



**The Pennsylvania State Horse Racing Commission  
2016 Calendar Year Annual Report**



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**Racing Commissioners**

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**Racing Commission Bureau Directors**

Director, Bureau of Standardbred Racing Brett Revington  
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## Introduction

The passage of Act 114 of 2016 marked a significant year for the racing industry in Pennsylvania. The Act established a new, unified 10-member State Horse Racing Commission to regulate the operations of horse racing for both Standardbreds and Thoroughbreds, replacing the need for two separate commissions. This will help address integrity issues by strengthening governance, as well as bringing uniformity and consistency across both breeds.

Two new Bureau Directors were hired to lead the changes laid out in Act 114. In addition, a new marketing director will help educate the public on the benefits of horseracing in Pennsylvania.

In 2016, the Pennsylvania Race Horse Development Fund received \$239 million directed from slot machine revenue. This funding supports purses for horsemen, breeder's awards, and pension and health care benefits. While the Race Horse Development Fund (RHDF) saw a less than one percent decrease, one positive outcome from the gaming and racing affiliation is that the average gross terminal revenue was 7.6 percent higher on live race days than on non-live race days.

In terms of wagering on live racing, taxable handle saw a decrease, which follows the recent trend. In 2016, taxable handle was \$364 million, which represents a five percent decrease when compared to 2015. Total live wagering handle, when factoring in all sources, saw \$681 million wagered, a six percent decrease from 2015.

For the third consecutive year, Pennsylvania racetracks saw a decline in patrons attending live racing. More than 731,000 fans attended live racing in 2016, a five percent decrease from 2015 attendance.

Breeding numbers also show a decline in foal crops in both breeds. Thoroughbreds saw the number of breeders who received awards from the Pennsylvania Breeders Awards fund decrease by seven percent, while on the Standardbred side, numbers increased by one percent. However, there is reason for optimism regarding both breeds, as we have seen an investment by breeding operations from Standardbred and Thoroughbred farms. Many high-end stallions have been purchased and will call Pennsylvania home during the 2017 breeding season, strengthening our industry overall.

An initiative in 2016 that had a positive impact on Pennsylvania's race horse breeding industry was an international buyer program for the Harrisburg Standardbred Sale. The sale had 23 new foreign buyers participating, with buyers from Sweden, Finland, Germany, the United Kingdom, Australia, New Zealand and Ireland. The average price per yearling sold at the auction was \$38,608, a 25 percent increase from the previous year.

One percent, or roughly \$2.4 million, of the Race Horse Development Fund has been earmarked for marketing. This funding will be used to promote the racing and breeding industry in Pennsylvania.

Act 114 of 2016 laid a firm foundation for the future of Racing and Breeding in Pennsylvania on which the commission can build a framework that will maintain Pennsylvania's position as an industry leader. With a new commission, new bureau directors, a new marketing fund, and increased focus on integrity and governance, there is reason to believe the future is bright for the racing industry.

## 2016 Licensing and Ruling Statistics

### *Licenses Issued*

Thoroughbred Total	8,481
Standardbred Total	3,413
<b>COMBINED LICENSING</b>	<b>11,894</b>

### *Licensing Fees Collected*

Thoroughbred Licensing	\$429,877		
Thoroughbred Colors Fees	\$26,700		
<b>Total Thoroughbred Fees</b>	<b>\$456,577</b>	<b>Total Standardbred Fees</b>	<b>\$342,226</b>
<b>COMBINED LICENSING FEES</b>			<b>\$798,803</b>

### *Additional Licensing Fees Collected*

Racing Vendor & Totalisator Company Renewal Fees for 2017 License	\$50,000
Racing Vendor Original License Fee	\$25,000
Existing Race Track Renewal Fee to Conduct Live Racing	\$250,000
<b>COMBINED TOTALS</b>	<b>\$325,000</b>

### *Rulings Issued*

<b>THOROUGHBRED</b>	Bureau Central Office	91
	Parx	295
	Penn National	439
	Presque Isle	226
	<b>Total Thoroughbred</b>	<b>1,051</b>
<b>STANDARDTBRED</b>	Bureau Central Office	83
	Harrah's	196
	Meadows	151
	Pocono	151
	<b>Total Standardbred</b>	<b>581</b>
	<b>COMBINED RULINGS</b>	<b>1,632</b>

### *Fines Collected*

Thoroughbred	\$138,200
Standardbred	\$136,125
<b>COMBINED FINES</b>	<b>\$274,325</b>

