



**HORSE RACING COMMITTEE
NOTICE OF MEETING and AGENDA**

February 12, 2020

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25,
notice is hereby given of a meeting of the Horse Racing Committee.
The meeting will take place on:

**Wednesday, February 19, 2020
11:00 a.m.**

**at the Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, Massachusetts**

1. Call to order
2. Approval of Minutes – January 15, 2020 - **VOTE**
3. Review of Reports Submitted by Industry Groups - **VOTE**
4. Discussion of Next Steps
5. Other business – Reserved for matters the Chair did not reasonably anticipate at the time of posting.

I certify that on this date, this Notice was posted as “Horse Racing Committee Meeting” on massgaming.com and emailed to regs@sec.state.ma.us, and melissa.andrade@state.ma.us.

2-12-2020
DATE


Brian Fitzgerald, Chairman

Date Posted to Website:



Massachusetts Gaming Commission

101 Federal Street, 12th Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com



Massachusetts Horse Racing Committee Agenda-Setting Meeting Minutes

Date/Time: January 15, 2020 – 12:00 p.m.

Place: Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA 02110

Present: Brian Fitzgerald, Chair
Commissioner Gayle Cameron, MGC Representative
Peter Goldberg, Standardbred Representative
Joe Savage, Thoroughbred Representative
Emily Kowtoniuk, Treasurer's Representative

Todd Grossman, MGC Interim General Counsel
Dr. Alexandra Lightbown, MGC Director of Racing
Steve O'Toole, Plainridge Park Casino Director of Racing
Nancy Longobardi, SOM Secretary/Treasurer
Alice Szpila Tisbert, HHANE
Robert McHugh, President, HHANE
Paul Umbrello, Executive Director, NEHBPA
Leslie Fleming

Call to Order

12:00 p.m. The Chair called the Horse Racing Committee ("Committee") meeting to order. He then had the Committee members introduce themselves and state their designation.

Approval of Minutes

Commissioner Cameron moved to approve the minutes from the Horse Race Committee meeting of September 18, 2019, subject to correction for typographical errors and other nonmaterial matters. Some amendments were requested. Mr. Goldberg seconded the motion. The motion passed unanimously, as amended.

Update on the 2019 Racing Season

Dr. Lightbown reviewed the 2018 and 2019 statistics for Horse Racing in Massachusetts with the members. She stated that official purse reviews should be completed within the next couple of weeks and that members may mail her with any questions.

One Racing application for Standardbreds was received for 2020. There will be 120 days of racing for Standardbreds. No Thoroughbred Racing application was received for this year.

Dr. Lightbown reported that the Racing staff met with several groups over the last couple of years concerning a proposed racetrack, particularly Wareham and Rowley. There is also the possibility of plans with Great Barrington.

Racing Bills before the Legislature

Governor Baker has signed the bill for the July 1 extension on simulcasting in racing, which will give the committee time to work on a comprehensive bill.

The legislature will work with HB13, SB2032, and HB322 and craft law that will benefit the industry as a whole.

Commissioner Cameron noted that this is the first time that the legislature is actively working on changes, with a deadline. She stated that the Statehouse News publication indicates that 80% of the work is done, and the goal is to have it completed by the end of the fiscal year. Mr. Goldberg asked what the work is on the breeding aspect. Mr. Savage replied that it would bring out-of-state horses to Massachusetts.

Agenda for upcoming HC meeting

The Chair noted the vote on the split at the last meeting and requested to set an agenda for meeting on February 19, 2020 meeting at 11:00 a.m. Mr. Savage would like to have a meeting in the fall, as the committee will know the results of the legislative work in October. Commissioner Cameron concurs, as there is now an active group working toward amending the legislation. She believes that the Commission will have some certainty at that point that may affect the Horse Racing Committee's work. Ms. Kowtoniuk is in favor of not waiting for the legislature's process to meet, as she feels that postponing the decision-making process does not help the industry.

The Chair stated that the committee will meet in February and have updated revenue figures.

The committee reviewed the Health and Welfare figures that were submitted. Mr. Savage stated that there will be more funds soon and asked how many people are benefiting in the Standardbred industry, specifically individual beneficiaries. Mr. Goldberg answered that there are 144 trainers, and drivers are currently enrolled in the program. The only way to be granted funds from the program is to comply with the terms; to breed and race in Massachusetts. This benefits the Commonwealth by encouraging horsemen and women from all states to go to Plainridge to collect this benefit. It takes five years to become vested in the Health and Welfare Fund program. Mr. Goldberg further stated that currently, 340 members are eligible for third party liability insurance. Two people benefit from the hardship assistance program. There are 19 caretaker year-end awards. Mr. Savage then confirmed his figures for the Chair.

The Chair added the final revenue report to the agenda. He would like to see more discussion regarding the 80% allocation to purses, 16% allocation to breeders associations, and the 4% allocation to horsemen for the Health and Pension programs in terms of how those items are distributed. He also asked for documentation of how funds are allocated concerning the Health and Welfare fund, Thoroughbred and Standardbred breeding programs, and the same for live racing. He requested summaries of this information regarding both the Standardbred and the Thoroughbred industries by Wednesday, February 12, 2020, that would be made available one week before the public meeting on Wednesday, February 19, 2020.

At the February meeting, the committee will finalize numbers, review how the funds are being spent for breeding programs, review live racing, and have more info on Health and Welfare. The Chair can then determine upon review the next steps for the next meeting in late fall, and decide whether there needs to be a vote concerning the distribution.

12:27 p.m. *With no further business, Mr. Savage moved to adjourn the meeting. Ms. Kowtoniuk seconded the motion. The motion passed unanimously.*

List of Documents and Other Items Used

1. Massachusetts Horse Racing Committee, Notice of Meeting and Agenda, dated January 8, 2020
2. Meeting Minutes of the September 19, 2019, Horse Racing Committee Meeting
3. Standardbred Industry Health and Welfare Allocation Report dated January 14, 2020
4. Email: Information on NEHBPA Health and Welfare Expenditures dated January 9, 2020
5. 2019 Horse Racing in Massachusetts (Plainridge and Suffolk figures)
6. 2019 Horse Racing in Massachusetts (Plainridge and Suffolk figures)
7. Race Horse Development Fund figures through November 6, 2019
8. Thoroughbred/Running Horse Full Accounting and Reconciliation of 9% GGR

9. Standardbred/Running Horse Full Accounting and Reconciliation of 9% GGR

/s/ Shara N. Bedard
Secretary

DRAFT



Race Horse
Development Fund
Jan-20

Race Horse Development Fund Formula (75% to Thoroughbred and 25% to Standardbred)			
Deposits	Amount		
Licensing Fees	\$8,750,000.00		
Actual RHDF Gross Gaming Revenue	\$7,940,749.51		
TOTAL	\$16,690,749.51		
Payment Split of Race Horse Development Fund as of 6/24/15 - 12/31/15			
Percentage	Type of Revenue	Allocation	Actual Paid Amount of GGR
75%	9% of GGR	\$12,518,062.13	\$3,781,950.80
25%	9% of GGR	\$4,172,687.38	\$4,128,706.37
TOTAL		\$16,690,749.51	\$7,910,657.17
Thoroughbred			Balance in Fund and Source of Balance
Standardbred			\$8,736,111.33
TOTAL			\$8,780,092.34

Race Horse Development Fund Formula (45% to Thoroughbred and 55% to Standardbred)			
Deposits	Amount		
Actual RHDF Gross Gaming Revenue	\$13,952,792.86		
TOTAL	\$13,952,792.86		
Payment Split of Race Horse Development Fund as of 1/1/16 - 12/31/16			
Percentage	Type of Revenue	Allocation	Actual Paid Amount of GGR
45%	9% of GGR	\$6,278,756.79	\$3,740,951.94
55%	9% of GGR	\$7,674,036.07	\$7,700,570.67
TOTAL		\$13,952,792.86	\$11,441,522.61
Thoroughbred			Balance in Fund and Source of Balance
Standardbred			\$2,537,804.85
TOTAL			-\$26,534.60
			\$2,511,270.25

Race Horse Development Fund Formula (40% to Thoroughbred and 60% to Standardbred)			
Deposits	Amount		
Actual RHDF Gross Gaming Revenue	\$46,522,058.42		
TOTAL	\$46,522,058.42		
Payment Split of Race Horse Development Fund as of 1/1/17 - 11/6/19			
Percentage	Type of Revenue	Allocation	Actual Paid Amount of GGR
40%	From GGR	\$18,608,823.37	\$14,479,825.98
60%	From GGR	\$27,913,235.05	\$27,917,943.34
TOTAL		\$46,522,058.42	\$42,397,769.32
Thoroughbred			Balance in Fund and Source of Balance
Standardbred			\$4,128,997.39
TOTAL			-\$4,708.29
			\$4,124,289.10

Race Horse Development Fund Formula (35% to Thoroughbred and 65% to Standardbred)			
Deposits	Amount		
RHDF Gross Gaming Revenue/A	\$3,902,782.25		
TOTAL	\$3,902,782.25		

Payment Split of Race Horse Development Fund as of 11/7/19 - Current			
Percentage	Type of Revenue	Allocation/m	Actual Paid Amount of GGR
35%	From GGR	\$1,367,488.29	\$273,193.30
65%	From GGR	\$2,539,621.10	\$2,536,808.25
TOTAL		\$3,907,109.39	\$2,810,001.55
Thoroughbred			Balance in Fund and Source of Balance
Standardbred			\$1,094,294.99
TOTAL			\$2,812.85
			\$1,097,107.84

Summary			
	Allocation/m	Actual Paid Amount of GGR	Balance in Fund and Source of Balance
Thoroughbred	\$38,773,130.57	\$22,275,922.02	\$16,497,208.55
Standardbred	\$42,299,579.60	\$42,284,028.63	\$15,550.97
GRAND TOTAL	\$81,072,710.18	\$64,559,950.65	\$16,512,759.53

* Calculations are based on the MGC Central Monitoring System. Reconciliation and adjustments will be made periodically and noted.

	Theoretical	Actual	Variance	Theoretical	Actual	Variance	Theoretical	Actual	Variance
Oct 2019 MGM	\$132,458.66	\$132,557.82	\$53,023.13	\$2,120.93	\$2,119.33	-\$1.60	\$8,483.70	\$8,477.35	-\$6.35
Oct 2019 EBH	\$286,330.16	\$286,947.88	\$114,779.15	\$4,591.17	\$4,581.28	-\$9.89	\$18,364.66	\$18,325.13	-\$39.53
Nov 1-6 2019 PPC	\$225,281.85	\$224,684.84	\$89,873.94	\$3,594.96	\$3,604.50	\$9.54	\$14,379.83	\$14,418.03	\$38.20
Nov 1-6 2019 MGM	\$26,486.53	\$26,206.26	\$10,482.50	\$419.30	\$423.78	\$4.48	\$1,677.20	\$1,695.13	\$17.93
Nov 1-6 2019 EBH	\$59,703.71	\$59,624.74	\$23,849.90	\$954.00	\$955.25	\$1.25	\$3,815.98	\$3,821.03	\$5.05
TOTAL	\$46,522,058.42	\$45,660,768.51	\$18,619,307.40	\$730,572.30	\$743,463.95	-\$1,308.35	\$2,922,289.18	\$2,977,733.94	-\$1,355.24

\$14,611,460.20 \$10,758,628.09 -\$4,136,832.09

Standardbred/Harness Horse Full Accounting and Reconciliation of 9% GGR

	Theoretical	Actual	Variance	Theoretical	Actual	Variance	Theoretical	Actual	Variance
Jan 2017	\$1,093,179.10	\$1,093,867.05	\$656,320.23	\$26,252.81	\$24,049.94	-\$2,202.87	\$105,011.24	\$96,199.76	-\$8,811.48
Feb 2017	\$1,085,713.13	\$1,087,832.17	\$652,699.30	\$26,107.97	\$23,885.69	-\$2,222.28	\$104,431.89	\$95,542.76	-\$8,889.13
March 2017	\$1,276,164.02	\$1,277,523.64	\$766,514.18	\$30,660.57	\$28,107.11	-\$2,553.46	\$123,642.27	\$112,428.46	-\$10,213.81
April 2017	\$1,287,510.46	\$1,287,055.05	\$772,233.03	\$30,889.32	\$28,325.04	-\$2,564.28	\$123,557.28	\$113,300.14	-\$10,257.14
May 2017	\$1,297,629.12	\$1,297,620.72	\$778,572.43	\$31,142.90	\$28,547.66	-\$2,595.24	\$124,571.59	\$114,190.62	-\$10,380.97
June 2017	\$1,253,610.52	\$1,253,435.87	\$752,061.52	\$30,082.46	\$27,580.01	-\$2,502.45	\$120,329.84	\$110,320.04	-\$10,009.80
July 2017	\$1,389,788.65	\$1,381,305.86	\$828,783.52	\$33,151.34	\$30,575.63	-\$2,575.71	\$132,605.36	\$122,302.53	-\$10,302.83
August 2017	\$1,279,856.47	\$1,284,527.49	\$770,716.49	\$30,828.66	\$28,156.79	-\$2,671.87	\$123,314.64	\$112,627.15	-\$10,687.49
September 2017	\$1,340,574.74	\$1,342,924.45	\$805,754.67	\$32,230.19	\$29,492.57	-\$2,737.62	\$128,920.75	\$117,970.30	-\$10,950.45
October 2017	\$1,220,057.82	\$1,217,239.29	\$730,343.57	\$29,213.74	\$26,854.36	-\$2,359.38	\$116,854.97	\$107,417.44	-\$9,437.53
November 2017	\$1,161,037.03	\$1,169,712.55	\$701,827.53	\$28,073.10	\$25,542.81	-\$2,530.29	\$112,292.40	\$102,171.26	-\$10,121.14
December 2017	\$1,144,980.36	\$1,137,584.99	\$682,550.99	\$27,302.04	\$25,747.83	-\$1,554.21	\$109,918.11	\$109,918.11	\$0.00
January, 2018	\$1,124,378.28	\$1,139,205.45	\$683,523.27	\$27,340.93	\$26,985.08	-\$355.85	\$109,363.72	\$107,940.31	-\$1,423.41
January 2018 payment	\$0.00	\$0.00	\$0.00	\$0.00	\$27,515.45	\$27,515.45	\$110,061.78	\$110,061.78	\$0.00
February, 2018	\$1,248,804.70	\$1,238,702.33	\$743,221.40	\$29,728.86	\$29,970.04	\$241.18	\$118,915.42	\$119,880.16	\$964.74
March, 2018	\$1,424,548.41	\$1,428,183.24	\$856,909.94	\$34,276.40	\$34,188.37	-\$88.03	\$137,105.59	\$136,767.40	-\$338.19
April, 2018	\$1,313,448.98	\$1,309,263.04	\$785,557.82	\$31,422.31	\$31,522.78	\$100.47	\$125,689.25	\$126,091.10	\$401.85
May, 2018	\$1,316,050.34	\$1,320,207.05	\$792,124.23	\$31,684.97	\$31,585.07	-\$99.90	\$126,739.88	\$126,349.27	-\$390.61
June, 2018	\$1,337,264.23	\$1,336,977.05	\$802,186.23	\$32,087.45	\$32,087.45	\$0.00	\$128,349.80	\$128,349.80	\$0.00
July, 2018	\$1,363,493.32	\$1,363,474.64	\$818,084.78	\$32,723.39	\$32,723.39	\$0.00	\$130,899.57	\$130,899.57	\$0.00
August, 2018 PPC	\$1,384,216.49	\$1,383,226.07	\$829,935.64	\$33,197.43	\$33,219.68	\$22.25	\$132,789.70	\$132,878.71	\$89.01
August, 2018 MGM	\$59,106.11	\$58,796.72	\$35,278.03	\$1,411.12	\$1,411.12	\$0.00	\$5,644.49	\$5,644.49	\$0.00
September, 2018 PPC	\$1,288,730.92	\$1,288,995.98	\$773,397.59	\$30,935.90	\$30,929.51	-\$63.39	\$123,743.61	\$123,718.04	-\$25.57
September, 2018 MGM	\$168,450.60	\$168,832.23	\$101,299.34	\$4,051.97	\$4,005.00	-\$46.97	\$16,207.89	\$16,020.01	-\$187.88
October, 2018 PPC	\$1,217,321.05	\$1,217,761.63	\$730,656.98	\$29,226.28	\$29,214.95	-\$11.33	\$116,905.12	\$116,859.82	-\$45.30
October, 2018 MGM	\$139,424.00	\$139,424.00	\$83,654.40	\$3,346.18	\$3,346.18	\$0.00	\$13,384.70	\$13,384.70	\$0.00
November, 2018 PPC	\$1,156,703.65	\$1,160,953.95	\$696,572.37	\$27,862.89	\$27,760.62	-\$102.27	\$111,451.58	\$111,042.49	-\$409.09
November, 2018 MGM	\$132,864.06	\$132,864.06	\$79,718.44	\$3,188.74	\$3,188.74	-\$0.01	\$12,754.95	\$12,754.94	-\$0.01
December, 2018 PPC	\$1,268,087.98	\$1,264,854.06	\$758,912.44	\$30,356.50	\$30,434.11	\$77.61	\$121,425.99	\$121,736.63	\$310.64
December, 2018 MGM	\$134,895.15	\$135,294.33	\$81,176.60	\$3,247.06	\$3,237.48	-\$9.58	\$12,988.26	\$12,949.93	-\$38.33
January, 2019 PPC	\$1,114,120.34	\$1,114,095.65	\$668,457.39	\$26,738.30	\$26,738.89	\$0.59	\$106,953.18	\$106,955.56	\$2.38
January, 2019 MGM	\$123,112.83	\$123,694.95	\$74,216.97	\$2,968.68	\$2,954.70	-\$13.98	\$11,874.72	\$11,818.83	-\$55.89
February, 2019 PPC	\$1,113,478.31	\$1,113,463.98	\$668,078.39	\$26,723.47	\$26,723.47	\$0.00	\$106,893.92	\$106,893.92	\$0.00
February, 2019 MGM	\$134,380.49	\$134,453.13	\$80,671.88	\$3,225.13	\$3,225.13	\$0.00	\$12,907.50	\$12,907.50	\$0.00
March, 2019 PPC	\$1,434,368.22	\$1,434,341.24	\$860,604.77	\$34,424.19	\$34,428.83	-\$4.64	\$137,696.76	\$137,699.34	\$2.58
March, 2019 MGM	\$160,526.08	\$160,825.95	\$96,495.57	\$3,859.82	\$3,852.62	-\$7.20	\$15,439.29	\$15,410.50	-\$28.79
April, 2019 PPC	\$1,265,585.39	\$1,265,574.37	\$759,344.62	\$30,375.78	\$30,374.31	-\$1.47	\$121,497.25	\$121,497.25	\$0.00
April, 2019 MGM	\$136,375.19	\$136,707.31	\$82,024.94	\$3,280.98	\$3,273.00	-\$7.98	\$13,123.90	\$13,099.51	-\$24.39
May, 2019 PPC	\$1,335,830.69	\$1,336,921.37	\$802,152.82	\$32,086.11	\$32,059.93	-\$26.18	\$128,344.45	\$128,239.74	-\$104.71
May, 2019 MGM	\$139,284.78	\$139,161.48	\$83,496.89	\$3,339.88	\$3,339.88	\$0.00	\$13,559.50	\$13,559.50	\$0.00
June, 2019 PPC	\$1,219,198.73	\$1,218,827.26	\$731,296.36	\$29,251.85	\$29,260.76	-\$8.91	\$117,007.42	\$117,043.07	\$35.65
June, 2019 MGM	\$125,589.06	\$125,152.26	\$75,091.36	\$3,014.13	\$3,014.13	\$0.00	\$12,014.62	\$12,056.54	\$41.92
June 2019, EBH	\$104,957.14	\$103,415.32	\$62,049.19	\$2,481.97	\$2,518.49	-\$36.52	\$9,927.87	\$10,073.96	-\$146.09
June 2019, EBH**	\$87,500.00	\$87,500.00	\$332,500.00	\$21,300.00	\$21,300.00	\$0.00	\$85,200.00	\$85,200.00	\$0.00

