

**VIRGINIA RACING COMMISSION
2015 ANNUAL REPORT**

Virginia Racing Commission

2015

COMMISSIONERS

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Chairman
Richmond

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Morattico

Charles Steger, Ph.D.
Blacksburg

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Woodstock

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Bernard J. Hettel—Executive Secretary

David S. Lermond, Jr.—Deputy Executive Secretary/Fiscal Officer

Kimberly C. Mackey—Office Administrator

C. Richard Harden, DVM—Equine Medical Director

Courtney C. Reid—Program Support Technician



COMMONWEALTH of VIRGINIA

Virginia Racing Commission

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February 22, 2016

TO: The Honorable Terence R. McAuliffe, Governor of Virginia
Members of the General Assembly

In compliance with Code of Virginia Title 29, Chapter 59.1-369 (9) as related to horse racing with pari-mutuel wagering please accept the 2015 Annual Report of the Virginia Racing Commission.

2015 was a year of transition for horse racing in the Commonwealth. The Virginia Racing Commission has worked diligently with the Virginia Horsemen's Benevolent and Protective Association, the Virginia Harness Horse Association and the Virginia Equine Alliance to assist each stakeholder by encouraging full and unwavering participation in Virginia. Collectively we have accomplished a great deal, but much work remains to be done. We intend to collaborate and work with our partners to establish the Virginia equine industry in a position of national prominence.

Funding for the Virginia Racing Commission comes solely from revenue generated by a small percentage of all pari-mutuel wagers made in the Commonwealth. This revenue enables us to meet our financial obligations and a contribution to the General Fund as included in the Appropriations Act as necessary.

The Racing Commission remains steadfast in protecting the integrity of racing for those who participate and the loyal customers who enjoy it. As always, we rely on the continued support of horse racing and the equine industry from you and your administration, as well as the General Assembly.

Respectfully Submitted,

A handwritten signature in black ink, reading "Bernard J. Hettel".

Bernard J. Hettel
Executive Secretary

THE RACING COMMISSION

The Racing Act, Title 59, Chapter 29, effective as of January 1, 1989, vests control of all horse racing with pari-mutuel wagering conducted in the Commonwealth to the Virginia Racing Commission (VRC).

The Commission:

- Prescribes regulations and conditions under which racing and wagering is conducted;
- Maintains horse racing in the Commonwealth of the highest quality free of corrupt, incompetent, dishonest or unprincipled practices, and;
- Maintains in such racing complete honesty and integrity.

Horse racing offering pari-mutuel wagering is permitted in the Commonwealth with the intention of “promotion, sustenance, and growth of the native industry, in a manner consistent with the health, safety, and welfare of the people”.

The closure of Colonial Downs in 2014 adversely affected the Thoroughbred and Standardbred racing and breeding business in the Commonwealth. Never the less, I am pleased to report that through the excellent efforts of the Virginia General Assembly, the Governor's Office, the Virginia Equine Alliance, the Virginia Horsemen's Benevolent and Protective Association, and the Virginia Harness Horse Association horse racing survived.

Live racing was highlighted during the Gold Cup which celebrated its' 90th anniversary on May 2nd. An enthusiastic overflow crowd of 75,000 people gathered at Great Meadow to watch and wager on superb steeplechase and flat racing. The newly created Virginia Equine Alliance began auspiciously with the presentation of Virginia Downs Racing at Great Meadow on September 20th. This inaugural event which featured flat racing over the undulating course notes the beginning of the concept known as "Country Racing". All involved are hopeful that his format will prosper and be expanded to other locations.

Harness racing also found a new opportunity at Oak Ridge in Arrington, Virginia also presented by the Virginia Equine Alliance. This Nelson County facility conducted racing 14 years ago with limited success. This year, two weekends in October were enjoyed and will hopefully be the catalysis for additional racing in 2016. The Virginia Harness Horse Association is also seeking opportunities in other localities that appear to be very promising. Live racing concluded in 2015 with the International Gold Cup on October 24th, with 35,000 fans attending.

Advanced Deposit Wagering offered through the internet and telephone services is the major source of pari-mutuel wagering in Virginia. This wagering format has continued impressive handle gains since its inception. The three Advanced Deposit Wagering companies licensed to operate in Virginia are, "TwinSpires" operated by Churchill Downs Incorporated, "Xpressbet" operated by the Stronach Group, and "TVG" operated by the Betfair Group.