## 2016 State Racing Commission Report of Expenditures

(January 1 to December 31, 2016)

Salaries	\$ 884,925
Wages	\$ 2,762,718
Overtime	\$ 16,917
Benefits	\$ 3,034,548
Other Personnel Costs	\$ 42,766
<b>Total Personnel Services</b>	<b>\$ 6,741,874</b>
Travel/Training Expenses	\$ 16,267
Communications	\$ 48,255
Information Technology	\$ 130,855
Legal Services/Fees	\$ 23,194
Interagency/Shared Service Billings	\$ 368,976
Contracted Services	\$ 11,068
Supplies (Office, Lab, etc.)	\$ 156,999
Equipment	\$ 19,884
Postage, Freight and Printing	\$ 40,589
Other Operating Expenses	\$ 44,140
<b>Total Operating Expenses</b>	<b>\$ 860,227</b>
PDA Administrative Billing	\$ 759,308
<b>Total Non-Expense Items</b>	<b>\$ 759,308</b>
<b>Total Expenditures</b>	<b>\$ 8,361,409</b>

<b>PETRL Expenditures</b>	
Salaries	\$ 239,394
Wages	\$ 1,324,931
Overtime	\$ 18,362
Benefits	\$ 1,132,344
Other Personnel Costs	\$ 25,299
<b>Total PETRL Personnel Services</b>	<b>\$ 2,740,330</b>
Lab Supplies	\$ 458,495
Contracted Services	\$ 150,669
University of Pennsylvania Contract	\$ 2,388,654
Real Estate	\$ 532,950
Equipment Leases	\$ 1,116,561
Freight and Postage	\$ 31,731
Membership Dues	\$ 38,788
Other Operating Expenses	\$ 59,119
<b>Total PETRL Operating Expenses</b>	<b>\$ 4,776,967</b>
PDA Administrative Billing	\$ 267,275
<b>Total PETRL Non-Expense Items</b>	<b>\$ 267,275</b>
<b>Total PETRL Expenditures</b>	<b>\$ 7,784,572</b>
<b>Total Racing and PETRL Expenditures</b>	<b>\$16,145,981</b>

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). In 2016, a combination of 941 live racing days took place at these tracks. Funding also supports approximately 40 salaried employees and 180 wage employees who operate the commission's racing programs.

### Track Complements, Including Open Positions

Parx	36
Penn National	36
Presque Isle	30
The Meadows	31
Pocono Downs	28
Harrah's Philadelphia	27
PETRL	9
Administrative	23
<b>TOTAL</b>	<b>220</b>

### Pennsylvania Breeding Fund Statement of Restricted Revenue

(Calendar Year Ending December 31, 2016)

<b>FUND BALANCE – JANUARY 1, 2016</b>		<b>\$7,589,479</b>
<b>REVENUE</b>		
Transfers from Race Horse Development Fund in 2016		\$15,287,420
Less Transfers from Race Horse Development Fund in 2016 applicable to 2015		(\$461,665)
Add Transfers from Race Horse Development Fund in 2017 applicable to 2016		\$449,335
<b>Total Revenue</b>		<b>\$15,275,090</b>
<b>EXPENDITURES</b>		
<b>Administrative &amp; Development</b>		<b>\$785,319</b>
Awards		
Breeder	\$4,796,097	
Stallion	\$1,153,895	
Owner	\$19,320	
<b>Total Awards</b>		<b>\$ 5,969,312</b>
Purses		
Overnights	\$1,927,527	
Stakes	\$157,063	
<b>Total Purses</b>		<b>\$2,084,590</b>
<b>Total Expenditures</b>		<b>\$8,839,221</b>
<b>FUND BALANCE – DECEMBER 31, 2016</b>		<b>\$14,025,347</b>

## 2016 Standardbred Breed-Enhancement Programs

### *Pennsylvania Sire Stakes Fund*

<b>Balance as of January 1, 2016</b>	<b>\$8,171,335</b>
<b>Receipts</b>	
Transfers from Race Horse Development Received Jan.1 to Dec. 31, 2016	\$7,716,322
Add Transfers from Race Horse Development Fund in 2017 applicable to 2016	\$0
Nominating Fees	\$89,045
Sustaining Fee	\$1,048,015
<b>Total Revenue</b>	<b>\$8,853,382</b>
<b>Expenditures</b>	
Personnel/Operating/Administrative	\$11,389
Awards	\$10,613,684
<b>Total Expenditures</b>	<b>\$10,625,073</b>
Net Change	(\$1,771,691)
<b>Balance as of December 31, 2016</b>	<b>\$6,399,644</b>

