



**Pennsylvania Horse and Harness Racing Commissions
2012 Annual Report**

Horse Racing Commission

Alan Novak, Chairman
Ray D. Hamm, Commissioner
Dr. Corinne Sweeney, Commissioner
Walter Remmert, Acting Executive Secretary

Harness Racing Commission

Roy W. Wilt, Chairman
C. Edward Rogers Jr., Commissioner
Noah Wenger, Commissioner
George Crawford, Executive Secretary

Table of Contents

Introduction	4
2012 Licensing and Ruling Statistics	5
Licenses Issued.....	5
Licensing Fees Collected.....	5
Rulings Issued	5
Fines Collected.....	5
2012 State Racing Commissions Report of Expenditures	6
Track Complement in Administrative Positions	6
Pennsylvania Breeders Fund Statement of Restricted Revenue.....	7
2012 Standardbred Breed-Enhancement Programs.....	8
Sire Stakes.....	8
Standardbred Breeders Fund	8
2012 Taxable Wagering on Horse Racing.....	9
Pennsylvania Betting by Tracks' Systems	9
2012 Betting on Live Racing	10
2012 Purses Paid	10
2012 Revenue Generated by Wagering	11

Introduction

Pennsylvania has a rich racing tradition, from the fast thoroughbreds that race at Penn National, Parx and Presque Isle Downs to the standardbreds that call The Meadows, Harrah's Philadelphia, Pocono Downs and 16 community fairs home.

Since the influx of slot machine revenue began in 2006, shortly followed by table game funds, Pennsylvania's horse and harness racing industries have seen an increase in participation. Record purses draw star racers to Pennsylvania, which in turn brings greater recognition to the state's racing industry and boosts the economy.

Thoroughbred racetracks offered \$127 million in purses to top racers in 2012, with Parx having the highest gross purse distribution. Harness racing put \$105 million on the table, with its three tracks ranked in the top six in North American in gross payout.

Top horses draw crowds to exciting, competitive events. Last year, bettors wagered more than \$670 million on Pennsylvania racing outside the tracks' direct taxable wagering, while the amount of money Pennsylvanians bet on Pennsylvania races (as opposed to out-of-state imports) proportionately increased for the fourth straight year.

The racing commissions continue to work with industry partners to ensure the screening processes used in the Pennsylvania Equine Testing Research Laboratory testing lab are current. This helps guarantee a "level playing field" and integrity among race participants.

Both breeds' Pennsylvania incentive programs, overseen by the commission, continued to raise the profile and marketability of local racers with a well-developed, broad-reaching rewards program for top performers, their owners and breeders.

2012 Licensing and Ruling Statistics

Licenses Issued

Thoroughbred Total	9,586	Harness Total	3,808
COMBINED LICENSING		13,394	

Licensing Fees Collected

Thoroughbred Licensing	\$344,537		
Thoroughbred Colors Fees	\$32,200		
Total Thoroughbred Fees:	\$376,737	Total Harness Fees:	\$223,732
COMBINED LICENSING FEES		\$600,469	

Rulings Issued

THOROUGHBRED		HARNESS	
Executive Office	91	Executive Office	128
Parx	264	Harrah's	300
Penn National	438	Meadows	337
Presque Isle	87	Pocono	191
Total Thoroughbred	880	Total Harness	956
COMBINED RULINGS		1836	

Fines Collected

Thoroughbred	\$140,540	Harness	\$128,404
COMBINED FINES		\$268,944	

2012 State Racing Commissions Report of Expenditures
(Jan. 1 to Dec. 31, 2012)

Salaries	\$1,556,216.40
Wages	\$4,685,026.65
Overtime	\$ 55,221.30
Benefits	\$3,062,260.39
Other Personnel Costs	\$ 112,705.52
Total Personnel Services	\$9,471,430.26
Travel Expenses	\$ 43,688.66
Employee Development	\$ 1,886.00
Communications	\$ 44,086.98
Database/Technical Infrastructure	\$ 298,809.22
Legal Services/Fees	\$ 60,157.78
Specialized, Contracted, and Other Services	\$ 841,793.40
Rentals/Leases	\$ 25,758.74
Supplies (Office, Lab, etc.)	\$ 322,145.11
Equipment	\$ 64,052.00
Inventory Expenses	\$ 189,181.29
Postage and Freight	\$ 82,955.00
Other Operating Expenses	\$ 66,848.17
Total Operating Expenses	\$2,041,362.35
Interfund Reimbursements	\$1,200,000.00
Total Non-Expense Items	\$1,200,000.00
Total Expenditures	\$12,712,792.61

Funding supports racing at three thoroughbred tracks (Parx, Penn National, and Presque Isle) and three Standardbred tracks (Harrah's Philadelphia, Mohegan Sun at Pocono Downs, and The Meadows). A total of 993 live racing days were held at these tracks in 2012. Funding also supports a complement of approximately 50 salary employees and 200 wage employees to operate the commissions' racing programs in Pennsylvania.