July 2019, PPC	\$ 1,128,214.46	\$1,127,325.61	\$676,395.36	\$27,055.81	\$27,077.24	-\$21.43	\$108,223.26	\$108,308.97	-\$85.71	\$541,116.29	\$541,544.85	\$428.56
July 2019 MGM	\$ 127,288.65	\$127,491.28	\$ 76,494.76	\$3,059.79	\$3,054.92	\$4.87	\$12,239.16	\$12,219.71	\$19.45	\$ 61,195.81	\$61,098.55	-\$97.26
July 2019 EBH	\$303,591.04	\$309,259.29	\$ 185,555.57	\$7,422.22	\$7,286.18	\$136.04	\$29,688.89	\$29,144.73	\$544.16	\$ 148,444.46	\$145,723.69	-\$2,720.77
Aug 2019 PPC	\$1,087,198.20	\$1,086,461.13	\$651,876.68	\$26,075.07	\$26,092.75	-\$17.68	\$104,371.02	\$104,300.27	\$70.75	\$ 521,855.13	\$521,501.34	-\$353.79
Aug 2019 EBH	\$328,038.99	\$133,656.69	\$80,194.01	\$3,207.76	\$3,144.92	\$62.84	\$12,831.04	\$12,579.02	\$252.02	\$64,155.21	\$62,898.51	-\$1,256.70
Sept 2019 PPC	\$1,038,876.51	\$1,039,089.64	\$623,453.78	\$24,938.15	\$24,933.03	\$5.12	\$99,752.61	\$99,732.14	\$20.47	\$498,763.03	\$498,660.72	-\$102.31
Sept 2019 MGM	\$126,585.59	\$126,759.46	\$76,055.68	\$3,042.23	\$3,038.05	\$4.18	\$12,168.91	\$12,152.21	\$16.70	\$60,844.54	\$60,761.08	-\$83.46
Sept 2019 EBH	\$305,989.59	\$310,444.01	\$186,266.41	\$7,450.66	\$7,343.75	\$106.91	\$29,802.62	\$29,375.00	\$427.62	\$149,013.12	\$146,875.00	-\$2,138.12
Oct 2019 PPC	\$1,012,198.98	\$1,013,425.37	\$608,055.22	\$24,322.21	\$24,292.77	\$29.44	\$97,288.84	\$97,171.12	\$117.72	\$486,444.18	\$485,855.51	-\$588.67
Oct 2019 MGM	\$132,458.66	\$132,557.82	\$79,534.69	\$3,181.39	\$3,179.00	\$2.39	\$12,725.55	\$12,716.03	\$9.52	\$63,627.75	\$63,580.15	-\$47.60
Oct 2019 EBH	\$286,330.16	\$286,947.88	\$172,168.73	\$6,886.75	\$6,871.92	\$14.83	\$27,547.00	\$27,487.69	\$59.31	\$137,734.98	\$137,438.47	-\$296.51
Nov 1-6 2019 PPC	\$225,281.85	\$224,684.84	\$134,810.90	\$5,392.44	\$5,406.76	-\$14.32	\$21,569.74	\$21,627.09	-\$57.35	\$107,848.72	\$108,135.28	\$286.56
Nov 1-6 2019 MGM	\$26,486.53	\$26,206.26	\$15,723.76	\$628.95	\$635.67	-\$6.72	\$2,515.80	\$2,542.70	-\$26.90	\$12,579.00	\$12,713.52	\$134.52
Nov 1-6 2019 EBH	\$59,703.71	\$59,624.74	\$35,774.84	\$1,430.99	\$1,432.88	-\$1.89	\$5,723.98	\$5,731.55	-\$7.57	\$28,619.88	\$28,657.77	\$37.89

TOTAL \$46,522,058.42 \$45,660,768.51 \$27,928,961.11 \$1,095,858.44 \$1,116,652.01 \$274.18 \$4,383,504.53 \$4,466,521.33 \$1,254.72 \$22,341,354.20 \$22,334,770.00 -\$5,394.14

* Calculations are based on CMS billing and Licensee's reported amounts. Reconciliation and adjustments will be made periodically and will be noted.

** Encore Fine

		Thoroughbred/Running Horse			
				Theoretical	Actual
				(4%) New	(4%) New
				England	England
				Horsemen	Horsemen
Column1	Total in collected race horse assessments	MMARS	75% until 12/31 and 45% a/o 1/1/16 Allocation of MMARS	Benevolent	Benevolent2
January, 2016	\$1,127,802.66	\$1,127,802.66	\$507,511.20	\$20,300.45	\$33,834.07
February	\$1,140,271.06	\$1,145,284.00	\$515,377.80	\$20,615.11	\$34,358.52
March	\$1,214,660.90	\$1,209,648.41	\$544,341.78	\$21,773.67	\$36,289.46
April	\$1,197,581.95	\$1,198,337.39	\$539,251.83	\$21,570.07	\$35,950.12
May	\$1,213,991.51	\$1,212,088.68	\$545,439.91	\$21,817.60	\$16,453.25
June 2016	\$1,107,969.22	\$1,109,166.91	\$499,125.11	\$19,965.00	\$0.00
July 2016	\$1,248,979.75	\$1,248,241.73	\$561,708.78	\$22,468.35	\$0.00
June thru July Retro	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Aug 2016	\$1,179,792.96	\$1,182,707.42	\$532,218.34	\$21,288.73	\$16,038.83
Aug Adj 2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sept 2016	\$1,153,074.05	\$1,154,924.45	\$519,716.00	\$20,788.64	\$20,755.33
Oct 2016	\$1,131,911.52	\$1,127,869.99	\$507,541.50	\$20,301.66	\$20,374.41
Nov 2016	\$1,099,049.36	\$1,099,777.80	\$494,900.01	\$19,796.00	\$19,800.89
Dec 2016	\$1,137,492.64	\$1,136,943.41	\$511,624.53	\$20,464.98	\$20,474.87
Total	\$13,952,577.58	\$13,952,792.86	\$6,278,756.79	\$251,150.27	\$254,329.75

		Standardbred/Harness Horse			
				Theoretical	Actual
				(4%) Harness	(4%) Harness
				Horsemen	Horsemen
				Association of	Association of
Column1	Total in collected race horse assessments	MMARS	25% until 12/31 and 55% a/o 1/1/16 Allocation of MMARS	New England	New England2
January, 2016	\$1,127,802.66	\$1,127,802.66	\$620,291.46	\$24,811.66	\$11,278.03
February	\$1,140,271.06	\$1,145,284.00	\$629,906.20	\$25,196.25	\$11,452.83
March	\$1,214,660.90	\$1,209,648.41	\$665,306.63	\$26,612.27	\$12,096.48
April	\$1,197,581.95	\$1,198,337.39	\$659,085.56	\$26,363.42	\$11,983.37
May	\$1,213,991.51	\$1,212,088.68	\$666,648.77	\$26,665.95	\$12,120.89
June 2016	\$1,107,969.22	\$1,109,166.91	\$610,041.80	\$24,401.67	\$11,079.69
July 2016	\$1,248,979.75	\$1,248,241.73	\$686,532.95	\$27,461.32	\$12,489.80
June thru July Retro	\$0.00	\$0.00	\$0.00	\$0.00	\$100,070.67
Aug 2016	\$1,179,792.96	\$1,182,707.42	\$650,489.08	\$26,019.56	\$25,955.44
Aug Adj 2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sept 2016	\$1,153,074.05	\$1,154,924.45	\$635,208.45	\$25,408.34	\$25,367.63
Oct 2016	\$1,131,911.52	\$1,127,869.99	\$620,328.49	\$24,813.14	\$24,902.05
Nov 2016	\$1,099,049.36	\$1,099,777.80	\$604,877.79	\$24,195.11	\$24,201.09
Dec 2016	\$1,137,492.64	\$1,136,943.41	\$625,318.88	\$25,012.76	\$25,024.84
Total	\$13,952,577.58	\$13,952,792.86	\$7,674,036.07	\$306,961.44	\$308,022.81

Full Accounting and Reconciliation of 9% GGR

Variance	Theoretical	Actual	Variance	Theoretical	Actual
	(16%) MA	(16%) MA		(80%) Sterling	(80%) Sterling
Over/(Under)	Thoroughbred	Thoroughbred	Over/(Under)	Suffolk	Suffolk
Payment	Breeders Assoc	Breeders Assoc3	Payment4	Racecourse	Racecourse5
\$13,533.62	\$81,201.79	\$135,336.32	\$54,134.53	\$406,008.96	\$0.00
\$13,743.41	\$82,460.45	\$137,434.07	\$54,973.62	\$412,302.24	\$0.00
\$14,515.79	\$87,094.69	\$145,157.81	\$58,063.12	\$435,473.43	\$0.00
\$14,380.05	\$86,280.29	\$143,800.48	\$57,520.19	\$431,401.46	\$0.00
-\$5,364.35	\$87,270.38	\$145,450.64	\$58,180.26	\$436,351.92	\$0.00
-\$19,965.00	\$79,860.02	\$132,956.31	\$53,096.29	\$399,300.09	\$0.00
-\$22,468.35	\$89,873.40	\$149,877.57	\$60,004.17	\$449,367.02	\$1,025,000.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
-\$5,249.90	\$85,154.93	\$62,931.99	-\$22,222.94	\$425,774.67	\$800,000.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
-\$33.31	\$83,154.56	\$0.00	-\$83,154.56	\$415,772.80	\$608,677.00
\$72.75	\$81,206.64	\$0.00	-\$81,206.64	\$406,033.20	\$0.00
\$4.89	\$79,184.00	\$0.00	-\$79,184.00	\$395,920.01	\$0.00
\$9.89	\$81,859.93	\$0.00	-\$81,859.93	\$409,299.63	\$0.00
\$3,179.48	\$1,004,601.09	\$1,052,945.19	\$48,344.10	\$5,023,005.43	\$2,433,677.00

Full Accounting and Reconciliation of 9% GGR

Variance	Theoretical	Actual	Variance	Theoretical	Actual
	(16%)	(16%)		(80%)	(80%)
Over/(Under)	Standardbred	Standardbred	Over/(Under)	PLAINRIDGE	PLAINRIDGE
Payment	Owners of	Owners of	Payment4	GAMING AND	GAMING AND
	Massachusetts	Massachusetts3		REDEVELOPME	REDEVELOPME
				T LLC	T LLC5
-\$13,533.63	\$99,246.63	\$45,112.10	-\$54,134.53	\$496,233.17	\$225,560.53
-\$13,743.42	\$100,784.99	\$45,811.35	-\$54,973.64	\$503,924.96	\$229,056.79
-\$14,515.79	\$106,449.06	\$48,385.94	-\$58,063.12	\$532,245.30	\$241,929.68
-\$14,380.05	\$105,453.69	\$47,933.49	-\$57,520.20	\$527,268.45	\$239,667.49
-\$14,545.06	\$106,663.80	\$48,483.55	-\$58,180.25	\$533,319.02	\$242,417.73
-\$13,321.98	\$97,606.69	\$44,318.77	-\$53,287.92	\$488,033.44	\$221,593.84
-\$14,971.52	\$109,845.27	\$49,959.19	-\$59,886.08	\$549,226.36	\$249,795.95
\$100,070.67	\$0.00	\$340,396.62	\$340,396.62	\$0.00	\$1,701,983.12
-\$64.12	\$104,078.25	\$103,821.78	-\$256.47	\$520,391.26	\$519,108.90
\$0.00	\$0.00	\$59,886.08	\$59,886.08	\$0.00	\$299,430.41
-\$40.71	\$101,633.35	\$101,470.52	-\$162.83	\$508,166.76	\$507,352.58
\$88.91	\$99,252.56	\$99,608.21	\$355.65	\$496,262.80	\$498,041.07
\$5.98	\$96,780.45	\$96,804.34	\$23.89	\$483,902.23	\$484,021.72
\$12.08	\$100,051.02	\$100,099.35	\$48.33	\$500,255.10	\$500,496.76
\$1,061.37	\$1,227,845.77	\$1,232,091.29	\$4,245.52	\$6,139,228.86	\$6,160,456.57

Variance

Over/(Under)

Payment6

-\$406,008.96
-\$412,302.24
-\$435,473.43
-\$431,401.46
-\$436,351.92
-\$399,300.09
\$575,632.98
\$0.00
\$374,225.33
\$0.00
\$192,904.20
-\$406,033.20
-\$395,920.01
-\$409,299.63
-\$2,589,328.43

Variance

Over/(Under)

Payment6

-\$270,672.64
-\$274,868.17
-\$290,315.62
-\$287,600.96
-\$290,901.29
-\$266,439.60
-\$299,430.41
\$1,701,983.12
-\$1,282.36
\$299,430.41
-\$814.18
\$1,778.27
\$119.49
\$241.66
\$21,227.71