Virginia Racing Commission revenue is generated solely from a percentage of all pari-mutuel wagers to meet our financial obligations. The reduction of income through elimination of on-track handle and the closure of satellite wagering facilities had become an encumbrance to the generation of operating funds for the Racing Commission. By an act of the Virginia General Assembly the license fee paid to the Commission was modified allowing the Commission to maintain financial solvency and continue good governance in all matters related to horse racing.

Colonial Downs L.P, whose history includes the surrendering of all licenses previously granted, applied for a Limited Racing license for 2016. The Commission, following a hearing and serious contemplation of that application unanimously denied the request based on the aforementioned reason and concluded that there was no true intention of promoting, sustaining or growing the native industry.

We greatly anticipate construction projects at the Shenandoah County Fair facility in Woodstock to provide a home for Harness racing in 2016 and the revitalization of Morven Park in Leesburg to provide a racing location for Thoroughbreds in 2017. Both projects will exceed the void created by the close of Colonial Downs.

Commission Activities

Taxable Wagering Recapitulation

Year	Wagering at Racetrack and at Satellite Facilities	Account Wagering	Total Taxable Wagering
1996	\$36,952,607.00	\$0.00	\$36,952,607.00
1997	\$95,094,161.00	\$0.00	\$95,094,161.00
1998	\$120,717,190.00	\$0.00	\$120,717,190.00
1999	\$121,324,249.00	\$0.00	\$121,324,249.00
2000	\$121,754,800.00	\$0.00	\$121,754,800.00
2001	\$123,879,396.00	\$0.00	\$123,879,396.00
2002	\$124,064,569.00	\$0.00	\$124,064,569.00
2003	\$130,382,875.00	\$0.00	\$130,382,875.00
2004	\$145,394,480.00	\$1,287,541.00	\$146,682,021.00
2005	\$151,758,202.00	\$12,691,398.00	\$164,449,600.00
2006	\$164,208,077.00	\$28,300,972.00	\$192,509,049.00
2007	\$167,684,686.00	\$33,206,726.00	\$200,891,412.00
2008	\$149,629,200.00	\$47,303,439.00	\$196,932,639.00
2009	\$122,461,456.00	\$49,850,493.00	\$172,311,949.00
2010	\$105,505,800.00	\$53,392,088.00	\$158,897,888.00
2011	\$97,737,892.75	\$62,646,843.85	\$160,384,736.60
2012	\$91,927,194.10	\$69,233,852.85	\$161,161,046.95
2013	\$86,220,534.60	\$73,205,095.00	\$159,425,629.60
2014	\$21,198,320.50	\$93,858,388.30	\$115,056,708.80
2015	\$291,173.50	\$79,478,622.50	\$79,769,796.00
Totals	\$2,178,186,863.45	\$604,455,459.50	\$2,782,642,322.95

Live Thoroughbred Racing Statistics

Year	Daily Average On-Track Handle	Total Handle	Daily Average Total Handle	Daily Average Attendance	On-Track Per Capita
1997	\$183,594.00	\$28,182,006.00	\$939,400.00	3620	\$50.72
1998	\$141,154.00	\$21,293,467.00	\$881,473.00	2263	\$62.37
1999	\$107,881.00	\$23,420,243.00	\$975,854.00	1628	\$66.27
2000	\$90,589.00	\$27,923,752.00	\$872,617.00	1247	\$72.65
2001	\$117,818.00	\$27,579,707.00	\$1,103,188.00	1940	\$60.73
2002	\$140,067.00	\$31,039,485.00	\$1,193,826.00	2202	\$63.61
2003	\$140,305.00	\$36,090,262.00	\$1,203,009.00	2193	\$63.98
2004	\$138,236.00	\$36,205,494.00	\$1,064,867.00	2155	\$64.15
2005	\$124,122.00	\$44,710,190.00	\$1,117,755.00	2028	\$61.20
2006	\$113,438.00	\$51,587,415.00	\$1,258,230.00	1804	\$62.88
2007	\$164,557.00	\$50,507,580.00	\$1,262,689.00	1996	\$82.44
2008	\$126,195.00	\$50,343,446.00	\$1,118,743.00	1668	\$75.66
2009	\$128,093.00	\$31,241,633.00	\$781,041.00	1712	\$74.82
2010	\$131,908.00	\$29,287,463.00	\$732,187.00	1499	\$88.00
2011	\$127,542.00	\$27,041,285.00	\$845,040.00	1864	\$68.42
2012	\$116,525.00	\$18,733,192.00	\$604,297.00	2008	\$58.03
2013	\$118,086.00	\$14,343,174.00	\$597,632.00	1942	\$60.81
2014	\$0.00	\$0.00	\$0.00	0	N/A
2015	\$13,130.00	\$13,130.00	\$13,130.00	3478	\$3.78

