Live Dates Ran	66	92
Total Live and Simulcast Dates	362	363
Live Wagering Total	\$5,614,248	\$8,244,337
Simulcast Wagering Total	\$82,810,749	\$93,286,256
Combined Wagering Total	\$88,424,997	\$101,530,593
Winning Tickets Payout	\$67,180,445	\$77,825,976
State Racing Tax	\$2,898,381	\$3,265,028
Track Share Commission	\$13,157,219	\$15,156,897
City of Hazel Park Breakage	\$381,948	\$457,596



# JACKSON HARNESS RACEWAY

## RACE MEETING SUMMARY

	2009	2008
Live Dates Ran	0	31
Total Live and Simulcast Dates	0	224
Live Wagering Total	0	\$1,416,300
Simulcast Wagering Total	0	\$9,152,564
Combined Wagering Total	0	\$10,568,863
Winning Tickets Payout	0	\$8,060,636
State Racing Tax	0	\$320,340
Track Share Commission	0	\$1,627,000
City of Jackson Breakage	0	\$52,863



# NORTHVILLE DOWNS

## RACE MEETING SUMMARY

	2009	2008
Live Dates Ran	42	48
Total Live and Simulcast Dates	211	211
Live Wagering Total	\$1,680,809	\$2,746,490
Simulcast Wagering Total	\$36,071,422	\$46,748,837
Combined Wagering Total	\$37,752,231	\$49,495,327
Winning Tickets Payout	\$29,085,227	\$38,416,569
State Racing Tax	\$1,262,504	\$1,636,214
Track Share Commission	\$5,564,877	\$7,287,195
City of Northville Breakage	\$148,139	\$201,985



# NORTHVILLE RACING CORPORATION

## RACE MEETING SUMMARY

	2009	2008
Live Dates Ran	31	41
Total Live and Simulcast Dates	146	150
Live Wagering Total	\$869,148	\$1,422,066
Simulcast Wagering Total	\$19,374,542	\$24,849,332
Combined Wagering Total	\$20,243,690	\$26,271,398
Winning Tickets Payout	\$15,608,549	\$20,154,999
State Racing Tax	\$678,090	\$869,730
Track Share Commission	\$2,982,670	\$3,930,680
City of Northville Breakage	\$79,111	\$104,392



# SPORTS CREEK RACEWAY

## RACE MEETING SUMMARY

	2009	2008
Live Dates Ran	31	66
Total Live and Simulcast Dates	361	361
Live Wagering Total	\$1,208,767	\$1,605,706
Simulcast Wagering Total	\$23,614,264	\$26,488,188
Combined Wagering Total	\$24,823,031	\$28,093,894
Winning Tickets Payout	\$18,736,161	\$21,301,591
State Racing Tax	\$827,735	\$927,095
Track Share Commission	\$3,797,450	\$4,328,493
City of Swartz Creek Breakage	\$96,591	\$107,931



# 2009 MICHIGAN HORSE RACE TRACKS

## HARNESS TRACKS

### Hazel Park Harness Raceway

1650 East Ten Mile Road  
Hazel Park, MI 48030  
248-398-1000

[www.hazelparkraceway.com](http://www.hazelparkraceway.com)



### Sports Creek Raceway

4290 Morrish Road  
Swartz Creek, MI 48473  
810-635-3333

[www.sportscreek.com](http://www.sportscreek.com)



### Northville Downs

301 South Center Street  
Northville, MI 48167

248-349-1000

[www.northvilledowns.com](http://www.northvilledowns.com)

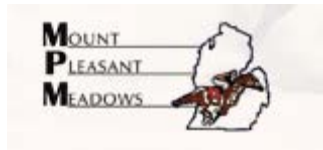


## MIXED BREED TRACK

### Mount Pleasant Meadows

500 North Mission Road  
Mount Pleasant, MI 48858  
989-773-0012

[www.mpmhorseracing.com](http://www.mpmhorseracing.com)



## THOROUGHBRED TRACK

### Pinnacle Race Course

18000 Vining Road  
New Boston, MI 48164  
734-753-2000

[www.pinnacleracecourse.com](http://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 MGCB website.