Thoroughbred/Running Horse Full Accounting

				Theoretical	Actual	Variance
Column1	Total in collected race horse assessments	MMARS	75% Allocation of MMARS	(4%) New England Horsemen Benevolent	(4%) New England Horsemen Benevolent2	Over/(Under) Payment
June 24-30, 2015	\$552,417.87	\$553,916.37	\$415,437.28	\$16,617.49	\$13,234.81	-\$3,382.68
July, 2015	\$1,634,020.55	\$1,632,522.22	\$1,224,391.67	\$48,975.67	\$49,180.61	\$204.94
August	\$1,370,524.55	\$1,370,935.06	\$1,028,201.29	\$41,128.05	\$41,128.06	\$0.01
September	\$1,136,264.20	\$1,135,853.69	\$851,890.27	\$34,075.61	\$34,075.62	\$0.01
October	\$1,158,873.80	\$1,163,223.72	\$872,417.79	\$34,896.71	\$34,896.70	-\$0.01
November	\$1,074,595.46	\$1,070,245.55	\$802,684.16	\$32,107.37	\$32,107.37	\$0.00
December	\$1,014,052.90	\$1,014,052.90	\$760,539.67	\$30,421.59	\$30,421.59	\$0.00
Total	\$7,940,749.32	\$7,940,749.51	\$5,955,562.13	\$238,222.49	\$235,044.76	-\$3,177.73

Standardbred/Harness Horse Full Accounting

				Theoretical	Actual	Variance
Column1	Total in collected race horse assessments	MMARS	25% Allocation of MMARS	(4%) Harness Horsemen Association of New England	(4%) Harness Horsemen Association of New England2	Over/(Under) Payment
June 24-30, 2015	\$552,417.87	\$553,916.37	\$138,479.09	\$5,539.16	\$4,411.60	-\$1,127.56
July, 2015	\$1,634,020.55	\$1,632,522.22	\$408,130.56	\$16,325.22	\$16,393.54	\$68.32
August	\$1,370,524.55	\$1,370,935.06	\$342,733.76	\$13,709.35	\$13,709.36	\$0.01
September	\$1,136,264.20	\$1,135,853.69	\$283,963.42	\$11,358.54	\$11,358.54	\$0.00
October	\$1,158,873.80	\$1,163,223.72	\$290,805.93	\$11,632.24	\$11,632.23	-\$0.01
November	\$1,074,595.46	\$1,070,245.55	\$267,561.39	\$10,702.46	\$10,702.46	\$0.00
December	\$1,014,052.90	\$1,014,052.90	\$253,513.22	\$10,140.53	\$10,140.54	\$0.01
Total	\$7,940,749.32	\$7,940,749.51	\$1,985,187.38	\$79,407.50	\$78,348.27	-\$1,059.23

and Reconciliation of 9% GGR

Theoretical	Actual	Variance	Theoretical	Actual	Variance
(16%) MA Thoroughbred Breeders Assoc	(16%) MA Thoroughbred Breeders Assoc3		(80%) Sterling Suffolk Racecourse	(80%) Sterling Suffolk Racecourse5	
		Over/(Under) Payment4			Over/(Under) Payment6
\$66,469.96	\$52,939.23	-\$13,530.73	\$332,349.82	\$0.00	-\$332,349.82
\$195,902.67	\$196,722.49	\$819.82	\$979,513.33	\$0.00	-\$979,513.33
\$164,512.21	\$164,512.21	\$0.00	\$822,561.03	\$0.00	-\$822,561.03
\$136,302.44	\$136,302.45	\$0.01	\$681,512.22	\$625,000.00	-\$56,512.22
\$139,586.85	\$139,586.85	\$0.00	\$697,934.23	\$721,727.00	\$23,792.77
\$128,429.47	\$128,429.47	\$0.00	\$642,147.33	\$0.00	-\$642,147.33
\$121,686.35	\$121,686.34	-\$0.01	\$608,431.74	\$0.00	-\$608,431.74
\$952,889.94	\$940,179.04	-\$12,710.90	\$4,764,449.70	\$1,346,727.00	-\$3,417,722.70

and Reconciliation of 9% GGR

Theoretical	Actual	Variance	Theoretical	Actual	Variance
(16%) Standardbred Owners of Massachusetts	(16%) Standardbred Owners of Massachusetts3		(80%) PLAINRIDGE GAMING AND REDEVELOPM ENT LLC	(80%) PLAINRIDGE GAMING AND REDEVELOPM ENT LLC5	
		Over/(Under) Payment4			Over/(Under) Payment6
\$22,156.65	\$17,646.41	-\$4,510.24	\$110,783.27	\$88,232.05	-\$22,551.22
\$65,300.89	\$65,574.16	\$273.27	\$326,504.44	\$327,870.81	\$1,366.37
\$54,837.40	\$54,837.41	\$0.01	\$274,187.01	\$274,187.01	\$0.00
\$45,434.15	\$45,434.15	\$0.00	\$227,170.74	\$227,170.75	\$0.01
\$46,528.95	\$46,528.95	\$0.00	\$232,644.74	\$232,644.75	\$0.01
\$42,809.82	\$42,809.83	\$0.01	\$214,049.11	\$214,049.12	\$0.01
\$40,562.12	\$40,562.12	\$0.00	\$202,810.58	\$202,810.58	\$0.00
\$317,629.98	\$313,393.03	-\$4,236.95	\$1,588,149.90	\$1,566,965.07	-\$21,184.83

Thoroughbred/Running Horse Full Accounting and Reconciliation of						
		Theoretical	Actual	Variance	Theoretical	Actual
License Fees 5% of License Fees after Stabilization Fund is repaid \$20M	75% Allocation	(4%) New England Horsement Benevolent	(4%) New England Horsement Benevolent	Over/(Under) Payment	(16%) MA Thoroughbred Breeders Assoc	(16%) MA Thoroughbred Breeders Assoc
8,750,000.00	6,562,500.00	262,500.00	210,000.00	(52,500.00)	1,050,000.00	1,050,000.00

Standardbred/Harness Horse Full Accounting and Reconciliation of						
		Theoretical	Actual	Variance	Theoretical	Actual
License Fees 5% of License Fees after Stabilization Fund is repaid \$20M	25% Allocation	(4%) Harness Horsemen Association of New England	(4%) Harness Horsemen Association of New England	Over/(Under) Payment	(16%) Standardbred Owners of Massachusetts	(16%) Standardbred Owners of Massachusetts
8,750,000.00	2,187,500.00	87,500.00	70,000.00	(17,500.00)	350,000.00	350,000.00

Licensing Fees

Variance	Theoretical	Actual	Variance
Over/(Under) Payment	(80%) Sterling Suffolk Racecourse	(80%) Sterling Suffolk Racecourse	Over/(Under) Payment
-	5,250,000.00	-	(5,250,000.00)

(5,302,500.00)
1,260,000.00 Thoroughbred paid

Licensing Fees

Variance	Theoretical	Actual	Variance
Over/(Under) Payment	(80%) PLAINRIDGE GAMING AND REDEVELOPM ENT LLC	(80%) PLAINRIDGE GAMING AND REDEVELOPM ENT LLC	Over/(Under) Payment
-	1,750,000.00	1,750,000.00	-

2,170,000.00 standerbred paid

Thoroughbred/Running Horse Full Accounting and Reconciliation of 9% GGR

Thorough bred 35%		MGC		Theoretical		Actual		Variance		Theoretical		Actual		Variance	
Actual	MGC	(4%) New England Horsemen Benevolent	(4%) New England Horsemen Benevolent	Over/(Under) Payment	(16%) MA Thoroughbred Breeders Assoc	(16%) MA Thoroughbred Breeders Assoc	Over/(Under) Payment	Over/(Under) Payment	Over/(Under) Payment	(80%) Suffolk Racecourse	(80%) Suffolk Racecourse	Over/(Under) Payment	Over/(Under) Payment	Over/(Under) Payment	Variance
Total in collected race horse assessments		35% Allocation of MMARS November 7, 2019													
PPC Nov 7-30 2019	\$762,776.12	\$761,779.96	\$266,622.99	\$10,664.92	\$10,678.86	\$13.94	\$13.94	\$42,659.68	\$42,715.46	\$55.78	\$213,298.39	\$213,298.39	\$5213,298.39	\$5213,298.39	
MGM Nov 7-30 2019	\$98,116.26	\$98,381.15	\$34,433.40	\$1,377.34	\$1,372.18	-\$5.16	-\$5.16	\$5,509.34	\$5,494.51	-\$14.83	\$27,546.72	\$27,546.72	-\$27,546.72	-\$27,546.72	
EBH Nov 7-30 2019	\$235,971.86	\$236,141.49	\$82,649.52	\$3,305.98	\$3,303.62	-\$2.36	-\$2.36	\$13,223.92	\$13,214.48	-\$9.44	\$66,119.62	\$66,119.62	-\$66,119.62	-\$66,119.62	
PPC Dec 2019	\$918,590.87	\$918,689.49	\$321,541.32	\$12,861.65	\$12,860.27	-\$1.38	-\$1.38	\$51,446.61	\$51,441.08	-\$5.53	\$257,233.06	\$257,233.06	-\$257,233.06	-\$257,233.06	
MGM Dec 2019	\$118,838.44	\$120,866.76	\$42,303.37	\$1,692.13	\$1,663.73	-\$28.40	-\$28.40	\$6,768.54	\$6,654.95	-\$113.59	\$33,842.69	\$33,842.69	-\$33,842.69	-\$33,842.69	
EBH Dec 2019	\$337,582.34	\$337,749.64	\$118,212.37	\$4,728.49	\$4,726.15	-\$2.34	-\$2.34	\$18,913.98	\$18,904.60	-\$9.38	\$94,569.90	\$94,569.90	-\$94,569.90	-\$94,569.90	
PPC JAN 2020	\$997,513.02	\$1,000,704.30	\$350,246.51	\$14,009.86	\$13,965.18	-\$44.68	-\$44.68	\$56,039.44	\$55,860.72	-\$178.72	\$280,197.20	\$280,197.20	-\$280,197.20	-\$280,197.20	
MGM JAN 2020	\$129,774.22	\$129,962.78	\$45,486.97	\$1,819.48	\$1,816.83	-\$2.65	-\$2.65	\$7,277.92	\$7,267.35	-\$10.57	\$36,389.58	\$36,389.58	-\$36,389.58	-\$36,389.58	
EBH JAN 2020	\$303,619.12	\$302,833.83	\$105,991.84	\$4,239.67	\$4,250.66	\$10.99	\$10.99	\$16,958.69	\$17,002.67	\$43.98	\$84,793.47	\$84,793.47	-\$84,793.47	-\$84,793.47	
TOTAL	\$3,902,782.25	\$3,907,109.40	\$1,367,488.29	\$54,699.53	\$54,637.48	-\$62.05	-\$62.05	\$218,798.12	\$218,555.82	-\$242.30	\$1,093,990.63	\$1,093,990.63	\$0.00	-\$1,093,990.63	

Harness 65%

Actual total in collected race horse assessments		MGC		Theoretical		Actual		Variance		Theoretical		Actual		Variance	
Actual	MGC	(4%) Harness Horsemen Association of NE	(4%) Harness Horsemen Association of NE	Over/(Under) Payment	(16%) MA Standard bred owners	(16%) MA Standard bred owners	Over/(Under) Payment	Over/(Under) Payment	Over/(Under) Payment	(80%) Plainridge Park Racecourse	(80%) Plainridge Park Racecourse	Over/(Under) Payment	Over/(Under) Payment	Over/(Under) Payment	Variance
Total in collected race horse assessments		65% Allocation of MMARS November 7, 2019													
PPC Nov 7-30 2019	\$762,776.12	\$761,779.96	\$495,156.97	\$19,806.28	\$19,832.17	\$25.89	\$25.89	\$79,225.12	\$79,328.71	\$103.59	\$396,125.58	\$396,643.57	\$517.99	\$517.99	
MGM Nov 7-30 2019	\$98,116.26	\$98,381.15	\$63,947.75	\$2,557.91	\$2,551.02	-\$6.89	-\$6.89	\$10,231.64	\$10,204.08	-\$27.56	\$51,158.20	\$51,020.44	-\$137.76	-\$137.76	
EBH Nov 7-30 2019	\$235,971.86	\$236,141.49	\$153,491.97	\$6,139.68	\$6,135.26	-\$4.42	-\$4.42	\$24,558.71	\$24,541.07	-\$17.64	\$122,793.57	\$122,705.36	-\$88.21	-\$88.21	
PPC Dec 2019	\$918,590.87	\$918,689.49	\$597,148.16	\$23,885.92	\$23,883.36	-\$2.56	-\$2.56	\$95,543.70	\$95,533.44	-\$10.26	\$477,718.52	\$477,667.24	-\$51.28	-\$51.28	
MGM Dec 2019	\$118,838.44	\$120,866.76	\$78,563.39	\$3,142.53	\$3,089.79	-\$52.74	-\$52.74	\$12,570.14	\$12,359.19	-\$210.95	\$62,850.71	\$61,795.98	-\$1,054.73	-\$1,054.73	
EBH Dec 2019	\$337,582.34	\$337,749.64	\$219,537.26	\$8,781.49	\$8,777.14	-\$4.35	-\$4.35	\$35,125.96	\$35,108.56	-\$17.40	\$175,629.81	\$175,542.81	-\$87.00	-\$87.00	
PPC JAN 2020	\$997,513.02	\$1,000,704.30	\$650,457.80	\$26,018.31	\$25,935.33	-\$82.98	-\$82.98	\$104,073.25	\$103,741.35	-\$331.90	\$520,366.24	\$518,706.76	-\$1,659.48	-\$1,659.48	
MGM JAN 2020	\$129,774.22	\$129,962.78	\$84,475.81	\$3,379.03	\$3,374.12	-\$4.91	-\$4.91	\$13,516.13	\$13,496.51	-\$19.62	\$67,580.65	\$67,482.59	-\$98.06	-\$98.06	
EBH JAN 2020	\$303,619.12	\$302,833.83	\$196,841.99	\$7,873.68	\$7,894.09	\$20.41	\$20.41	\$31,494.72	\$31,576.38	\$81.66	\$157,473.59	\$157,881.93	\$408.34	\$408.34	
TOTAL	\$3,902,782.25	\$3,907,109.40	\$2,539,621.10	\$101,584.83	\$101,472.28	-\$112.55	-\$112.55	\$406,339.37	\$405,889.29	-\$450.08	\$2,031,696.87	\$2,029,446.68	-\$2,250.19	-\$2,250.19	

Bedard, Shara N. (MGC)

From: [REDACTED]
Sent: Monday, February 10, 2020 10:18 PM
To: Bedard, Shara N. (MGC)
Subject: HRC Committee

Dear Ms. Bedard,

I am writing regarding the split of the Race Horse Development Fund, RHDF, I have been a Thoroughbred Horse Owner since 2005 and have been a fan since the 1970's starting with the days of Secretariat. I am also a Massachusetts horse breeder. I have the highest regard for the people in the sport, the horses, and the sport itself. Please pass along my comments to the Committee.

I am completely against the efforts of the Standardbred horsemen and women to appropriate 100% of the RHDF funds in 2020. The RHDF has helped me continue in the sport during these very difficult times for the local Thoroughbred horsemen and women. More importantly it has helped me to keep two long time Massachusetts horse people fully employed for the past several years since Suffolk Downs stopped having a long racing season. These people love their jobs and are grateful for them. I am a hands on owner and I see how hard these people work and how much they value their jobs. I also employ some others on a part time basis and they too are grateful for the opportunity to work in the sport they love.

These people want to do more work in Massachusetts. They have to spend alot of time in New York now in order to stay in business, but their goal is to come back to spend most of their time in Massachusetts some day. The RHDF has allowed me to keep these good people employed. They are actively trying to build a track in Massachusetts and having the RHDF is essential to those efforts.

I am surprised and very disappointed that the Standardbred group is trying to take all of the 2020 RHDF money. They are trying to severely impact the ability of the struggling Thoroughbred workers to stay in business. The Standardbred group should be thankful and grateful that they have a place at home to race for most of the year. They should remember the well known expression "There but for the grace of God go I" rather than trying to kick the Thoroughbred horsemen when they are down, to use another well known expression.

