



# Horse Racing Annual Report to the Governor




**Calendar Year 2010**

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Calendar Year 2010

Michigan Gaming Control Board  
101 East Hillsdale Street  
Lansing, MI 48933



Submitted April 15, 2011  
Pursuant to the  
*Horse Racing Law of 1995*  
(Section 6(3) of Act No. 279 of  
Public Acts of 1995)

*Please direct inquiries to*  
Eric T. Bush, (517) 241-0136

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



STATE OF MICHIGAN  
MICHIGAN GAMING CONTROL BOARD

RICK SNYDER  
GOVERNOR

RICHARD S. KALM  
EXECUTIVE DIRECTOR

April 15, 2011

The Honorable Rick Snyder  
Governor of the State of Michigan

TO GOVERNOR RICK SNYDER 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 Horse Racing Annual Report to the Governor for calendar year 2010 is hereby submitted.

Sincerely,

/s/

Richard S. Kalm  
Executive Director

## FROM THE EXECUTIVE DIRECTOR

Calendar year 2010 was a period of review and evaluation of horse racing for the Michigan Gaming Control Board. 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. There are major decisions to be made in the areas of staffing and funding. During the past year, our five race tracks held 203 days of live racing and 1,632 days of simulcast racing. Visitors to our tracks wagered more than \$169,603,689 and generated over \$5.5 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,

/s/

Richard S. Kalm  
Executive Director



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## **The Michigan Gaming Control Board at Work**

THE MICHIGAN GAMING CONTROL BOARD HAS MANY ROLES AND PERFORMS NUMEROUS DUTIES ON A DAILY BASIS. BELOW ARE SOME OF OUR PRIMARY RESPONSIBILITIES.

### **STEWARDS**

- Responsible as representatives of the MGCBC 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 MGCBC licensing system.
- Provide general office assistance to MGCBC 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 test on licensees as provided for by the Horse Racing Law and MGCBC 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 the MGCBC 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.



# Michigan Gaming Control Board





## REVENUES AND EXPENDITURES

January 1, 2010 through December 31, 2010

### SUMMARY OF REVENUES

|                                      |                    |
|--------------------------------------|--------------------|
| Pari-mutuel Simulcast Wagering Taxes | \$5,651,872        |
| Occupational License Fees            | 78,346             |
| Outs*                                | 424,149            |
| Racing Fines                         | 23,655             |
| Track Licenses                       | <u>3,400</u>       |
| <b>TOTAL REVENUES</b>                | <b>\$6,181,422</b> |

### SUMMARY OF EXPENDITURES

|   |                    |
|---|--------------------|
| Salaries, Wages, Retirement, and Benefits     | \$1,576,224        |
| Contractual Services, Supplies, and Materials | 235,905            |
| Travel  | <u>26,288</u>      |
| <b>TOTAL EXPENDITURES</b>                     | <b>\$1,838,417</b> |

### OUTS

|                               |                  |
|-------------------------------|------------------|
| Pinnacle Race Course          | \$60,619         |
| Mt. Pleasant Meadows          | 7,562            |
| Hazel Park Harness Raceway    | 198,818          |
| Northville Downs              | 58,891           |
| Northville Racing Corporation | 39,634           |
| Sports Creek Raceway          | <u>58,625</u>    |
| <b>TOTAL OUTS REVENUE</b>     | <b>\$424,149</b> |

*\* "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 2010.*





## ALL WAGERING MEETS

### RACE MEETING SUMMARY

|                                       | <u>2009</u>        | <u>2010</u>        |
|---------------------------------------|--------------------|--------------------|
| <b>Live Race Dates</b>                | 263                | 203                |
| <b>Total Live and Simulcast Dates</b> | 1,698              | 1,632              |
| <br>                                  |                    |                    |
| <b>Live Wagering Total</b>            | \$11,609,256       | \$9,848,178        |
| <b>Simulcast Wagering Total</b>       | <u>191,729,431</u> | <u>159,755,511</u> |
| <b>Combined Wagering Total</b>        | \$203,338,687      | \$169,603,689      |
| <br>                                  |                    |                    |
| <b>Winning Tickets Payout</b>         | \$155,043,843      | \$129,800,749      |
| <b>State Racing Tax</b>               | \$6,713,560        | \$5,591,452        |
| <b>Track Share Commission</b>         | \$30,102,099       | \$24,954,835       |
| <b>Local Government Breakage</b>      | \$850,046          | \$718,954          |

*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 pay outs 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.