Live Harness Racing Statistics

Year	Daily Average On-Track Handle	Total Handle	Daily Average Total Handle	Daily Average Attendance	On-Track Per Capita
1998	\$56,661.00	\$7,260,770.00	\$172,875.00	1379	\$41.09
1999	\$41,319.00	\$5,795,265.00	\$193,175.00	909	\$45.46
2000	\$19,270.00	\$5,903,010.00	\$147,575.00	258	\$74.69
2001	\$30,912.00	\$2,459,010.00	\$163,934.00	486	\$63.60
2002	\$30,860.00	\$3,716,853.00	\$154,869.00	478	\$64.56
2003	\$34,585.00	\$4,148,072.00	\$148,145.00	580	\$59.63
2004	\$40,361.00	\$5,815,294.00	\$181,728.00	645	\$62.58
2005	\$36,959.00	\$6,217,238.00	\$172,701.00	620	\$59.61
2006	\$20,498.00	\$6,562,653.00	\$182,296.00	312	\$65.70
2007	\$43,183.00	\$5,726,362.00	\$178,949.00	613	\$70.45
2008	\$35,945.00	\$5,320,909.00	\$156,497.00	509	\$70.62
2009	\$27,552.00	\$3,885,199.00	\$107,922.00	353	\$78.05
2010	\$40,575.00	\$2,748,428.00	\$98,194.00	511	\$79.40
2011	\$33,198.00	\$3,125,901.00	\$104,197.00	431	\$77.03
2012	\$22,856.00	\$1,993,949.00	\$83,081.00	495	\$46.17
2013	\$20,503.00	\$2,425,357.00	\$101,057.00	376	\$54.53
2014	\$14,812.00	\$1,723,748.00	\$71,823.00	265	\$55.89
2015	\$7,953.00	\$31,811.00	\$7,953.00	557	\$14.28

Steeplechase Racing

Year	Total Handle	Daily Average On-Track Handle	Daily Average Attendance	On-Track Per Capita
2013	\$119,956.00	\$59,978.00	43,500	\$2.76
2014	\$240,302.00	\$80,100.67	34,400	\$6.99
2015	\$222,682.00	\$111,341.00	50,000	\$4.45

The Breeders Fund

This fund establishes awards and incentive programs to foster the horse breeding industry in Virginia. Funding for these programs is derived from a one percent deduction of all wagers made in the Commonwealth. Since 1996 a grand total of \$26,011,127 has been contributed to the fund. This fund is managed by the collaborative efforts of the Virginia Thoroughbred Association and the Virginia Harness Horse Association with oversight from the Racing Commission staff.

Breeders Fund Recapitulation

Year	Thoroughbred Contributions	Standardbred Contributions	Total Contributions
1996	\$263,517.00	\$105,288.00	\$368,805.00
1997	\$755,900.00	\$195,041.00	\$950,941.00
1998	\$917,484.00	\$289,688.00	\$1,207,172.00
1999	\$915,431.00	\$297,811.00	\$1,213,242.00
2000	\$942,714.00	\$274,834.00	\$1,217,548.00
2001	\$967,123.00	\$271,671.00	\$1,238,794.00
2002	\$970,555.00	\$270,091.00	\$1,240,646.00
2003	\$1,035,181.00	\$268,647.00	\$1,303,828.00
2004	\$1,136,789.00	\$317,156.00	\$1,453,945.00
2005	\$1,176,374.00	\$341,208.00	\$1,517,582.00
2006	\$1,285,476.00	\$356,604.00	\$1,642,080.00
2007	\$1,318,153.00	\$358,693.00	\$1,676,846.00
2008	\$1,167,875.00	\$328,417.00	\$1,496,292.00
2009	\$960,763.00	\$263,852.00	\$1,224,615.00
2010	\$1,266,614.00	\$287,607.00	\$1,554,221.00
2011	\$1,301,040.00	\$286,961.00	\$1,588,001.00
2012	\$1,338,896.00	\$276,548.00	\$1,615,444.00
2013	\$1,325,659.00	\$262,990.00	\$1,588,649.00
2014	\$854,434.00	\$287,360.00	\$1,141,794.00
2015	\$651,792.00	\$118,890.00	\$770,682.00
Totals	\$20,551,770.00	\$5,459,357.00	\$26,011,127.00