If the tables had been turned and Suffolk Downs had been awarded the gaming license instead of Plainridge, I would never support denying the Standardbred group a portion of the RHDF. I went to Plainridge for their live races many times this summer and fall in order to support them and I brought people with me as well. Different horse groups should work together, not try to undercut another group.

I urge the HRC Committee to reject this plan to give all the 2020 RHDF funds to the Standardbred group. It will hurt the good people who work with the Thoroughbreds. The Standardbred group is fortunate enough to have a track and a long racing season and they should be thankful for that.

The Standardbred group should be trying to help the Thoroughbred workers rather than hurting them. They should be urging Penn National to try to help the Thoroughbred group. Penn National started off as a Thoroughbred racetrack, that is their roots. They are more interested in casinos and Barstool Sports now, but they still carry the name of their Thoroughbred racetrack. They should do what the Meadowlands in New Jersey used to do and convert the track in Plainridge to a Thoroughbred track for a portion of the year and let the Thoroughbreds have a chance to run as well. They also have open land further up toward Route 1 and there is adequate space for a dirt Thoroughbred track to be constructed. A grandstand would not be necessary. It would also be an opportunity for Penn National to make some money judging from the large and enthusiastic crowds that have attended the Suffolk Downs racing festivals for the last five years.

I urge the Standardbred group to do the right thing and stop trying to take all the 2020 RHDF money. In addition I urge them to try to open a dialogue with Penn National to help run some Thoroughbred races at Plainridge either using the Meadowlands model of a converted track for a portion of the season or by constructing a track on open land at Plainridge. I also respectfully request the HRC Committee to urge the Standardbred group and Penn National to do this.

Thank You,



Massachusetts Thoroughbred Horsemen's Association, Inc.

189 Squire Road #189

Revere, Ma. 02151

President - William G. Lagorio

Board of Directors

Owners

James Greene Lee Loebelenz

John Minchello Mike Alonardo

Robert Kynch

Trainers

Michael Catalano Adel Salim

Brenda McCarthy Shirley Edwards

Jay Budrewicz

February 12, 2020

Massachusetts Horse Race Committee:

Committee members,

In March of 2014 the Horse Racing Committee engaged the services of Dr. Margaret Ray of The University of Mary Washington. Dr. Ray was given the charge to review all the statistical data from the Commonwealth in regards to both the Standardbred and Thoroughbred industries.

In a 21- page report prepared by Dr. Ray; it was determined that 90% of the state's horse racing revenue was generated by the Thoroughbreds. Dr. Ray then recommended that 85% to 90% of the Racehorse Development Fund be allocated to the Thoroughbreds with the rest going to the Standardbred industry.

On September 4, 2014 the Massachusetts Gaming Commission endorsed the recommendation of the Horse Racing Committee which had gone with a 75% to 25% split favoring the Thoroughbreds. This split gave the Standardbreds 10% to 15% more than the economic study had recommended.

What happened since the original split was determined? In 2014 Suffolk Downs lost out on the region A casino license triggering a knee jerk reaction from ownership that the track would be permanently closing. Attempts to lease the facility by the horsemen for full-time racing for 2015 and beyond failed. A deal was then struck between Suffolk Downs ownership and the New England HBPA to operate a few days of racing each year as a temporary bridge while attempts were made to locate and build a new facility. It's been over 5 years and This "temporary" plan has allowed the industry and its hundreds of Massachusetts horsemen to suffer great financial losses while other have profited along the way.



Running a few days of racing since the 2014 termination of full-time racing at Suffolk Downs has enabled the Standardbreds and their Attorney Peter Goldberg to push forward with altering the split of funds based on the lack of full-time Thoroughbred racing and the limited benefits to the industry and to Commonwealth those few days of racing provide. With that said, the driving force behind the Racehorse Development Fund was the expected expansion of the industry which provided 90% of the revenue to Massachusetts, the Thoroughbreds.

The Massachusetts Thoroughbred Horsemen's Association clearly understands that there must be a synergy among all horsemen, Standardbred and Thoroughbred. We disagree with the position of the New England HBPA, who will simply state that the Standardbred industry is being grossly overfunded for purses. Our group thanks the Standardbred horsemen for helping to preserve the fund, however it can't be overstated to say that there is a strong appetite on Beacon Hill to restore the Thoroughbred industry, and in doing so maximize the return on investment that our legislators envisioned .

At the January 2020 split hearing there was a suggestion to schedule the next hearing in October and allow the legislature to re-wright the long and outdated racing laws (128A & 128C) which are set to expire on July 1, 2020. Attorney Goldberg stated that "We've been around this block many times and it always gets extended". The argument is that the escrowed monies on the Thoroughbred side are putting the fund in jeopardy and that there is uncertainty in regards to the 2020 Standardbred race meet as far as how much money will be available. It is our belief that further funding the Standardbreds and all but eliminating the possibility of a new Thoroughbred Track will leave the fund and the future of all racing in eminent danger. At their current 65% split level the Standardbreds should be adequately funded to move forward in 2020.

There are three or four new Thoroughbred track proposals currently on the table, ours being a proposed 80 plus million-dollar facility in Rowley. Understand that for the first time since 1935 someone must step up and build and pay for a new facility. What makes it appealing and possible to investors is that with escrowed funds and a continued flow of these funds purses can be paid in full for two or three years directly from the fund, allowing investors to get a payback on the new facility in a reasonable amount of time. But please understand that investors are paying close attention to the split, if this were to drop again on the Thoroughbred side, I don't see a scenario where the investors would continue to show interest and move forward.

At a split hearing last year a question came up about the handle, (monies wagered on the races), on Thoroughbreds versus Standardbreds, Attorney Goldberg stated that "the handle wasn't all that important", please understand

that before we had a Racehorse Development Fund, purses and all horsemen's groups expenses came from a percentage of live and simulcast handles. In 2014 The Thoroughbreds ran for purses in excess of 100,000 dollars per day, the Standardbreds ran for about 20% of that. To this day the majority of monies being wagered on racing in the Commonwealth is through Thoroughbred signals.

Back in late 1999 and early 2000 a Blue-Ribbon Committee was put together to review and update some of the older simulcast regulations. At that time there were four racetracks operating, Suffolk Downs, Plainridge Park, Wonderland Dog Track, and Raynham Park Dog Track. The Dog Track owners and Gary Piantowski of Plainridge Park made one thing clear, they needed a steady diet of Thoroughbred signals to continue operations. Piantowski stated that without the aid of those signals the Standardbred industry was going to fail.

In the Legislative Acts of 2001 permission was granted to the two Dog Tracks as well as the Plainridge Park Standardbred Track to expand their access of Thoroughbred simulcast signals. The Dog Tracks were paying a 3% premium to the host Thoroughbred Track and Plainridge Park was granted a special 2% premium to the host Thoroughbred track which still exists today. The Thoroughbred signals were the primary reason that Plainridge and the Standardbred industry in the Commonwealth survived.

We appreciate and respect the success the Standardbreds are achieving with expanded breeding and well-funded race days. We ask that they show us that same respect and grant us the additional time we need this year in our efforts to restore full-time Thoroughbred racing. The money is safer, and the industry is stronger when both breeds are healthy and operating successful, full-time race meets.

In closing, I would ask the Committee to hold sway the current split, allow the Massachusetts Legislature to implement a new body of racing laws this July, and allow investors an opportunity to move forward on a new Thoroughbred facility. If nothing comes to fruition this spring and summer, then a re-visit of the split in the fall of 2020 would certainly be in order.

Sincerely

William G. Lagorio

A handwritten signature in black ink, appearing to read 'William G. Lagorio', written over the printed name.

Bedard, Shara N. (MGC)

From: Bedard, Shara N. (MGC)
Sent: Friday, February 14, 2020 10:01 AM
To: 'Fitzgerald, Brian'; 'Peter Goldberg (PGoldberg@capeinjurylaw.com)'; Cameron, Gayle (MGC); 'Savage, Joseph F'; 'Kowtoniuk, Emily (TRE) (ekowtoniuk@tre.state.ma.us)'
Cc: Grossman, Todd (MGC); Muxie-Hartigan, Katherine (MGC); Lightbown, Alexandra (MGC)
Subject: FW: Contact the Commissioner Form Submission

Good Morning,

Below is a public comment for your consideration that will be included in your packets for the public meeting Wednesday.

Best regards,

Shara

Shara N. Bedard
Paralegal | Legal Division

Massachusetts Gaming Commission

101 Federal Street, 12th Floor
Boston, Massachusetts 02110
TEL 617.979.8458 | FAX 617.725.0258



Begin forwarded message:

From: "Showell, Vivian (MGC)" <Vivian.Showell@MassMail.State.MA.US>
Date: February 14, 2020 at 9:01:59 AM EST
To: "Lightbown, Alexandra (MGC)" <alightbown@MassMail.State.MA.US>
Subject: FW: Contact the Commissioner Form Submission

From: MGC Website [<mailto:massgamingcomm@gmail.com>]
Sent: Thursday, February 13, 2020 10:03 PM
To: MGCcomments (MGC)
Subject: Contact the Commissioner Form Submission

Name

[REDACTED]

Email

[REDACTED]

Phone

[REDACTED]

Subject

Race Horse Development Fund Allocation

Questions or Comments

To Whom It May Concern:

I saw the letter that the New England HBPA sent to their members. They asked their membership to write to help preserve their current allocation of 35% of the race horse development fund. I'm for taking the money from the thoroughbreds and either allocating it to the standardbreds or into something more useful, (wink, wink) education.

The facts are this: there is no thoroughbred racing in Massachusetts and Massachusetts bred races are being run in New York. The NEHBPA board talks in their open letter about finally making strides towards a new venue. They've been saying that since Suffolk Downs closed in 2014 and still have nothing to show. They continue to ask for a subsidy while contributing nothing to the Commonwealth.

Here are the points they made in their cry for help:

- Undermine investment confidence in the future of thoroughbred racing;
- Wipe out the availability of purses to attract thoroughbreds to race in Massachusetts; and
- Jeopardize our Breeding and Health and Welfare programs

For starters, what in-tune investor is looking to build a thoroughbred track in Massachusetts? It's been five-plus years since Suffolk Downs had their last full-time meet. This board is the biggest reason confidence has waned in the state as there is no transparency to their members. The only time we hear from this group is when they need our help to keep from losing money in the future.

The Mass Bred program is another farce. Besides a handful of foals dropping and possibly staying stabled in the state, what economic benefits is this program doing for Massachusetts? The majority of the money supporting this program is going to New York. This money, in my opinion, would be much better by staying in Massachusetts.

Regarding the health and welfare benefits. This group doesn't need 35% of the race horse development fund to support that.

The NEHBPA asked for all the emails to be sent to them first. To me that looks like they will be selecting the emails that fit their not-so-hidden agendas. Please put an end to this nonsense.

I'm no expert on any of this but these are just a few thoughts I had when I read their letter.

Sincerely,



**Position of the Standardbred Industry Regarding the
2020 Reallocation of the Race Horse Development Fund**

Pursuant to M.G.L. c. 23K §60(b)

Background

From August of 2012 through October of 2014, the Horse Racing Committee (“HRC”) of the Massachusetts Gaming Commission (“MGC”) held numerous public meetings, reviewed reams of documents, hired industry experts, commissioned an academic based study, invited and received public comment and heard well-reasoned arguments from both the Standardbred (“SB”) industry and the Thoroughbred (“TB”) industry. Through its exhaustive research, discussion and debates, the HRC formally sent its recommendation to the Mass Gaming Commission on October 24, 2014. After plugging in all of the applicable *metrics* as required by the Massachusetts Gaming Statute, the HRC recommended to the MGC, by a vote of 3-2, a split of the Race Horse Development Fund (“RHDF”) of 75% to the Massachusetts TB industry and 25% to the Massachusetts SB industry. It is important to note, that even with the numbers as they were in 2014, the two (2) dissenting voters had offered their opinions that the split should have been more equitable. Both HRC dissenters opined that more than 25% should have been allocated to the SB industry.

In 2016 the HRC began discussions regarding its responsibility to the residents of the Commonwealth to review the allocation (split) of the racehorse development fund (RHDF). After much research, review, discussion and debate, the HRC voted 4-1 to reallocate the RHDF split to 55% to the Standardbreds and 45% to the Thoroughbreds. This reallocation was accepted and then made retroactive back to January 1, 2016 by the Massachusetts Gaming Commission.

Much discussion was had at the HRC meetings of the potential change to the future racing landscape in Massachusetts. There was never any certainty as to whether or not *either* industry would be able to survive the current business/economic climate. Confirming this, **both** industries, early on, made it clear to the MGC that *if they* (Suffolk Downs & Plainridge Racecourse) did **not** receive a gaming license, **living racing would cease for that industry in Massachusetts**. In August of 2013, the applicant for the Class 2 license at Plainridge Racecourse, Ourway realty, was found “**not suitable**” by the MGC. Things looked awfully

bleak for the SB industry before Penn National Gaming came onto the scene. After Penn National was awarded the Class 2 gaming license, a new life was breathed into Standardbred racing in Massachusetts. **As a condition of this license, live racing not only had to continue at Plainridge, but they had to increase the number of live race days for the next three (3) years.** Obviously, the legislature, after researching and debating the gaming law for many, many years, decided and determined that **more live racing days was economically & environmentally beneficial to the Commonwealth of Massachusetts.** Live racing days have distinct direct and indirect financial and agricultural benefits to the Commonwealth. It was certainly clear to the Massachusetts legislature that **more live racing days meant more economic and agricultural benefits to the Commonwealth of Massachusetts.**

The most important and major metric discussed from August 2012 through October of 2014 at the HRC was the number of live race days for both horse racing industries. In 2014 the TB's raced 62 days and the SB's raced 80 days. **The decision made *at that time* by the HRC to revisit the split on an annual basis was in large part due to the potential change to the live horse racing landscape in Massachusetts.** The number of live race days was the major consideration during these discussions. Of course, more live racing days means higher total handle (on track wagering), **more employment days**, more food and beverage sales, more security, more veterinarians, more blacksmith's, more feed being sold, more hay, more taxes being paid to the Commonwealth...and the list goes on. **For these two (2) years the TB industry was steadfast in its claim that they were going to race as many days as the SB Industry in Massachusetts.**

The actual facts and the gaming commission numbers do not lie. The facts and numbers are clear and cannot and ***must not*** be ignored by the HRC. The Massachusetts' horseracing landscape shifted dramatically beginning with the 2015 racing season:

- In 2015, the SB's raced 100 days and the TB's merely 3.
- In 2016 the SB's raced 115 days and the TB's a mere 6.

- In 2017 the SB's raced 125 days and the TB's a mere 8.
- In 2018 the SB's raced 110 days and the TB's a mere 8.
- In 2019 the SB's raced 108 days and the TB's a mere 6.

In 2020 the SB's are approved to race 110 days and the TB's have not yet requested any race days whatsoever!

The gaming statute has not been changed.

The criteria to be looked at and analyzed by the HRC have not changed.

Only the metrics are changing and every possible metric points to the **Standardbred Industry as being the unquestionable economic leader in Massachusetts when it comes to economic and agricultural benefits provided due to horse racing in the Commonwealth.**

The split between the TB industry and the SB industry in Massachusetts **must** be reallocated once again to keep the intent and directive of the legislature and the gaming statute alive and to continue the benefits to the residents of the Commonwealth of Massachusetts provided by **more live horse racing and all of the economic and environmental benefits it provides.**

The HHANE commissioned an industry leader, The Innovation Group of New Orleans, LA to obtain the data as required, and perform an analysis consistent with M.G.L. c. 23K § 60 (b) and what has been directed by the HRC in our recommendation to the MCG in October 2014 and thereafter. After performing this analysis in 2020 (based upon 2019 data), it is quite clear that there needs to be **another reallocation** of the RHDF *split*. The numbers from 2014 to 2015 changed quite dramatically and the numbers from 2015 to 2019 continue to move in a direction favoring a larger portion of the RHDF to the SB Industry. The numbers basically “flip-flopped,” from 2014 – 2015 and this trend has continued every year since then.

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Despite years of listening to the TB Industry tell the HRC that they would be back to substantial live racing soon...**the TB's continue to make little or no progress in increasing its' live race days beyond the mere eight (6) days they raced in 2019.** In fact, even as the deadline for requesting racing dates has passed, no TB entity has requested a license for *any* live racing dates as of this time. The SB Industry continues to be the commanding "leader" in **all** of the categories in which the TB Industry led when the original split was decided. (The Innovation Group report is attached hereto and is hereby incorporated by reference and made a part of this SB position paper).