## STATE TAX SUMMARY

### RACE MEETING SUMMARY

|                               | <u>2009</u>        | <u>2010</u>        |
|-------------------------------|--------------------|--------------------|
| <b>Thoroughbred</b>           |                    |                    |
| Pinnacle Race Course          | \$960,823          | \$503,981          |
| <b>Mixed Breed</b>            |                    |                    |
| Mount Pleasant Meadows        | 86,027             | 69,262             |
| <b>Standardbred</b>           |                    |                    |
| Hazel Park Harness Raceway    | 2,898,381          | 2,536,597          |
| Northville Downs              | 1,262,504          | 1,131,759          |
| Northville Racing Corporation | 678,090            | 669,197            |
| Sports Creek Raceway          | <u>827,735</u>     | <u>741,076</u>     |
| Standardbred Totals           | 5,666,710          | 5,078,629          |
| <b>TOTAL STATE TAX</b>        | <b>\$6,713,560</b> | <b>\$5,651,872</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 MGCB licensed 3,738 individuals who held a total of 4,756 licenses. Some licensees hold more than one license.
- The MGCB 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 MGCB 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

|                               | <u>2009</u>         | <u>2010</u>        |
|-------------------------------|---------------------|--------------------|
| <b>Thoroughbred</b>           |                     |                    |
| Pinnacle Race Course          | \$2,146,726         | \$1,414,545        |
| <b>Mixed Breed</b>            |                     |                    |
| Mount Pleasant Meadows        | 89,558              | 42,787             |
| <b>Standardbred</b>           |                     |                    |
| Hazel Park Harness Raceway    | 5,614,248           | 4,954,639          |
| Northville Downs              | 1,680,809           | 1,338,284          |
| Northville Racing Corporation | 869,148             | 903,763            |
| Sports Creek Raceway          | <u>1,208,767</u>    | <u>1,194,160</u>   |
| Total Standardbred            | 9,372,972           | 8,390,846          |
| <b>TOTAL LIVE WAGERING</b>    | <b>\$11,609,256</b> | <b>\$9,848,178</b> |

### SIMULCAST WAGERING

|                                 | <u>2009</u>          | <u>2010</u>          |
|---------------------------------|----------------------|----------------------|
| <b>Thoroughbred</b>             |                      |                      |
| Pinnacle Race Course            | \$27,400,587         | \$14,399,452         |
| <b>Mixed Breed</b>              |                      |                      |
| Mount Pleasant Meadows          | 2,457,867            | 1,966,872            |
| <b>Standardbred</b>             |                      |                      |
| Hazel Park Harness Raceway      | 82,810,749           | 72,474,194           |
| Northville Downs                | 36,071,422           | 30,621,687           |
| Northville Racing Corporation   | 19,374,542           | 19,119,913           |
| Sports Creek Raceway            | <u>23,614,264</u>    | <u>21,173,393</u>    |
| Total Standardbred              | 161,870,977          | 143,389,187          |
| <b>TOTAL SIMULCAST WAGERING</b> | <b>\$191,729,431</b> | <b>\$159,755,511</b> |

|                       |                      |                      |
|-----------------------|----------------------|----------------------|
| <b>TOTAL WAGERING</b> | <b>\$203,338,687</b> | <b>\$169,603,689</b> |
|-----------------------|----------------------|----------------------|



## PINNACLE RACE COURSE

### RACE MEETING SUMMARY

|                                | <u>2009</u>       | <u>2010</u>       |
|--------------------------------|-------------------|-------------------|
| Live Race Dates                | 74                | 42                |
| Total Live and Simulcast Dates | 361               | 295               |
| Live Wagering Total            | \$2,146,726       | \$1,414,545       |
| Simulcast Wagering Total       | <u>27,400,587</u> | <u>14,399,452</u> |
| Combined Wagering Total        | \$29,547,313      | \$15,813,997      |
| Winning Tickets Payout         | \$22,498,047      | \$11,975,819      |
| State Racing Tax               | \$960,823         | \$503,981         |
| Track Share Commission         | \$4,261,851       | \$2,291,973       |
| Huron Township Breakage        | \$133,246         | \$76,519          |