Track Complement in Administrative Positions

Parx	34
Penn National	33
Presque Isle	30
The Meadows	32
Pocono Downs	28
Harrah's Philadelphia	28
Administrative	57
TOTAL	242

Pennsylvania Breeders Fund Statement of Restricted Revenue

(Calendar Year Ending December 31, 2012)

FUND BALANCE (adjusted) as of 1-1-12		\$ 1,212,816
REVENUE		
Transfers from Race Horse Development Fund in 2012		\$18,184,986
FY11 Handle Tax Revenue Over Commission Needs		\$ 30,968
Transfers from RHDF in 2013 Applicable to 2012		\$ 291,968
TOTAL REVENUE CY12		\$18,507,912
EXPENDITURES		
Administration and Development		\$ 663,901
Awards		
Breeder	\$9,497,340	
Stallion	\$1,078,029	
Owner	\$ 62,650	
Total Awards		\$10,638,019
Purses		
Overnights	\$8,356,816	
Stakes	\$1,585,545	
Total Purses		\$ 9,942,361
TOTAL EXPENDITURES CY12		\$21,244,281
EXPENDITURES OVER REVENUE CY12		-\$2,736,369
FUND BALANCE as of January 1, 2013		-\$1,523,553

2012 Standardbred Breed-Enhancement Programs

Sire Stakes

Receipts	
Transfers from Race Horse Development Fund CY2012	\$8,634,503
FY11 Handle Revenue in Excess of Commission Expenses	\$ 13,272
CY12 Payments Under Budget	\$ 22,163
Total Receipts	\$8,669,839
Expenditures	
Administrative	\$ 14,631
Funds for 2013 Races and Two-Day Reimbursements	\$8,655,308

Standardbred Breeders Fund

Balance as of January 1, 2012	\$8,893,377
Receipts from Race Horse Development Fund CY12	\$8,634,503
Expenditures	
Awards Paid in CY12	\$8,901,115
Administrative	\$ 300
Total Expenditures	\$8,901,415
Balance as of December 31, 2012	\$8,626,117

2012 Taxable Wagering on Horse Racing

(Handle total determines base for PA taxes, Commissions' expenses)

RACINO	Thoroughbred	Harness	Total
Parx Racing	\$189,465,704	\$ 30,238,047	\$219,703,751
Penn National	\$ 93,939,725	\$ 9,522,259	\$103,461,984
The Meadows	\$ 60,383,504	\$ 34,281,398	\$ 94,664,902
Mohegan Sun/Pocono Downs	\$ 43,442,339	\$ 21,344,924	\$ 64,787,263
Harrah's Philadelphia	\$ 16,893,421	\$ 10,515,664	\$ 27,409,085
Presque Isle Downs	\$ 11,905,053	\$ 1,006,783	\$ 12,911,836
TAXABLE WAGERING	\$416,029,746	\$106,909,075	\$522,938,821

Pennsylvania Betting by Tracks' Systems

("System betting" = on-track, phone/computer, and at off-track sites)

THOROUGHBRED		STANDARD BRED	
PARX		MEADOWS	
On-Track	\$ 61,803,311	On-Track	\$ 22,678,901
Phone Bet	\$ 45,592,343	Account Wagering	\$ 21,468,005
Center City	\$ 14,321,138	New Castle	\$ 16,846,546
South Philadelphia	\$ 42,609,155	Harmar	\$ 17,398,945
Valley Forge	\$ 18,205,175	Moon	\$ 13,523,925
Brandywine	\$ 11,261,314	West Mifflin	\$ 2,808,510
Northeast	\$ 26,635,534	SYSTEM TOTAL	\$ 93,782,465
SYSTEM TOTAL	\$220,427,971		
PENN NATIONAL		POCONO	
On-Track	\$ 25,255,451	On-Track	\$ 19,104,669
Telebet	\$ 22,386,594	Dial-A-Bet	\$ 8,161,913
Reading	\$ 12,166,772	Carbondale	\$ 8,537,065
Chambersburg	\$ 9,977,532	East Stroudsburg	\$ 9,274,397
York	\$ 18,862,047	Lehigh Valley	\$ 24,395,991
Lancaster	\$ 12,951,169	SYSTEM TOTAL	\$ 69,474,037
SYSTEM TOTAL	\$101,599,564		
PRESQUE ISLE		HARRAH'S PHILA.	
On-Track	\$ 11,074,383	On-Track	\$ 27,062,422
SYSTEM TOTAL	\$ 11,074,383	Account Wagering	\$ 1,477,527
		SYSTEM TOTAL	\$ 28,539,949
T'BRED SYSTEMS	\$333,101,918	HARNESS SYSTEMS	\$191,796,621