Purses

In 2014 the TB industry awarded \$6,929,400 in purses compared to \$2,268,300 for the SB industry. Thus the **TB industry awarded 75.34%** of the total purses in 2014. At that time the RHDF split was 75% - TB & 25% - SB. In 2015, the SB awarded \$4,210,636.00 as compared to \$1,620,200 for the TB. Thus, **in 2015, the SB industry awarded 72%** of the total purses in Massachusetts! In 2016, the Standardbred Industry in Massachusetts awarded \$7,954,092 in purses as compared to \$2,735,900 by the TB's. Thus, in 2016 **the SB industry awarded 74%** of the total purses in Massachusetts! In 2017 the SB Industry again increased purses to a record \$9,912,523. As opposed to the TB purses paid out of a mere \$3,844,000.00. Even though this was the case, in 2017 the RHDF split moved **only** to 60%-SB & 40% - TB. In 2018, this trend continued again as the SB paid purses increased to \$10,932,409 and the TB purses increased slightly to \$4,733,800.

In 2019 the SB Industry awarded 76% of the total horse racing purses in Massachusetts. The SB purses paid out in the amount of \$11,139,900.00 represents a **4th straight year of increased purses!!!** The TB Industry in 2019 awarded \$3,571,601 in purses, representing an **actual decline in purses awarded, for the first time since the RHDF came into existence.** This represents a complete and undeniable "flip-flop" in favor of the Standardbred industry since 2015 which has continued **each & every year since!** (See Innovation Report, Table #3, Table #4 & Table #5 at pp. 3 & 4).

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Furthermore, some of the purses awarded by the Thoroughbred Industry in 2016, 2017, 2018 & 2019 were *actually raced outside of Massachusetts, in upstate New York*. Races run outside of Massachusetts obviously do not provide **the same economic benefit to Massachusetts as those raced within Massachusetts**. **Each and every Standardbred race and dollar paid out in purses was raced in Massachusetts in 2015, 2016, 2017, 2018 & 2019!**

Employment Numbers

There is always a real difficulty in calculating the *effect* of the employment numbers for many reasons. First, the number of actual W2 employees at Plainridge *decreased* from 2014 to 2015, but **not** because there were less employees, but **because Penn National Gaming took over much of the actual day-to-day workload in Plainridge**. Obviously, with the building and opening of the Plainridge Park Casino, many, many jobs were added at the location.

Furthermore, Suffolk Downs shows 125 W2 employees in 2019, however, since they raced a total of only six (6) days, these employees could not have made much of an economic impact on the Commonwealth. Finally, when we include the 1099 recipients of both facilities, the picture becomes even more clear. There were 602 total employees at Plainridge (**up 5% from 2018**) and 421 for the TB Industry (**down 13% from 2018**). In 2018, The SB's had 54.5% of the employees and the TB's had 45.5%. In 2019, **the SB Industry had 59% of the total employees** as opposed to the TB Industry's 41%.

The numbers became even more difficult to measure in 2016 due to the issuance of multi-year licenses. As of 2015 the MGC allowed SB owners, drivers and trainers to obtain a 1 year, 2 year or 3 year license. The figures provided by the MGC only indicate **licenses actually issued that year**. In other words, if an owner applied for and received a 3 year license in 2017, this owner would **not** appear as an "Occupational Licensee" in 2017 or even 2018! The MGC has indicated that it cannot provide the actual numbers of owner, trainer or driver licenses that were actually in effect in 2016. In a report which was sent to the SB Industry on June 26, 2017, the MGC

indicated: ****This does not include multi-year licenses paid for in previous years. At Plainridge many licensees have taken out multi-year licenses.**

In any event, the occupational numbers are again skewed heavily in favor of the SB Industry when we consider the number of live race days for each Industry. It is simple math to compare the positive economic effects on the Commonwealth of trainers when, even if you take the numbers provided by the MGC of “licenses issued” to trainers in 2019, SB – 153 & TB – 125. We must remember to consider the economic effects upon the Commonwealth of 153 SB trainers racing 108 days in Massachusetts and training their horses for a period of approximately ten (10) months compared to the 125 TB trainers who ship their horses into Massachusetts to race for two (2) days at a time, three (3) times per summer. There is **obviously** a much greater economic benefit to the Commonwealth from **153 SB trainers racing 108 days and *stabling/training* for 300 plus days** as opposed to the 125 TB trainers racing a grand total of six (6) days in Massachusetts! (See Innovation Report, Table #6 & Table #7 at pp. 5 & 6).

Relative Needs of the Industries

Although this was *conceded* by the TB industry in 2014 as being “equal,” the changing landscape for the two (2) industries has clearly tipped the scales on this metric completely in **favor of the SB Industry!**

The TB industry has, in the past, however, either misunderstood, miscalculated and/or misled the HRC in its calculations regarding what purse structure is needed by the SB Industry to compete in its region. In 2015, **with only its 25% share of the RHDF allocation**, Plainridge had the fourth **lowest** average purse per race of all the Northeast tracks that it competes with. Plainridge awarded total purses that were **Ten Million (\$10,000,000.00) dollars lower** than the average in the region. This, in spite of the fact that Plainridge Park was *required by law* to race virtually the same number of days as these other tracks (110 versus a 113 day average). Even **after** receiving the 25% from the RHDF, the SB industry’s needs remained significant.

In 2016, after receiving 55% of the RHDF, the SB purses increased to \$7,954,092. While this was a substantial increase, and the SB Industry stakeholders were extremely thankful to the HRC, MGC and the legislature for the increased funding, the additional purse monies received by the SB Industry **only moved Plainridge Park Racecourse up to 14th (out of 23 tracks) in the northeast region for average “purse per race.”** **Thus, even after receiving 55% of the RHDF in 2016, Plainridge remained in the lower half of the racetracks in the northeast region.** When we looked at the “average purse per card (or race day),” Plainridge had moved even further down the “standings” to number 19 out of 23 racetracks in the northeast region.

In 2018, after receiving 60% of the RHDF, the SB purses increased to \$10,872,177. While this increase continued to help the SB Industry compete with other northeastern tracks, Plainridge still only ranked 11th in the region for purses paid. Plainridge still payed out \$4,000,000.00 **less than the average amount paid by all harness tracks in the region.** If we compare apples-to-apples, tracks of the same size, Plainridge was more than **\$6,000,000. per year behind the average for the region in 2018!**

In 2019, with virtually the same amount paid in purses as 2018, Plainridge still remains *only* 11th in gross purses paid by all competing harness tracks in the northeast. **In 2019 Plainridge still paid out just under \$3,000,000.00 less in purses than the industry average in the northeast.** Once again, if we compare “apple-to-apples: and look at similar sized racetracks (5/8’ths mile tracks), Plainridge still pays out \$5,700,000.00 per year ***less in purses than the average*** for these harness tracks!

Conversely, the TB Industry awarded an average of \$400,000.00 a day in 2015. The six (6) days raced by the TB’s in 2016 required \$2,735,900.00 (\$455,983.33 per day). In 2017, the TB’s raced a grand total of only eight (8) days and again in 2018 the TB’s raced a mere eight (8) days of live racing in Massachusetts. In 2019, the TB Industry only raced a total of six (6) days of live racing in Massachusetts and paid out \$3,571,601 in total purses! The TB Industry’s needs for purses was certainly met by the monies provided to the purse fund via simulcasting proceeds and live handle proceeds. Furthermore, the TB industry currently has **unspent funds in its**

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purse account well in excess of this amount. In fact, the TB's current escrowed purse money exceeds **sixteen million (\$16,000,000.00) dollars!** Even if the TB's were to not receive a single penny from the RHDF, what they have already deposited into the purse account from monies earned from simulcasting, live handle and the RHDF, the TB's would in fact, need **absolutely no money** from the RHDF for many, many years to come... **if ever at all!**

To recap:

- In 2019 the SB's paid-out every dollar of purse money received by the RHDF.
- In 2019 the TB's paid out **not one penny** of money earmarked for purses by the RHDF.

Live Racing Handle

The chart on page nine (9) of The Innovation Group report succinctly illustrates this metric. Quite simply, in 2014 **the TB Industry led with 81%** of the total live racing handle to 19% for the SB Industry. In 2018 the split was 51% of live to handle for the TB Industry and 49% for the SB Industry. In 2019 the split shifted to 55% for the SB Industry (**up 6%**) to only 45% for the TB Industry (**down 6%**). **This represents a large increase from 2018 – 2019 in favor of the SB Industry!** (See Innovation Report, Table 11 at p. 9).

Table 11 of The Innovation Group report shows that the *Compound Annual Growth Rate* from 2014 through 2019 shows live racing handle **up 7% for the SB Industry and down 23% for the TB Industry!** What was once a huge metric "in favor" of the TB Industry has changed to a metric that clearly favors the SB Industry in our discussion.

Breeding and Training Farms

It is extremely important to point out that this criteria calls for "**breeding and training farms,**" not merely "Farms that house a thoroughbred or a standardbred horse." Surveys aside, the best and most accurate way to measure breeding farms is to look at **actual foals born each year for each industry**. The actual physical farms themselves do not vary too much from year to year for each, but the residents (stallions, mares, foals) of those facilities does. The Innovation Group

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chart on page nine (9) of the attached report clearly shows a **continuing** positive trend for Massachusetts-bred SB foals, broodmares, and breeders. Increases from 2014 to 2015, from 2015 to 2016, from 2016 to 2017, from 2017 to 2018 and again from 2018 to 2019 are **proof of an unbelievably positive trend in SB breeding**. In 2014 there were 36 foals born in Massachusetts. In 2015 that same number was 49. In 2016 there were 51 foals born. **In 2017, that number jumped substantially to 96! Once again, in 2019 that number continued to increase to a record number of foals, 99!**

Another critical metric when discussing the health of horse breeding in Massachusetts is the number of broodmares registered in Massachusetts. **For SB broodmares, this number increased from 116 broodmares in 2018 to a record 141 broodmares in 2019! This represents a tremendous 22% increase in broodmares in just the last year! In 2020 standardbred foals will once again be at a record number!**

Conversely, the health of the TB Breeding business in Massachusetts is terrible. The Jockey Club Massachusetts Fact Book indicates that there were 26 thoroughbred foals born in 2014. That number in 2015 was 10. In 2016 there were 9 foals listed by this book. In 2017 there were 16 foals born and again, only 8 in 2018! Most noticeable is that from 2018 to 2019 the number of TB mares bred in Massachusetts went from 8 in 2018 to **only 1** in 2019.

So in 2014 the SB industry had 64.3% of the Mass bred foals compared to 35.7% for the TB industry. In 2015 the SB industry had 89% compared to 11% for the TB. In 2016 the SB Industry had 85% compared to 15% of the mass bred foals for the TB Industry. In 2017 the TB listed 16 foals born. In 2017 the SB Industry still had 85% of the registered foals in Massachusetts.

While the SB foals increased to a record level of 99 foals born in 2018, the TB's only had 8 registered foals in 2018. What we do have however, is the fact that **the number of TB mares has decreased from 23 in 2017 (producing 16 foals) to only 9 in 2018 and then only 1 in 2019!** Therefore the number of TB foals in 2020 could, at most be 1! While the SB foals, mares and breeders continues its steep climb, the numbers pertaining to TB breeding in

Massachusetts continue to decrease dramatically. (See Innovation Report, Table #22 at p. 19).

To recap:

- In 2018 the SB's had 116 broodmares & the TB's had 9 broodmares.
- In 2019 the SB's had 141 broodmares (**up 22%**) & the TB's had 1 broodmare (**down 89%**).

Discretionary Criteria

A review of these metrics has been done and is a part of the Innovation Group report attached hereto. Much of this data goes hand-in-hand with the above-mentioned five (5) statutory criteria. The most telling of these, and by far the most discussed in the first seven (7) years of the HRC analysis is **live race days**. In 2014 the Standardbreds raced 80 days and the Thoroughbreds 62. This calculated to 56% for the SB's and 44% for the TB's. In 2015 the numbers were 100 days for the SB's and only 3 days for the TB's. This calculates to 97% for the SB and 3% for the TB. In 2016 the Standardbreds raced one hundred and fifteen (115) days (as legislatively mandated) and the TB's raced a total of six (6) days. 95% of the live horse races in Massachusetts in 2016 were Standardbred harness races! This pattern continued again in 2017 & 2018. The SB Industry raced 94% & 93% respectively of all the live racing days in these two (2) years! Once again, in 2019 the numbers strongly favored the SB Industry. The SB's raced 108 days compared to merely six (6) days for the TB's.

It must also be remembered that while the SB's are racing 108 days (and 110 days in 2020), the race season is from early April through late November. While horses generally take a well-deserved break after the season, most of them will "winter" on Massachusetts' Farms and start back up training (to get ready for the next year's season) in mid-January to early February. This adds up to an "active" season of approximately ten (10) months in **Massachusetts** for the SB

racehorses. During this “season,” the horses are not only racing, but training on almost a daily basis. While racing, most SB racehorses will race on a weekly basis, and “jog” or “train” approximately 4 or 5 other days of the week. SB horse racing is a much more labor intensive endeavor than TB racing, which relates to a much stronger positive economic effect upon the Commonwealth by the SB Industry than the TB Industry! (See Innovation Report, Table #15 at p. 14).

To recap:

- SB’s raced 1,128 races in 2018 while the TB’s held 98 races. (SB = 92%)
- SB’s raced 1,131 races in 2019 while the TB’s held *only* 68 races. (SB = 94%)

Mass Bred Horse Sold at Public Auction: Another of the discretionary criteria to be looked at is the number of **Mass-Bred horses** sold each year at public auction. In 2016 the SB Industry sold a total of four (4) Mass-Breds at public auction. In 2017 that number rose to five (5). In 2018 the number rose to nine (9). **In 2019, the health of the Mass SB breeding program was *once again* shown by the fact that there were 21 Mass Bred SB horses sold at public auction! This represents a 133% INCREASE from 2018!!!**

Over the last three (3) years, Mass bred Standardbreds have been sold for a total value of \$1,679,000 at public auctions! Conversely, **no records** at all were found regarding any Mass-Bred TB’s sold at public auction in this last three (3) year period! (See Innovation Report, Table #24 at p. 21).

Capital Expenditures: For the past four (4) years, each and every year substantial amounts of money have been spent to complete capital projects at Plainridge Park. The information in The Innovation Group report on page 16-17 highlights this. In 2018 alone, in excess of \$315,543.00 was spent for capital improvements. (See Innovation Report at pp. 16 & 17).

Finally, the Harness Horseman’s Association of New England, Inc. (HHANE) is the officially recognized by the MGC as the organization that represents the participants of Massachusetts’

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harness racing industry. In 2016 a special committee of the HHANE researched and developed a Retirement Savings Program (RSP) that is allowing, for the first time ever in Massachusetts, harness industry members to earn credits for their retirement accounts! This Retirement Savings Program (RSP) was reviewed and **approved** by the Mass Gaming Commission in May of 2018. \$1,500,000.00 of the \$1.6 million received for health & welfare have been used to provide for the RSP. This is another prime example of just how the RHDF payments to the SB Industry are *actually* benefiting the Massachusetts SB horsemen & women!

Conclusion

The law that the HRC has been charged to follow **has not changed**. The numbers do not lie. A thorough and in-depth review of the changes in the applicable metrics bear out **only one conclusion: the Standardbred Industry in Massachusetts needs, deserves, and is required by law to get “the lion’s share,” if not all of the RHDF. The TB Industry already has “escrowed” enough purse money to race for *decades to come*. The SB Industry, while doing well and improving still needs additional funds to continue this positive trend, especially with **the competition from other tracks!** That “fair share” would be a percentage much greater than the 65%SB - 35%TB split that was recommended by the HRC to the MGC in 2019! At the HRC vote providing for 60% to the SB Industry, the members who ultimately voted “for” the 60/40 split agreed that the metrics (*even at that time*) clearly favored more than 60% going to the Standardbred Industry, *however*, it was voiced that “too big of a movement at one time could be disruptive to the thoroughbred industry.”**

At that time (and previously!) there were statements from TB leaders that a “new racing facility would be opened **within a year.**” Our HRC gave homage to those statements and limited the movement from 55% to 60%, and last year from 60% to only 65% for the SB Industry keeping in step with the idea that moving “too much too fast” could hamper the TB plans for that new racetrack. Well, that new TB racetrack is no closer to being built now than it was 2018 or 2019! The TB’s have millions in their coffers.