## MOUNT PLEASANT MEADOWS

### RACE MEETING SUMMARY

|                                | <u>2009</u>      | <u>2010</u>      |
|--------------------------------|------------------|------------------|
| Live Race Dates                | 19               | 10               |
| Total Live and Simulcast Dates | 257              | 256              |
| Live Wagering Total            | \$89,558         | \$42,787         |
| Simulcast Wagering Total       | <u>2,457,867</u> | <u>1,966,872</u> |
| Combined Wagering Total        | \$2,547,425      | \$2,009,659      |
| Winning Tickets Payout         | \$1,935,414      | \$1,614,703      |
| State Racing Tax               | \$86,027         | \$68,842         |
| Track Share Commission         | \$338,038        | \$276,795        |
| Isabella Township Breakage     | \$11,011         | \$7,356          |





## HAZEL PARK HARNESS RACEWAY

### RACE MEETING SUMMARY

|                                | <u>2009</u>       | <u>2010</u>       |
|--------------------------------|-------------------|-------------------|
| Live Race Dates                | 66                | 62                |
| Total Live and Simulcast Dates | 362               | 361               |
| Live Wagering Total            | \$5,614,248       | \$4,954,639       |
| Simulcast Wagering Total       | <u>82,810,749</u> | <u>72,474,194</u> |
| Combined Wagering Total        | \$88,424,997      | \$77,428,833      |
| Winning Tickets Payout         | \$67,180,445      | \$58,966,540      |
| State Racing Tax               | \$2,898,381       | \$2,536,597       |
| Track Share Commission         | \$13,157,219      | \$11,429,311      |
| City of Hazel Park Breakage    | \$381,948         | \$333,930         |





## NORTHVILLE DOWNS

### RACE MEETING SUMMARY

|                                | <u>2009</u>       | <u>2010</u>       |
|--------------------------------|-------------------|-------------------|
| Live Race Dates                | 42                | 30                |
| Total Live and Simulcast Dates | 211               | 211               |
| Live Wagering Total            | \$1,680,809       | \$1,338,284       |
| Simulcast Wagering Total       | <u>36,071,422</u> | <u>30,621,687</u> |
| Combined Wagering Total        | \$37,752,231      | \$31,959,971      |
| Winning Tickets Payout         | \$29,085,227      | \$24,717,262      |
| State Racing Tax               | \$1,262,504       | \$1,071,759       |
| Track Share Commission         | \$5,564,877       | \$4,609,087       |
| City of Northville Breakage    | \$148,139         | \$133,202         |







# NORTHVILLE RACING CORPORATION

## RACE MEETING SUMMARY

|                                | <u>2009</u>       | <u>2010</u>       |
|--------------------------------|-------------------|-------------------|
| Live Race Dates                | 31                | 27                |
| Total Live and Simulcast Dates | 146               | 148               |
| Live Wagering Total            | \$869,148         | \$903,763         |
| Simulcast Wagering Total       | <u>19,374,542</u> | <u>19,119,913</u> |
| Combined Wagering Total        | \$20,243,690      | \$20,023,676      |
| Winning Tickets Payout         | \$15,608,549      | \$15,436,478      |
| State Racing Tax               | \$678,090         | \$669,197         |
| Track Share Commission         | \$2,982,670       | \$2,920,236       |
| City of Northville Breakage    | \$79,111          | \$80,025          |





## SPORTS CREEK RACEWAY

### RACE MEETING SUMMARY

|                                | <u>2009</u>       | <u>2010</u>       |
|--------------------------------|-------------------|-------------------|
| Live Race Dates                | 31                | 32                |
| Total Live and Simulcast Dates | 361               | 361               |
| <br>                           |                   |                   |
| Live Wagering Total            | \$1,208,767       | \$1,194,160       |
| Simulcast Wagering Total       | <u>23,614,264</u> | <u>21,173,393</u> |
| Combined Wagering Total        | \$24,823,031      | \$22,367,553      |
| <br>                           |                   |                   |
| Winning Tickets Payout         | \$18,736,161      | \$17,089,947      |
| State Racing Tax               | \$827,735         | \$741,076         |
| Track Share Commission         | \$3,797,450       | \$3,427,433       |
| City of Swartz Creek Breakage  | \$96,591          | \$87,922          |





## **2010 MICHIGAN HORSE RACE TRACKS**

### **HARNESS TRACKS**

- Hazel Park Harness Raceway  
1650 East Ten Mile Road  
Hazel Park, MI 48030  
248-398-1000
- Sports Creek Raceway  
4290 Morrish Road  
Swartz Creek, MI 48473  
810-635-3333
- Northville Downs  
301 South Center Street  
Northville, MI 48167  
248-349-1000

### **MIXED BREED TRACK**

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

### **THOROUGHBRED TRACK**

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