### *Standardbred Breeders Development Fund*

<b>Balance as of January 1, 2016</b>	<b>\$10,351,223</b>
<b>Receipts</b>	
Transfers from Race Horse Development Fund Received Jan.1 to Dec.31, 2016	\$5,782,754
Add Transfers from Race Horse Development Fund in 2017 applicable to 2016	\$333,568
<b>Total Revenue</b>	<b>\$6,116,322</b>
<b>Expenditures</b>	
Awards Paid in CY2016	\$6,452,883
Administrative	\$0
<b>Total Expenditures</b>	<b>\$6,452,883</b>
Net Change	(\$336,561)
Prior Year Adjustment	(\$0)
<b>Balance as of December 31, 2016</b>	<b>\$10,014,662</b>



## 2016 Taxable Wagering on Horse Racing

<b>RACINO</b>	<b>Thoroughbred</b>	<b>Harness</b>	<b>Total</b>
Parx Racing	\$124,192,668	\$19,125,089	\$143,317,757
Penn National	\$58,113,959	\$5,377,871	\$63,491,830
The Meadows	\$39,702,764	\$21,319,378	\$61,022,142
Mohegan Sun/Pocono Downs	\$32,834,286	\$17,800,640	\$50,634,926
Harrah's Philadelphia	\$26,276,999	\$9,485,248	\$35,762,247
Presque Isle Downs	\$9,570,192	\$580,231	\$10,150,423
<b>TAXABLE WAGERING</b>	<b>\$290,690,868</b>	<b>\$73,688,457</b>	<b>\$364,379,325</b>

## Pennsylvania Betting by Tracks' Systems

(System total includes betting on-track, phone/computer, and at off-track sites)

<b>THOROUGHBRED</b>		<b>STANDARD BRED</b>	
<b>PARX</b>		<b>MEADOWS</b>	
On-Track	\$43,774,435	On-Track	\$19,685,315
Phone Bet	\$28,700,212	Account Wagering	\$23,876,388
Center City	\$2,055,246	New Castle	N/A
South Philadelphia	\$30,209,825	Harmar	\$15,376,964
Valley Forge	\$14,091,588	Moon	N/A
Brandywine	\$6,672,849	<b>SYSTEM TOTAL</b>	<b>\$58,938,667</b>
Northeast	\$20,437,356		
<b>SYSTEM TOTAL</b>	<b>\$145,941,511</b>		
<b>PENN NATIONAL</b>		<b>POCONO</b>	
On-Track	\$19,954,683	On-Track	\$12,389,135
Telebet	\$15,637,515	Dial-A-Bet	\$10,149,888
Reading	\$6,164,818	Carbondale	\$5,890,199
Chambersburg	N/A	East Stroudsburg	\$6,186,800
York	\$13,707,645	Lehigh Valley	\$17,203,514
Lancaster	\$9,894,293	<b>SYSTEM TOTAL</b>	<b>\$51,819,536</b>
<b>SYSTEM TOTAL</b>	<b>\$65,358,954</b>		
<b>PRESQUE ISLE</b>		<b>HARRAH'S PHILA.</b>	
On-Track	\$ 8,313,053	On-Track	\$21,048,989
<b>SYSTEM TOTAL</b>	<b>\$ 8,313,053</b>	Account Wagering	\$14,713,259
		<b>SYSTEM TOTAL</b>	<b>\$35,762,248</b>
<b>THOROUGHBRED SYSTEMS</b>	<b>\$219,613,518</b>	<b>HARNESS SYSTEMS</b>	<b>\$146,520,451</b>