It is time, almost two and a half (2.5) years later, to finally continue to adjust the split as the metrics and the law dictates. The five (5) members of the Horse Racing Committee have been charged by the law to represent the citizens of the Commonwealth of Massachusetts. We must do our due diligence to protect our residents and the clear ideals behind the Massachusetts gaming statute. The law, the research and calculations are clear. To do what the law requires and what the citizens of the Commonwealth of Massachusetts deserve, the hard-working horsemen and women of the Massachusetts Standardbred Industry should receive lion's share, if not all of the RHDF in 2020. The SB Industry is cognizant of the health & welfare needs of the TB Industry, and, as previously stated, it remains committed to work with this committee and/or the TB Industry itself, to provide a solution so that the RHDF funding to the TB Health & Welfare allows the health & welfare needs of the TB Industry to remain stable & viable in the future.

Respectfully Submitted,



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Harness Horseman's Association of New England, Inc. (HHANE)



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**THE
INNOVATION
GROUP**

**Economic Impact Study,
New England Harness
Horseracing Industry
Plainville, MA**

Prepared for:

**HARNESS HORSEMAN'S ASSOCIATION OF NEW ENGLAND
STANDARD BRED OWNERS OF MASSACHUSETTS, INC.**

February 2020

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INTRODUCTION

The Innovation Group was commissioned by the Harness Horseman's Association of New England (HHANE) and the Standardbred Owners of Massachusetts, Inc. ("SOM") to assess the economic impacts of the Standardbred horseracing industry in Massachusetts, specifically in regard to the six criteria established by the Massachusetts Horse Racing Committee for the distribution of the Race Horse Development Fund ("Fund" or "RHDF").

The Expanded Gaming Act of 2011 allocated a percentage of gaming revenue from future licensed facilities to a Race Horse Development Fund to support the state's racing industry and established a Horse Racing Committee ("Committee") to recommend to the Massachusetts Gaming Commission ("Commission") how the funds will be allocated between the Thoroughbred and Standardbred segments. The law set forth five minimum criteria that the Committee was to evaluate:

- 1) The average purses awarded at Thoroughbred and Standardbred racing facilities;
- 2) The total employment numbers, both direct and indirect, attributable to each horse racing industry;
- 3) The relative needs of each horse racing industry for increased purses;
- 4) The amount of the live racing handle generated by each horse racing industry;
- 5) The number of breeding and training farms of each industry that are located in the Commonwealth.

The Committee later added a sixth category of discretionary criteria that could be considered—such as number of live race days and number of stallions, mares, and foals residing in Massachusetts.

The primary focus of this report is to assess the economic impacts for 2019 of the Standardbred industry relative to the Thoroughbred industry based upon the five statutory and additional discretionary criteria. The report concludes with a recommendation to the committee for the most appropriate distribution of gaming revenue for horseracing based upon the direct impacts that both segments currently have on the Commonwealth and the future outlook on relative needs of the Standardbreds to accommodate race days in 2020.

In 2019 Standardbreds remain the dominant segment of the Massachusetts horse racing industry. The Standardbred segment accounts for either the large or the vast majority (79%) of most of the key criteria that drive economic benefits for the Commonwealth, including 76% of purses awarded, 55% of live handle, 94% of races, and 79% of Mass-bred starters.

Table 1: Standardbred Share of Key Metrics

	2019	2018	2017
Purses	76%	70%	72%
Live Racing Handle	55%	49%	50%
Live Race Days	95%	93%	94%
Live Races	94%	92%	93%
Mass-Bred Starters	79%	70%	62%
Mass-Bred Starts	90%	83%	76%
Mass Start Earnings	78%	73%	69%
Occupational Licenses*	64%	57%	63%
Average	79%	73%	72%

Source: Mass Gaming Commission; Standardbred Owners of Massachusetts; Massachusetts Jockey Club; The Innovation Group;

*Adjusted for 3-year SB license duration, see discussion section k.

The RHDF contributions totaled \$18 million in 2019, with 96% or \$17.4 million dedicated to purse supplements.¹ Standardbreds received \$10.6 million in supplements while awarding more than \$11.1 million in purses, a deficit of \$0.6 million. The situation for Thoroughbreds was reversed, with \$6.8 million in supplements contrasted with just \$3.6 million in purses awarded, leaving a balance of nearly \$3.3 million in their account from 2019 contributions alone.

Table 2: 2019 RHDF Contributions & Distributions

	Total	Standardbreds	Thoroughbreds
Total Fund GGR Contributions	\$18,085,445	\$10,974,861	\$7,110,584
Available Purse Supplements	\$17,380,812	\$10,547,221	\$6,833,591
Purses Awarded	\$14,711,501	\$11,139,900	\$3,571,601
Balance	\$2,669,311	(\$592,679)	\$3,261,990

Source: Mass Gaming Commission; The Innovation Group

¹ The RHDF monies for the Standardbred and Thoroughbred industries are allocated 80% to overnight purses, 16% to breeders (which are used to fund the restricted race purses), and 4% to health and welfare programs. In June 2016, the Horse Racing Committee voted four to one to distribute 55% of the Fund to Standardbreds and 45% to Thoroughbreds. The Commission accepted the Committee's recommendation and made the split retroactive to January 1, 2016. This was revised once more in 2017 and again in November 2019 to its current split of 65% to Standardbreds and 35% to Thoroughbreds.

ANALYSIS OF THE FIVE STATUTORY CRITERIA

This section compares the two horse racing segments regarding the five statutory criteria. In 2019, the Standardbred industry accounted for 76% of purses awarded, 94% of races, 55% of live racing handle, and 59% of employment.

1) Purses

Total purses awarded in Massachusetts reached \$14.7 million in 2019, down 6% from the year prior as Thoroughbred purses declined by more than \$1 million. The Standardbreds awarded nearly **76%** of total purses in Massachusetts for the year, compared to **24%** by the Thoroughbreds.

In 2019, the total number of races held annually decreased in Massachusetts for a second year in a row since the RHDF was established. With a 31% decline in Thoroughbred races from the previous year, Standardbreds held **94%** of the total annual races in Massachusetts for 2019. The average purse per race for Standardbreds has increased in 2019 from the previous year due to the increased distributions from the RHDF. Although this had a positive direct effect on Standardbred breeding in Massachusetts, the state continues to rank third to last in the Northeast region for total purses awarded to restricted races. Total Purse trends for Massachusetts horse racing are shown in the following table.

Table 3: Total Purses Awarded at Races

		Standardbred	% Share	Thoroughbred*	% Share	Total
Total Purses	2015	\$4,210,636	72%	\$1,620,200	28%	\$5,830,836
	2016	\$7,954,092	74%	\$2,735,900	26%	\$10,689,992
	2017	\$9,912,523	72%	\$3,844,306	28%	\$13,756,829
	2018	\$10,932,409	70%	\$4,733,800	30%	\$15,666,209
	2019	\$11,139,900	76%	\$3,571,601	24%	\$14,711,501
Number of Races	2015	949	96%	36	4%	985
	2016	1,092	95%	63	5%	1,155
	2017	1,182	93%	92	7%	1,274
	2018	1,128	92%	98	8%	1,226
	2019	1,131	94%	68	6%	1,199
AVG Purse per Race	2015	\$4,437		\$45,006		
	2016	\$7,284		\$43,427		
	2017	\$8,386		\$41,786		
	2018	\$9,692		\$48,304		
	2019	\$9,850		\$52,524		

Source: Mass Gaming Commission Annual Reports; The Innovation Group

*Note: 2015 - 2019 Total does not include purses awarded at Finger Lakes

Both horse racing segments in the Commonwealth participate in restricted races, which are open only to Massachusetts-Bred horses. The Standardbred industry held three times the number of restricted races than Thoroughbreds throughout the 2019 season and the total purses awarded by Standardbreds were nearly three times the amount of the Thoroughbreds. The increase in funds

from the RHDF has greatly benefited the local Standardbred industry, as average purse per restricted race for Standardbreds has doubled annually from \$9,941 in 2014, to \$20,013 in 2015, to \$38,873 in 2016. The purse increased again in 2019, bringing the average more in line with restricted race purses offered by Thoroughbreds.

Table 4: 2019 Restricted Race Purses

	Standardbred	% Share	Thoroughbred*	% Share
Total Purse	\$1,755,100	75%	\$600,000	25%
Number of Races	35	74%	12	26%
AVG Purse per Race	\$50,146		\$50,000	

Source: Mass Gaming Commission Annual Report, The Innovation Group

*Note: Total does not include purses awarded at Finger Lakes

Excluding the number of restricted races and their purses from annual totals, the Standardbred industry awarded **76%** of all purses for the 2019 season for an average \$8,563 per race compared to **24%** for the Thoroughbred industry.

Table 5: 2019 Total Purse - Without Restricted Races

	Standardbred	% Share	Thoroughbred	% Share
Total Purse	\$9,384,800	76%	\$2,971,601	24%
Number of Races	1,096	95%	56	5%
AVG Purse per Race	\$8,563		\$53,064	

Source: Mass Gaming Commission Annual Report, The Innovation Group

Pertinent to the economic impact accruing to the commonwealth is the distribution of purses to Massachusetts starters. As detailed in section 6f later in the report, Standardbreds earned 78% of the total earnings for Mass-bred starters in Massachusetts.

2) Employment Impacts

Direct employment in the horse racing industry is a broad and extensive network beyond racetrack operations. Racing enterprises expend the vast majority of the revenue they earn in the local economy in the ordinary course of business. For instance, racing enterprises employ trainers, assistant trainers, horse grooms, farm/ranch workers, drivers/jockeys, exercise riders and administrative personnel. Additionally, the industry relies to a large degree on service providers as contract labor for such things as farrier, veterinary services, and transportation services. Other expenditures include horse purchases, stallion fees, trainer fees, stabling charges, blacksmith services, tack/groom supplies, transportation costs, insurance and administrative costs. The trainer fees often include day fees (horse care expenses) related to such things as vitamins, medical equipment, medical prescriptions, groom and hot walker wages, exercise rider wages, and feed and bedding (hay/straw).

The ultimate source of this extensive economic activity are purses. Purses provide the revenues that drive the racing enterprises sector. Currently, the Thoroughbred segment lacks the full-time infrastructure—i.e., a fully operating racetrack—for distributing purse awards.

It should be noted that economic multipliers from the Bureau of Economic Analysis or IMPLAN do not distinguish between the Standardbred and Thoroughbred segments. To derive the indirect and induced impacts, the direct impacts would be multiplied by the same amount for the Standardbred and Thoroughbred segments. Therefore, for the purpose of this employment comparison, direct employment is sufficient.

The most valid method for the purpose of comparing direct employment in the two segments is to utilize the same data source. Utilizing different data sources or methodologies can result in invalid comparisons. **For this analysis, we only utilized *employment categories from the occupational license data provided by the Commission, thus excluding owners, partnership, and stable names from the total number of issued licenses.*** If we exclude all out-of-state license holders, the Standardbred industry directly employs 59% of all licensed residents in the racing industry. Additionally, training and breeding farms employ stable help that are not licensed.

Table 6: 2019 Occupational Licenses by Employment Category

	Standardbred	Thoroughbred
Apprentice Jockey		4
Assistant Starter		9
Assistant Trainer		11
Authorized Agent		1
Blacksmith	1	1
Driver	95	
Exercise Rider		3
Jockey		34
Pony Person		10
Racing Official	15	20
Stable Employee	103	68
Track Employee	11	1
Trainer	153	125
Valet		7
Vendor	10	13
Vendor Security		11
Veterinarian	2	1
Total Licenses	390	319
<i>Share of Licenses</i>	<i>55%</i>	<i>45%</i>
# Licensed MA Residents	126	89
<i>Share of MA Residents</i>	<i>59%</i>	<i>41%</i>

Source: Mass Gaming Commission; Note: Excludes Owners and other non-employment categories.

However, the table above does not adequately portray the Standardbred and Thoroughbred industries, since the occupational licenses only represent those *issued* in 2019 not the *total active* licenses for the season. The Commission allows for multi-year licensing options valid for up to three years for Standardbreds licensees, but do not currently offer them to Thoroughbred licensees. Based on previous years, it can be estimated that annual issued licenses to Standardbreds account for 2/3 of the total active licenses for in a year. Although they currently have no way to track the

annual licenses that are in effect for the season, the approximation would indicate the Standardbred’s total active employment licenses is closer to **600**.

With an 8-month racing season and adding in a ninth or tenth month for arrival and preparation, harness racing in Massachusetts effectively represents a permanent economic impact to the Commonwealth. Out-of-state horses that are stabled at Plainridge for the season bring economic impacts to the Commonwealth for more three-quarters of the year, whereas the induced impact of out-of-state racing teams at Suffolk are highly temporary, lasting just a few days a year.

There were 108 race days for the Standardbred segment in 2019, 18 times greater than the 6 race days held for Thoroughbreds. In other words, economic impacts from spending by out-of-state racers and from direct racetrack employment are magnified 18 times in favor of the Standardbreds.

This magnification could be at play comparing the number of W2s as reported in meeting materials issued by the Racing Division from January 2020. Plainridge Park reported 50 W2 employees in 2019, which represents permanent, year-round employment. Suffolk Downs, which as of October 2014 had officially closed all racetrack operations, reported 125 W2s. It is not possible to estimate how many hours of employment the 125 represents, but it is unlikely that it comes close to being comparable to Standardbred employment since Suffolk conducted only 6 days of live racing in 2019. As a point of comparison, prior to terminating racetrack operations, in its last year of full racing Suffolk had 183 W2 employees.

Table 7: 2019 Employees

Employees	Standardbred	Thoroughbred
W2	50	125
1099	552	296
Total	602	421
% Share	59%	41%

Source: Mass Gaming Commission

Moreover, the 50 W2s at Plainridge is not a full account of employees who work at the racetrack since a number of departments—including housekeeping, finance, and food and beverage—were consolidated by Penn National Gaming into the overall property operations. In 2014, prior to the opening of the casino, Plainridge Racecourse reported 127 W2s.

Given all these caveats and complicating factors, W2s—in the absence of data showing total annual compensation paid out—do not provide a valid apples-to-apples comparison of the economic impacts generated by racing-related employment. The result of the occupational license comparison, although imperfect, would be the most valid measurement given the available data. However, given the limitations discussed above regarding active versus issued licenses for the 2019 season, we have no method to quantify racing-related employment for each sector. At minimum, we estimate that the Standardbred segment in terms of employment contributes in excess of **two-thirds** of the economic impact of the racing industry to the Commonwealth due to the distribution of licenses and employment in addition to length of the racing season by sector.

3) Relative Needs for Increased Purses

Plainridge racetrack competes with 23 other harness tracks in the Northeast region of the country. All regional competitors receive purse supplements from gaming revenue in their respective states, with the exception of New Jersey.

In 2015, Plainridge had the fifth lowest average purse awarded per race at \$4,436, up only slightly from 2014 when they were the lowest of the region. However, following the adjusted split in RDHF distributions starting in 2016, Plainridge was no longer one of the least competitive tracks. Plainridge currently ranks 11th among the 26 regional competitors for total purses, although total annual purses awarded remains **\$2.7 million below** the regional average.