2012 Betting on Live Racing

(at the track, through phone/OTW, at other state tracks, and outside the state)

THOROUGHBRED		STANDARD BRED	
PARX	(198 cards)	MEADOWS	(208 cards)
On-Track	\$ 16,433,471	On-Track	\$ 5,974,974
Phone Betting/OTWs	\$ 11,977,573	Phone Betting/OTWs	\$ 4,421,422
Intrastate Wagering	\$ 8,887,640	Intrastate Wagering	\$ 5,818,571
Interstate Wagering	\$255,931,637	Interstate Wagering	\$ 90,292,178
BET ON PARX	\$297,230,321	BET ON MEADOWS	\$106,507,405
PENN NATIONAL		POCONO	
	(197 cards)		(140 cards)
On-Track	\$ 6,780,771	On-Track	\$ 3,970,863
Phone Betting/OTWs	\$ 4,553,183	Phone Betting/OTWs	\$ 1,662,957
Intrastate Wagering	\$ 8,897,594	Intrastate Wagering	\$ 2,698,761
Interstate Wagering	\$179,407,427	Interstate Wagering	\$ 37,726,181
BET ON PENN NAT.	\$199,638,975	BET ON POCONO	\$46,058,762
PRESQUE ISLE		PHILADELPHIA	
	(100 cards)		(150 cards)
On-Track	\$ 3,469,364	On-Track & phone	\$ 4,040,795
Intrastate Wagering	\$ 2,490,964	Intrastate Wagering	\$ 5,185,281
Interstate Wagering	\$ 44,254,019	Interstate Wagering	\$ 68,070,749
BET ON PRESQUE	\$ 50,214,347	BET ON PHILA.	\$ 77,296,825
BET ON T'BREDS	\$547,083,643	BET ON HARNESS	\$229,862,732

INTERSTATE BETTING ON 2012 PENNSYLVANIA RACING: \$675,682,191

2012 Purses Paid

THOROUGHBRED		HARNESS	
at Parx*	\$ 65,153,453	at Meadows	\$ 41,096,555
at Penn National	\$ 40,232,792	at Philadelphia	\$ 34,001,315
at Presque Isle	\$ 22,135,643	at Pocono	\$ 30,050,734
T'Bred Purses	\$127,521,888	Harness Purses**	\$105,148,604

* - Parx's total highest for any U.S. thoroughbred track

** - Purses at PA harness tracks make them third of the top six in North America

2012 Revenue Generated by Wagering

	Parx	PN	PID	Mea	PcD	Phila.	TOTAL
THOROUGHBRED							
Wagering Tax 1.5%	\$2,841,985	\$1,409,095	\$179,503	\$905,752	\$647,390	\$271,678	\$6,255,403
Exotic Pools Tax 1%	\$1,217,908	\$620,345	\$78,660	\$443,886	\$289,962	\$122,922	\$2,773,683
Breakage 25%	\$196,689	\$66,085	\$13,478	\$55,902	\$26,530	\$19,453	\$ 378,137
Admission	\$12,000	\$12,000	\$3,000	**	**	**	\$ 27,000
2011 Outs	\$786,758	\$263,340	\$53,914	**	**	**	\$1,105,012
TOTAL	\$5,055,340	\$2,371,865	\$328,555	\$1,405,540	\$963,882	\$414,053	\$10,539,235
HARNESS							
Wagering Tax 1.5%	\$453,570	\$142,838	\$15,101	\$514,220	\$330,909	\$156,420	\$1,613,058
Exotic Pools Tax 1%	\$217,171	\$69,841	\$7,938	\$261,333	\$159,965	\$73,013	\$ 789,261
Admission	**	**	**	\$7,000	\$5,500	\$5,500	\$ 18,000
2011 Outs	**	**	**	\$223,608	\$106,122	\$77,812	\$ 407,542
TOTAL	\$670,741	\$212,679	\$23,039	\$1,006,161	\$602,496	\$312,745	\$2,827,861
COMBINED							
Wagering Tax 1.5%	\$3,295,555	\$1,551,933	\$194,604	\$1,419,972	\$978,299	\$428,098	\$7,868,461
Exotic Pools Tax 1%	\$1,435,079	\$690,186	\$86,598	\$705,219	\$449,927	\$195,935	\$3,562,944
Breakage 25%	\$196,689	\$66,085	\$13,478	\$55,092	\$26,530	\$19,453	\$ 378,137
Admission	\$12,000	\$12,000	\$3,000	\$7,000	\$5,500	\$5,500	\$ 45,000
2011 Outs	\$786,758	\$264,340	\$53,914	\$223,608	\$106,122	\$77,812	\$1,512,554
TOTAL	\$5,726,081	\$2,584,544	\$351,594	\$2,411,701	\$1,566,378	\$726,798	\$13,367,096

** - included in "home" breed figure