## 2016 Betting on Live Racing

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

<b>THOROUGHBRED</b>		<b>STANDARD BRED</b>	
<b>PARX</b>	( 157 cards)	<b>MEADOWS</b>	( 185 cards)
On-Track	\$10,448,536	On-Track	\$4,215,166
Phone Betting/OTWs	\$5,757,675	Phone Betting/OTWs	\$2,696,537
Intrastate Wagering	\$4,148,819	Intrastate Wagering	\$3,954,476
Interstate Wagering	\$208,648,696	Interstate Wagering	\$86,017,043
<b>BET ON PARX</b>	<b>\$229,003,726</b>	<b>BET ON MEADOWS</b>	<b>\$96,883,222</b>
<b>PENN NATIONAL</b>	(194 cards)	<b>POCONO</b>	(135 cards)
On-Track	\$4,757,741	On-Track	\$2,780,505
Phone Betting/OTWs	\$2,880,037	Phone Betting/OTWs	\$1,286,111
Intrastate Wagering	\$5,878,145	Intrastate Wagering	\$2,025,403
Interstate Wagering	\$148,585,816	Interstate Wagering	\$50,237,055
<b>BET ON PENN NATIONAL</b>	<b>\$162,101,739</b>	<b>BET ON POCONO</b>	<b>\$56,329,074</b>
<b>PRESQUE ISLE</b>	(100 cards)	<b>HARRAH'S PHILA.</b>	(150 cards)
On-Track	\$2,594,043	On-Track & phone	\$2,934,038
Intrastate Wagering	\$2,266,961	Intrastate Wagering	\$2,979,963
Interstate Wagering	\$69,128,009	Interstate Wagering	\$57,529,634
<b>BET ON PRESQUE</b>	<b>\$73,989,013</b>	<b>BET ON PHILA.</b>	<b>\$63,443,635</b>
<b>BET ON THOROUGHBREDS</b>	<b>\$465,094,478</b>	<b>BET ON HARNESS</b>	<b>\$216,655,931</b>

**INTERSTATE BETTING ON 2016 PENNSYLVANIA RACING: \$681,750,409**

### 2016 Purses Paid

<b>THOROUGHBRED</b>		<b>HARNESS</b>	
at Parx	\$55,272,187	at Meadows	\$32,728,682
at Penn National	\$31,191,818	at Philadelphia	\$29,403,371
at Presque Isle	\$15,578,180	at Pocono	\$26,178,450
<b>Thoroughbred Purses</b>	<b>\$102,042,185</b>	<b>Harness Purses</b>	<b>\$88,310,503</b>

## 2016 Revenue Generated by Wagering

	Parx	Penn National	Presque Isle Downs	Meadows	Pocono Downs	Harrah's Philadelphia	TOTAL
<b>THOROUGHBRED</b>							
Wagering Tax 1.5%	\$1,862,89	\$871,709	\$141,395	\$595,541	\$492,514	\$394,155	\$4,358,204
Exotic Pools Tax 1%	\$807,837	\$370,852	\$61,931	\$279,321	\$223,986	\$180,072	\$1,923,999
Breakage 25%	\$157,916	\$76,317	\$17,009	\$56,818	\$84,560	\$29,103	\$421,723
2016 Outs	\$512,960	\$176,492	\$51,392	**	**	**	\$740,844
<b>TOTAL</b>	<b>\$3,341,60</b>	<b>\$1,495,370</b>	<b>\$271,727</b>	<b>\$931,680</b>	<b>\$801,060</b>	<b>\$603,330</b>	<b>\$7,444,770</b>
<b>HARNESS</b>							
Wagering Tax 1.5%	\$286,876	\$80,668	\$8,703	\$319,791	\$245,824	\$142,279	\$1084,141
Exotic Pools Tax 1%	\$133,630	\$31,728	\$4,598	\$162,353	\$118,520	\$64,098	\$514,927
2016 Outs	**	**	**	\$165,415	\$193,392	\$90,153	\$448,960
<b>TOTAL</b>	<b>\$420,506</b>	<b>\$112,396</b>	<b>\$13,301</b>	<b>\$647,559</b>	<b>\$557,736</b>	<b>\$296,530</b>	<b>\$2,048,028</b>
<b>COMBINED</b>							
Wagering Tax 1.5%	\$2,149,76	\$952,377	\$150,098	\$915,332	\$738,338	\$536,434	\$5,442,345
Exotic Pools Tax 1%	\$941,467	\$402,580	\$66,529	\$441,674	\$342,506	\$244,170	\$2,438,926
Breakage 25%	\$157,916	\$76,317	\$17,009	\$56,818	\$84,560	\$29,103	\$421,723
2016 Outs	\$512,960	\$176,492	\$51,392	\$165,415	\$193,392	\$90,153	\$1,189,804
<b>TOTAL</b>	<b>\$3,762,10</b>	<b>\$1,607,766</b>	<b>\$285,028</b>	<b>\$1,579,239</b>	<b>\$1,358,796</b>	<b>\$899,860</b>	<b>\$9,492,798</b>

\*\* - Bets on harness races simulcast at thoroughbred tracks are included in the total for the harness-racing track where the race was held. Bets on thoroughbred races simulcast at harness-racing tracks are included in the totals for the thoroughbred tracks where the race was held.