Table 8: 2019 Northeast Harness Racetracks Ranked by Gross Purses

Rank	Track	State	Track Size	Race Cards	Races	Gross Purses	Avg. Purse per Race	Avg. Purse per Card
1	Yonkers Raceway	NY	H	263	2,657	\$60,560,973	\$22,793	\$230,270
2	The Meadows	PA	F	193	2,510	\$29,968,371	\$11,940	\$155,277
3	Northfield Park	OH	H	220	3,364	\$29,434,592	\$8,750	\$133,794
4	Meadowlands	NJ	M	99	1,191	\$29,396,010	\$24,682	\$296,929
5	Harrah's Philadelphia	PA	F	150	2,037	\$28,717,620	\$14,098	\$191,451
6	Mohegan Sun Pocono	PA	F	134	1,821	\$27,517,443	\$15,111	\$205,354
7	Saratoga Harness	NY	H	176	1,947	\$17,513,627	\$8,995	\$99,509
8	Dover Downs	DE	F	92	1,125	\$17,037,748	\$15,145	\$185,193
9	Scioto Downs	OH	F	90	1,115	\$16,926,863	\$15,181	\$188,076
10	Miami Valley Racing	OH	F	87	1,192	\$14,553,662	\$12,209	\$167,283
11	Plainridge Park	MA	F	114	1,131	\$11,134,892	\$9,845	\$97,674
12	Hollywood Dayton Raceway	OH	F	78	1,051	\$9,458,802	\$9,000	\$121,267
13	Harrington Raceway	DE	H	67	810	\$9,426,790	\$11,638	\$140,698
14	Batavia Downs	NY	H	66	734	\$8,177,935	\$11,142	\$123,908
15	Monticello Raceway	NY	H	200	1,709	\$7,689,091	\$4,499	\$38,445
16	Tioga Downs	NY	F	59	651	\$7,045,978	\$10,823	\$119,423
17	Buffalo Raceway	NY	H	66	726	\$5,928,499	\$8,166	\$89,826
18	Freehold Raceway	NJ	H	84	853	\$5,893,091	\$6,909	\$70,156
19	Rosecroft Raceway	MD	F	65	794	\$5,692,093	\$7,169	\$87,571
20	Vernon Downs	NY	S	71	787	\$5,479,739	\$6,963	\$77,179
21	Ocean Downs	MD	H	47	572	\$4,009,627	\$7,010	\$85,311
22	Scarborough Downs	ME	H	82	713	\$3,444,668	\$4,831	\$42,008
23	Delaware	OH	H	7	87	\$2,900,843	\$33,343	\$414,406
24	Bangor Raceway	ME	H	50	414	\$1,584,438	\$3,827	\$31,689
25	Shenandoah Downs	VA	H	12	137	\$899,150	\$6,563	\$74,929
26	Goshen Historic Track	NY	H	4	33	\$287,418	\$8,710	\$71,855
Northeast Average				99	1,160	\$13,872,306	\$11,513	\$136,134
<i>Track Size F Average</i>				<i>106</i>	<i>1,343</i>	<i>\$16,805,347</i>	<i>\$12,052</i>	<i>\$151,857</i>

Source: US Trotting Association; The Innovation Group

If we compare Plainridge to only those tracks of a similar size (5/8 mile - F), the track ranks 7th of all ten competitors in the Northeast; in 2015 they ranked the lowest. The total annual purses awarded at Plainridge increased 5% in 2019, though it was only two-thirds of the F-track average for the 2019 season (\$16.8 million).

Table 9: 2018 Restricted Race Purses by State*

State	Restricted Purses	% of Total Purses	Total Purses
Ohio	\$17,299,013	24%	\$71,626,132
New York	\$16,688,081	15%	\$109,156,949
Pennsylvania	\$15,737,873	17%	\$91,718,897
Delaware	\$2,861,650	13%	\$22,696,735
Maine	\$2,044,845	40%	\$5,162,776
New Jersey	\$1,990,081	7%	\$27,272,662
Massachusetts	\$1,856,283	17%	\$10,872,177
Maryland	\$1,793,634	20%	\$9,045,547
Virginia	\$297,200	36%	\$832,065
NE Total	\$60,568,660		\$348,383,940

Source: US Trotting Association; The Innovation Group; *2019 data not yet available

Although the increased RHDF distribution has allowed the Standardbred industry to increase the purses awarded for restricted races, as of 2018 Massachusetts had the third lowest total allotment for resident owners in the Northeast. That year Massachusetts used 17% of their total purses for restricted races, only slightly lower than the regional average of 21%. However, if the Standardbreds were able to increase the allotment to 20-25% (\$2 - \$2.7 million), Massachusetts-Bred owners would still fare worse than half of their neighbors. This further supports the need for increased purses to the Standardbred industry from the RHDF.

By contrast, as noted previously, the Thoroughbred segment was unable to distribute the supplements it *received* in 2019 under the RHDF split and currently has an unexpended fund balance of \$16.1 million. With no racing season expected for 2020, the Thoroughbred fund balance will likely reach \$22 million by December 2020.

Table 10: RHDF Totals*

	Casino Revenue & Fees**	Amount Distributed	Balance in Fund
Thoroughbred	\$38,270,702	\$22,175,759	\$16,094,943
Standardbred	\$41,366,559	\$41,353,940	\$12,620
Totals	\$79,637,261	\$63,529,698	\$16,107,563

Source: Mass Gaming Commission *Total account includes payments and distributions through December 2019

**Gaming license fees and gaming revenue sharing payment (9% of Plainridge GGR and 0.6% of MGM and Encore GGR)

4) Live Racing Handle

Live racing handle at Plainridge increased annually after the RHDF was introduced, although 2019 saw a slight decline due to the reduced number of race days. In 2019, the Standardbred segment accounted for **55%** of all live racing handle in the Commonwealth. Live handle is preferred over simulcast export since a larger share is retained by the racetrack and the state.

Table 11: Live Racing Handle

	Standardbred	% Share	Thoroughbred	% Share	Total
2014	\$1,108,715	19%	\$4,789,715	81%	\$5,898,430
2015	\$1,253,511	63%	\$746,497	37%	\$2,000,008
2016	\$1,500,125	56%	\$1,175,183	44%	\$2,675,308
2017	\$1,660,794	50%	\$1,686,335	50%	\$3,347,129
2018	\$1,601,453	49%	\$1,698,268	51%	\$3,299,721
2019	\$1,537,450	55%	\$1,275,926	45%	\$2,813,376
C.A.G.R 2014-19	7%		-23%		-14%

Source: Mass Gaming Commission Annual Report, The Innovation Group

The 7% annual increase in Standardbred live handle shows how the purse supplements have made a positive impact and reversed a long-standing trend of declining live handle that has afflicted horse racing in general. Live handle at Plainridge peaked in 2003 at \$4.3 million before dropping dramatically to just \$1.1 million prior to purse supplements from the slot machine funding. Meanwhile, despite receiving 75% of the RHDF for 2014 and 2015, Suffolk saw a decline in purses awarded as well as live handle generated.

5) Breeding and Training Farms

The Standardbred Owners of Massachusetts (SOM) is recognized by the Commission as the official organization for Massachusetts' Standardbred breeding program. SOM reports the following statistics on breeding horses.² In 2019, there were at 43 farms with registered active Standardbred stock residing on them, as shown in Figure 1.

Table 12: Standardbred Breeding Program Statistics

Year	Breeders	Broodmares	Stallions	Yearlings	Two Year Olds	Three Year Olds	Mass Bred Starters (all ages)	Mass Bred Starts	Mass Bred Earnings (all ages)
2014	56	44	2	49	49	23	84	1,076	\$1,428,886
2015	68	56	1	36	47	49	94	1,198	\$2,320,551
2016	72	65	1	49	35	44	97	1,376	\$2,661,912
2017	74	111	0	51	49	35	105	1,650	\$2,867,277
2018	82	116	0	96	51	41	108	1,539	\$3,539,365
2019	89	141	0	99	96	41	145	2,020	\$4,534,629

Source: Standardbred Owners of Massachusetts, Inc.

² There may be a greater number of farms in Massachusetts that participate in Standardbred breeding if a horse owner doesn't register with SOM. It should also be noted that SOM registers horses, not farms. The Massachusetts Department of Agriculture (DAR) is responsible for farm registration, but they do not report the activity that occurs on a farm, such as Standardbred training. Therefore, there may be additional farms involved in the Standardbred industry not identifiable in the data available.

Figure 1: Standardbreds of Massachusetts Registered Breeding Farm Map

Massachusetts Standardbred Breeding Farms



Each star represents one of the 43 breeding facilities located across the state. 141 Standardbred Broodmares registered in 2019 with SOM, Inc. and The Massachusetts Department of Agricultural Resources reside at these farms and will produce foals this year.

Foals of 2019 will race in the Massachusetts Stakes program as 2 & 3 year olds in 2021 and 2022.

Farm	Town
1 Ash Lake Farm	New Braintree
2 Briar Hill Farm	Rahoboth
3 Condon Bleu Farm	Rayham
4 Courtlin Farm	Belchertown
5 Crimson Acres	Orange
6 D&D Performance Horses	Agawam
7 Dickson Farm	Princeton
8 Flynn Farm	Grafton
9 Four Winds Farm	Orford
10 Granddew Farm	Dighton
11 Great Norris	Hempden
12 Greenfield Fairgrounds	Greenfield
13 Karol Ranch	Westport
14 Lakeside Farm	Winchendon
15 Krikorian Stables	West Townsend
16 Legacy Stable	Middleboro
17 Udden Lodge Farm	Taunton
18 Longboard Farm	Norfolk
19 Malin Farm	New Braintree
20 Masonette Farm	East Longmeadow
21 Mike Mullins Farm	Plainville
22 Ralph Andersen Stable	Wrentham
23 Ray Barnes Farm	Northfield
24 Richards Farm	Leominster
25 Rolling Meadow Farm	Rochester
26 Scabots Farm	Scituate
27 Sebring Stables	Pittsfield
28 Sugar Made Farm	Peggs Hill
29 Todd O Day Stable	Winchendon
30 Witkowski Farm	Leicester
31 It's a Pleasure	Orange
32 Uphand Farm	Wilbraham
33 Mucci Farm	Haverhill
34 Sears Farm	Norton
35 LeBlanc Stables	Gardner
36 UMALS	Hodley
37 Lande End Farm	Attonett
38 Drum Run Farm	Phillipston
39 Minor Choice	Montague
40 Ruben Stable	Medway
41 Dale Anderson	Fairboro
42 Rose Farm	Shelburne Falls
43 Oermie Farm	Rahoboth

The Hadley Farm, one of the Standardbred's registered breeding farms, is a nationally recognized teaching and research facility at the University of Massachusetts Amherst (UMASS). As part of the Equine Science Concentration under the Veterinary & Animal Sciences Department, this 130-acre farm has the ability to board a limited number of foaling broodmares on site for students to work with. According to the program coordinator, Standardbreds have accounted for approximately 1/3 of all foaling clients. Another component of the program provides artificial insemination services for 60+ mares per year. In 2019, approximately 25 Standardbred mares were bred, with a 90% conception rate. As confirmed by the program coordinator of UMASS Amhurst, the success of the Massachusetts Sire Stake Standardbred program resulted in an increase in Standardbred breeding over the past 2 years.

The US Trotting Association is the sole issuer of registration documents for Standardbred horses, which must first be registered with the USTA (by law) before being eligible to race in North America— or to subsequently be used in the Standardbred breeding industry. The USTA has confirmed 219 individual USTA members and 10 stables, farms, and/or corporations in Massachusetts. Again, while this number is not wholly representative of the Standardbred farms in Massachusetts it does provide a minimum number of farms.

Data was not publicly available for the Thoroughbred industry according to the Massachusetts Thoroughbred Breeders Association (MTBA). However, as shown in Table 22, there were only two Thoroughbred horses registered in 2019 with the Jockey Club (one stallion, one mare, and no foals), which suggests there were no more than two farms involved in Thoroughbred breeding.

ANALYSIS OF THE DISCRETIONARY CRITERIA

As noted, under Section 6) the Committee provided a list of other criteria “consistent with the statute, including but not limited to”:

- a. Pool size;
- b. Field size;
- c. Number of live race days and total races;
- d. Number of Mass-bred starters;
- e. Number of Mass-bred starts;
- f. Amount of Mass-bred purses earned;
- g. Number of restricted Mass-bred races;
- h. Number of W2 and 1099 employees;
- i. Capital expenditures to racing facilities;
- j. Gross terminal revenue on live race days vs. non-live race days at the Category 2 Gaming Facilities;
- k. Number and types of occupational licensees;
- l. Number of stallions, mares, and foals residing in Mass;
- m. Number of breeders registered with relevant breed organizations;
- n. Number and average sale price of MA- bred horses sold at public auction;
- o. Such other criteria consistent with the statute.

The following sections assess these criteria where data is available.

a. Pool Size

In pari-mutuel betting, all bets for a particular race are placed together in a pool where payouts are calculated by sharing the pool amongst winning bets. The average pool size is determined by taking the total handle (live and exported) placed on races for the year divided by the number of races. Standardbred races typically have lower pari-mutuel handles than Thoroughbreds, and thus lower pool sizes. Average pool size for Standardbreds has stabilized at more than \$16,000 over the past four years, peaking at \$18,607 in 2017.

Table 13: Average Pool Size

	Standardbred	Thoroughbred
2014	\$10,442	\$77,637
2015	\$14,688	\$67,744
2016	\$16,493	\$69,095
2017	\$18,607	\$56,354
2018	\$16,756	\$62,619
2019	\$16,306	\$68,850
% Change '14-'19	9%	-2%

Source: Mass Gaming Commission; The Innovation Group

b. Field Size

Standardbreds surpassed Thoroughbred in field size in 2019. Field size is calculated as the average number of horses participating in a race. In general, it is widely accepted that field size is positively correlated to wagering pools and racing handle. As the number of horses participating in a race increases, the probability of each horse winning decreases thus creating more wagering options and winning chances for bettors. Field size for the Standardbreds has improved as a result of increased purses, averaging 7.5 over the past three years.

Table 14: Field Size

	Standardbred	Thoroughbred
2014	7.0	7.2
2015	7.0	8.1
2016	7.2	7.4
2017	7.4	7.9
2018	7.6	8.7
2019	7.5	7.3

Source: Mass Gaming Commission Annual Report

c. Live Race Days and Total Races

The Standardbred industry reduced race days to **108** for the 2019 season, which extended from April through November. The total number of races for Standardbreds was 1,131 or **94%** of total races in the Commonwealth, compared with the 68 races held by the Thoroughbreds.

Following the approval by the Massachusetts Gaming Commission, the Thoroughbreds contracted again with Suffolk Downs to host 6 live races days (three 2-day festivals) for the 2019 season. Thoroughbreds held 68 races for the 2019 season or 6% of all races in the Commonwealth. In addition, the Massachusetts Thoroughbred Breeders Association held restricted races in neighboring New York State at Finger Lakes racetrack. The economic impacts of racing out-of-state are minimal compared to hosting events in state.

The Thoroughbreds did not apply to hold races in Massachusetts for the 2020 season, but the Standardbreds are scheduled to race **110** days in 2020.

Table 15: Live Race Days and Number of Races

		Standardbred	% Share	Thoroughbred	% Share
2014	Racing Days	80	56%	62	44%
	# of Races	736	57%	560	43%
2015	Racing Days	105	97%	3	3%
	# of Races	949	96%	36	4%
2016	Racing Days	115	95%	6	5%
	# of Races	1,092	95%	63	5%
2017	Racing Days	125	94%	8	6%
	# of Races	1,182	93%	92	7%
2018	Racing Days	110	93%	8	7%
	# of Races	1,128	92%	98	8%
2019	Racing Days	108	95%	6	5%
	# of Races	1,131	94%	68	6%
2020	Racing Days	110	100%	0	0%
	# of Races	1,150*	100%	0	0%

Source: Mass Gaming Commission Annual Report; *Estimated

d. Mass-bred Starters

The following table displays the number of Massachusetts-bred horses that started a race in 2019, not limited to restricted races. The number of starters in the Commonwealth was identical for the two segments back in 2013; however, since then the number of Thoroughbred starters declined as the number of Standardbred starters simultaneously increased. Standardbred starters currently comprise 79% of all Mass-bred starters in Massachusetts.

Table 16: Massachusetts Bred Starters

	Standardbred	% Share	Thoroughbred	% Share
2013	77	50%	77	50%
2014	84	54%	73	46%
2015	94	58%	67	42%
2016	97	58%	71	42%
2017	105	62%	65	38%
2018	108	70%	46	30%
2019	145	79%	38	21%

Source: Jockey Club 2020 Massachusetts Fact Book Report; Standardbred Owners Massachusetts Inc. Breeding Statistics

e. Mass-bred Starts

The average number of starts per Standardbred starter is more than double that of a Thoroughbred starter with every Standardbred starting an average of 13.9 races per year. Despite having only

79% of the starters, the total number of starts for Standardbreds comprised **90%** of all starts by Massachusetts bred horses in 2019.

Table 17: Number of Mass-Bred Starts & Average Start per Starter

	Standardbred	% Share	Thoroughbred	% Share
2014	1,076	69%	485	31%
2015	1,198	75%	405	25%
2016	1,376	75%	459	25%
2017	1,389	76%	427	24%
2018	1,539	83%	326	17%
2019	2,020	90%	230	10%
2014	12.8		6.6	
2015	12.7		6.0	
2016	14.2		6.5	
2017	13.2		6.6	
2018	14.3		7.1	
2019	13.9		6.1	

Source: Jockey Club 2020 Massachusetts Fact Book Report;
Standardbred Owners Massachusetts Inc. Breeding Statistics

f. Mass-bred Purses Earned

Of Mass-bred horses, Standardbreds earned \$3.2 million more in purses than Thoroughbreds. Standardbreds earned **78%** of the total earnings for Mass-bred starters for 2019.