Tax Revenue to Localities

Year	New Kent	Chesapeake	Henrico	Richmond	Hampton	Brunswick	Vinton	Martinsville	Scott	Fauquier	Nelson	Total
1996	\$157,871.00	\$144,304.00	\$6,783.00	\$6,783.00	\$1,430.00	\$855.00						\$315,741.00
1997	\$408,498.00	\$159,665.00	\$113,726.00	\$113,726.00	\$101,062.00	\$43,538.00						\$797,900.00
1998	\$520,316.00	\$128,530.00	\$107,693.00	\$107,693.00	\$101,396.00	\$46,906.00						\$1,008,832.00
1999	\$524,049.00	\$132,641.00	\$108,839.00	\$108,839.00	\$108,412.00	\$49,836.00						\$1,022,670.00
2000	\$532,156.00	\$129,419.00	\$104,967.00	\$104,967.00	\$115,242.00	\$51,140.00						\$1,029,757.00
2001	\$539,392.00	\$131,455.00	\$107,885.00	\$107,885.00	\$110,778.00	\$50,791.00						\$1,052,999.00
2002	\$544,937.00	\$136,127.00	\$107,043.00	\$107,043.00	\$113,880.00	\$59,092.00						\$1,056,719.00
2003	\$574,992.00	\$145,928.00	\$103,758.00	\$112,388.00	\$125,476.00	\$59,268.00	\$9,817.00					\$1,110,038.00
2004	\$645,979.00	\$146,406.00	\$89,652.00	\$167,027.00	\$119,218.00	\$52,244.00	\$44,660.00	\$14,615.00				\$1,243,625.00
2005	\$676,257.00	\$146,065.00	\$84,164.00	\$165,595.00	\$114,814.00	\$41,761.00	\$44,349.00	\$43,288.00	\$26,478.00			\$1,302,818.00
2006	\$727,828.00	\$171,176.00	\$70,299.00	\$175,246.00	\$110,160.00	\$45,105.00	\$46,583.00	\$51,189.00	\$29,266.00			\$1,415,239.00
2007	\$743,077.00	\$172,558.00	\$79,755.00	\$165,331.00	\$96,737.00	\$40,619.00	\$35,164.00	\$41,901.00	\$32,365.00			\$1,443,024.00
2008	\$656,347.00	\$160,286.00	\$71,940.00	\$148,229.00	\$88,982.00	\$30,613.00	\$32,241.00	\$37,024.00	\$24,824.00			\$1,283,588.00
2009	\$537,046.00	\$121,016.00	\$55,955.00	\$120,425.00	\$88,982.00	\$30,613.00	\$32,241.00	\$37,024.00	\$24,824.00			\$1,048,126.00
2010	\$463,010.00	\$102,607.00	\$57,802.00	\$100,312.00	\$77,853.00	\$29,467.00	\$25,096.00	\$31,866.00	\$17,070.00			\$905,083.00
2011	\$436,914.00	\$94,877.00	\$57,104.00	\$86,180.00	\$72,505.00	\$25,339.00	\$24,079.00	\$32,532.00	\$16,435.00			\$845,965.00
2012	\$409,436.00	\$88,681.00	\$75,208.00	\$69,123.00	\$61,255.00	\$23,622.00	\$22,076.00	\$31,618.00	\$15,602.00			\$796,621.00
2013	\$384,745.00	\$91,428.00	\$72,231.00	\$58,969.00	\$59,531.00	\$21,880.00	\$15,642.00	\$31,733.00	\$15,062.00			\$751,221.00
2014	\$95,193.00	\$29,432.00	\$21,429.00	\$18,738.00	\$17,126.00	\$1,657.00	\$1,069.00	\$2,536.00	\$1,331.00			\$188,511.00
2015	\$66,269.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$853.00	\$109.00	\$67,231.00
Totals	\$9,644,312.00	\$2,432,601.00	\$1,496,233.00	\$2,044,499.00	\$1,595,857.00	\$673,733.00	\$300,776.00	\$318,302.00	\$178,433.00	\$178,433.00	\$18,685,708.00	\$18,685,708.00