Table 18: Purses Earned by Mass-Bred Starters

	Standardbred	% Share	Thoroughbred	% Share
2014	\$1,428,883	65%	\$779,666	35%
2015	\$2,320,551	67%	\$1,153,099	33%
2016	\$2,661,912	60%	\$1,745,343	40%
2017	\$2,867,277	69%	\$1,309,574	31%
2018	\$3,539,365	73%	\$1,296,085	27%
2019	\$4,534,629	78%	\$1,293,904	22%

Source: Jockey Club 2020 Massachusetts Fact Book Report;
Standardbred Owners Massachusetts Inc. Breeding Statistics

g. Restricted Mass-bred Races

The number of restricted races in the Commonwealth for Standardbreds has increased dramatically over 2014 levels and has averaged 35 over the past three years. The out-of-state restricted races held by Thoroughbreds at Finger Lakes are not included in 2015-2019 totals.

Table 19: Restricted Races by Industry

	Standardbred	Thoroughbred
2014	21	8
2015	32	9
2016	32	9
2017	34	9
2018	36	9
2019	35	12

Source: Mass Gaming Commission Annual Report and Memo

h. W2 and 1099 Employees

The number of employees that support horse racing in Massachusetts is broken into two components, full and part-time employees that were issued W2's from racetrack operations and contract employees that were issued 1099 forms from racetrack operations.

Given that Suffolk Downs had officially closed all racetrack operations as of October 2014, the number of W2 employees for 6 days of live racing in 2019 seems high considering the track only had 183 W2 employees in 2014 during a full race season. Plainridge on the other hand experienced a drop in W2 employment from 2014 as racetrack operations merged with the Plainridge casino when the category II facility opened in July 2015. A majority of the 127 employees performing racetrack functions in 2014 such as housekeeping, finance, and food and beverage were absorbed by Penn National Gaming. The 50 W2 employees at Plainridge represent permanent, year-end employment.

Using the numbers presented by the Horse Racing Division, the current distribution of employment in Massachusetts is **59%** for Standardbreds and **41%** for Thoroughbreds.

Table 20: 2019 Employees

Employees	Standardbred	Thoroughbred
W2	50	125
1099	552	296
Total	602	421
% Share	59%	41%

Source: Mass Gaming Commission Meeting Material dated 1/05/20

i. Capital Expenditures to Racing Facilities

In 2019, Plainridge Park utilized \$40,338 from the Harness Horse Capital Improvement Trust Fund. This fund sets aside a portion of the wagering pool for licensees to enhance horse racing tracks and facilities under the direction and supervision of the state racing commissioners.

The following is a non-exhaustive list of capital improvements to operations at Plainridge in recent years. We do not have any information on Suffolk Down's use of the Running Horse Capital Improvement Trust Fund.

Projects Completed (2016)

- Race Paddock Renovation
- Ship-In Barn
- Infield Video Display
- Track Equipment
- Outdoor Trackside Seating

Projects Completed (2017)

- HD Video Board
- Water Truck

Projects Completed (2018)

- Roofing and Miscellaneous Repairs to Barn & Paddock
- Surveillance
- Stall Matting
- Stall Gates

Projects Completed (2019)

- New Tractor

j. Impact of Live Racing on Gross Terminal (Slot Machine) Revenue

The impact of live racing on gross terminal revenue cannot be estimated due to the lack of available data from gaming facilities on daily slot machine revenue.

k. Occupational Licensees

Many of the employment positions for both horse racing segments require licensure by the Massachusetts Gaming Commission. The license categories differ according to employment by each segment, with fees associated by license type. However, it is important to note that these numbers do not reflect the number of persons employed by each segment.

It is important to note that the reported number of occupational licenses are only for those *issued* each year, not the *total active* Standardbred licenses in use that year. The Massachusetts Gaming Commission allows for multi-year licensing options for up to three years for Standardbreds while Thoroughbred licenses are valid for only one year. There is currently no way to track the Standardbred licenses that are in effect for the season. Based on previous years, it can be estimated that annual licenses account for 2/3 of the total active licenses in a year. That approximation would

indicate that there are close to **1,500** active Standardbred licenses, **63%** of active occupational licenses in the Commonwealth.

Table 21: Occupational Licenses by Industry

	*Standardbred	Thoroughbred	*Standardbred
2014 licenses issued	1,120	1,413	44%
2015 licenses issued	1,081	570	66%
2016 licenses issued	1,649	1,088	60%
2017 licenses issued	1,161	1,025	53%
2018 licenses issued	1,142	1,307	47%
2019 licenses issued	974	849	53%
2019 estimated active licenses	1,461	849	63%

Source: Mass Gaming Commission Annual Report

*Does not include multi-year licenses paid for in previous years.
At Plainridge many licensees have taken out multi-year licenses.

Note: for Criteria 2, Employment Impacts, we removed horse owners from the occupational license counts. Table 21 includes horse owners and therefore the numbers are different from Table 6, which focused on employment positions such as trainers, stable hands, drivers and jockeys.

1. Resident Stallions, Mares, and Foals

The data presented on the number of resident stallions, mares and foals was only available for horses registered through each industry's breeder association. Thoroughbred statistics from the Jockey Club's annual Fact Book indicated that one registered stallion and one mare resided in the Commonwealth for 2019. It is important to note that this data may not be wholly representative of the industry as many breeders may have chosen not to register for the year given the limited racing season.

In comparison, the Standardbred Owners of Massachusetts (SOM), the official breeding association for the Commonwealth, reported significantly higher breeding statistics for all five years that data was available for Thoroughbreds.

The SOM also reports the number of foals in a given year by using the number of registered yearlings from the following year. For example, in 2015 SOM received 36 registrations for yearlings and therefore the number of foals in 2014 is 36. Although this number is accurate, the actual number of foals may have been larger as some do not live through their infancy. The total number of foals is not yet available for 2019 given the late registration period, but trends indicate that the Standardbred breeding program is rapidly expanding in the state.

Table 22: Registered Breeding Horses

		Standardbred	Thoroughbred
2014	Stallions	2	8
	Mares	44	23
	Foals	36	26
2015	Stallions	1	2
	Mares	56	5
	Foals	49	10
2016	Stallions	1	5
	Mares	65	20
	Foals	51	9
2017	Stallions	0	3
	Mares	111	23
	Foals	96	16
2018	Stallions	0	4
	Mares	116	9
	Foals	99	8
2019	Stallions	0	1
	Mares	141	1
	Foals	N/A	N/A

Source: Jockey Club 2020 Massachusetts Fact Book Report; Standardbred Owners Massachusetts Inc. Breeding Statistics

Early statistics from SOM confirms this, with 141 broodmares registered in the Mass Bred program for 2019, up 22% from the previous year. If the year-over-year trends are consistent, the Standardbreds could expect upward of 120 registered foals in 2019.

Massachusetts Standardbred Breeding Statistics 2014-2019



Source: Standardbred Owners Massachusetts Inc. Breeding Statistics

m. Registered Breeders

The Standardbreds have registered **89** breeders with the Standardbred Owners of Massachusetts for 2019, seven more than in 2018. The increasing number indicates that the demand for Massachusetts Standardbred horses is improving. Data was not publicly available for the Thoroughbred industry, but we would note that according to the Jockey Club there were only two horses involved in the breeding in 2019 (see Table 22).

Table 23: Registered Massachusetts Breeders

	<u>Standardbred</u>	<u>Thoroughbred</u>
2014	56	N/A
2015	68	N/A
2016	72	N/A
2017	74	N/A
2018	82	N/A
2019	89	N/A

Source: Standardbred Owners Massachusetts Inc. Breeding Statistics

n. Mass-bred Horses Sold at Auction

As noted previously, the Standardbred breeding industry has been improving over the past few years as demand for Mass-bred horses increases. The Standardbred Owners of Massachusetts (SOM) compiled a list of the eligible yearlings that were sold at major public auctions from 2017-2019. The Mass-bred horses were sold through one of four major auctions, the Standardbred Yearling Sale in Pennsylvania, Lexington Selected Yearling Sale in Kentucky, Morrisville College Yearling Sale New York, and Goshen Yearling Sale New York.

Sale prices for the 35 Mass-bred horses totaled **\$1,679,000**, for an average of \$47,971 per horse over the three-year period. The following table shows statistics for the Mass-bred Standardbred horses sold at public auction.

Table 24: Massachusetts Bred Standardbred Horses Sold (Public Auction)

Year (Age)	Name	Sex	Sire	Dam	Auction Sale	Price
2017	Borderline	F	Crazed	About to Bee	2017 LEX	\$25,000
2017	Heart of Lindy	C	Art Major	Antoinette Hanover	2017 HSBY	\$65,000
2017	Lindy Bojangles	C	Trixtion	Benedicta Jet	2017 LEX	\$65,000
2017	Ev's Girl	F	Crazed	Lindy's Lullaby	2017 HSBY	\$29,000
2017	Fantasy Maker	C	American Ideal	My Fantasy	2020 HSBY	\$25,000
Average						\$41,800
2017 Total		5				\$209,000
2018	R Maddy Blue Chip	C	American Ideal	Frontierpan	2018 HSBY	\$62,000
2018	Lindyspeak	C	Artspeak	Lindy's Bandita	2018 HSBY	\$50,000
2018	Odds On Orlando	F	Captaintreacherous	Lindy's Old Lady	2018 LEX	\$100,000
2018	Locked Up Lindy	C	Trixtion	Love Lockdown	2018 LEX	\$60,000
2018	Ready For Moni	C	Ready Cash	Nothing But Moni	2018 LEX	\$220,000
2018	Crazy For Sofia	F	Crazed	Snowblind Lindy	2018 MCYS	\$31,000
2018	Rojas Blue Chip	F	American Ideal	Southwind Swallow	2018 GOSHEN	\$13,000
2018	Crazy For Luca	C	Crazed	Teachmehowto Lindy	2018 MCYS	\$16,000
2018	Wyatt J	C	American Ideal	ThinkPink	2018 LEX	\$245,000
Average						\$88,556
2018 Total		9				\$797,000
2019	Unnamed	C	American Ideal	Antionette Hanover	2019 MCYS	\$17,000
2019	Sarcastic Blue Chip	F	American Ideal	Ascending	2019 HSBY	\$95,000
2019	Unnamed	F	Always B Miki	Aunt Caroline	2019 HSBY	\$110,000
2019	Unnamed	F	Donato Hanover	Birthright	2019 HSBY	\$6,000
2019	Unnamed	F	Cantab Hall	Dana Boko	2019 HSBY	\$35,000
2019	Sir Lovealot BC	C	Roll With Joe	Glam Cam	2019 HSBY	\$25,000
2019	Unnamed	C	Chapter Seven	Gran Cavalla	2019 LEX	\$80,000
2019	Unnamed	C	Crazed	Ivory Lindy	2019 HSBY	\$10,000
2019	JK Pure Joy	F	American Ideal	JK Pure Pearl	2019 HSBY	\$20,000
2019	Unnamed	F	Always B Miki	Lindy's Bandita	2019 HSBY	\$39,000
2019	Unnamed	F	Cantab Hall	Lindy's Madonna	2019 HSBY	\$10,000
2019	Unnamed	F	Somebeachsomewhere	Lindy's Old Lady	2019 LEX	\$37,000
2019	Unnamed	C	Cantab Hall	Lindy's Showgirl	2019 HSBY	\$20,000
2019	Unnamed	C	Crazed	Love to Lindy	2019 MCYS	\$12,000
2019	Shiela Blue Chip	F	Sunshine Beach	Mo Molly Blue Chip	2019 HSBY	\$20,000
2019	Sakebomb Blue Chip	F	Roll With Joe	No Lies	2019 GOSHEN	\$20,000
2019	Samuel Blue Chip	C	American Ideal	Offintothesunset	2020 GOSHEN	\$24,000
2019	Unnamed	F	Bar Hopping	Snowblind Lindy	2019 HSBY	\$35,000
2019	Halley's little comet	F	Sunshine Beach	St. Lads Smokin Hot	2019 LEX	\$20,000
2019	Unnamed	F	Cantab Hall	Teachmehowto Lindy	2019 HSBY	\$22,000
2019	Unnamed	C	Bar Hopping	Universal Success	2019 LEX	\$16,000
Average						\$32,048
2019 Total		21				\$673,000
3 Year Average						\$47,971
3 Year Total		35				\$1,679,000

Source: Standardbred Owners of Massachusetts

No records were found of Mass-bred Thoroughbred horses that were sold at auction over the past six years through leading Thoroughbred auction houses, Fasig-Tipton and Keeneland Inc.

o. Other criteria

The Harness Horseman's Association of New England (HHANE) is officially recognized by the MGC as the representative organization of participants in Massachusetts' harness racing industry. As such, HHANE receives 4% of the RHDF's allocations to benefit the health and welfare of owners, trainers, and drivers in this industry segment.

In 2016, board members formed a special committee tasked with developing a plan to utilize monies from the RHDF to fund a Retirement Savings Program (RSP). The RSP plan submitted by HHANE representatives was approved by the MGC in May 2018. The approval of the RSP in 2018 included a retroactive provision to 2013 to assist trainers and drivers who supported Plainridge prior to the implementation of the RHDF. Since the development of the RHDF, \$1.5 million of \$1.6 million in Health & Welfare funds have been used to towards the RSP for HHANE members. The remaining amount has gone to other programs and line items as shown in Table 25, which shows the distribution of the Health & Welfare fund for 2019.

The Retirement Savings Program and its 144 current members, many of whom have no other retirement savings plan in place, rely entirely upon the distribution of monies from RHDF.

Table 25: 2019 RHDF Health & Welfare Fund

2019 RHDF Contributions	\$427,154
Investment to RSP (Ameriprise)	-\$370,000
Harness Horsemen's International Membership Dues	-\$6,220
Third Party Liability Insurance	-\$7,995
Administrative costs	-\$20,000
On-Site Vision Eye Care & Eye Wear Program	-\$5,068
Member Hardship Assistance Program	-\$1,300
Member Caretaker Year-end Awards	-\$5,700
Annual Audit	-\$3,200
Total Payments 2019	-\$419,483
Balance as of 12/31/2019	\$7,671

Source: Harness Horseman's Association of New England (HHANE)

CONCLUSION

The Standardbred industry has shown an increase in most performance indicators for 2019 and continues to contribute the **large majority** of economic impacts to the Commonwealth.

The redistribution of RHDF funds in favor of Standardbreds in 2016, 2017 & 2019 has had a positive effect on the racing industry in Massachusetts. It has allowed the Standardbreds to more than double the amount of purses awarded. This increase made the industry slightly more competitive in the Northeast region which led to an increase in field size, pool size and wagering (live and total handle). The increased purse sizes have also led to an expanded breeding program in the Commonwealth, more than doubling the number of registered broodmares in 2019 and their potential foals.

Although the redistribution has allowed the Standardbred industry to increase purses awarded for races the past three years, there are not enough funds remaining in the account to accommodate the approved race dates, let alone increase the average purse per race as shown in the table below.

Table 26: 2020 Estimated Purse Distribution and Relative Needs

	Total	Standardbred	Thoroughbred
2020 Estimated GGR Payments to RHDF*	\$18,085,445		
2020 Estimated Number of Races		1,150	0
2019 Average Purse Per Race		\$9,850	\$52,524
Total Purses Needed for 2020		\$11,327,042	\$0
2020 RHDF Purse Funds Available**		\$11,285,317	\$6,076,709
<i>Balance</i>		<i>(\$41,725)</i>	<i>\$6,076,709</i>

Source: Mass Gaming Commission; The Innovation Group;
*Assuming GGR payments to RHDF are the same as 2019 **Utilizing 96% of 65/35 split,

Furthermore, the Thoroughbreds currently have a total of \$16.1 million unexpended funds in their RHDF account which will increase to \$22 million by December 2020 given the current 65/35 split. While the Thoroughbred industry has expressed a desire to utilize those funds to build a new equestrian center or renovate a defunct track, current law requires that RHDF monies can be used only for purses and health and welfare purposes.

Table 27: RHDF Totals*

	Casino Revenue & Fees**	Amount Distributed	Balance in Fund
Thoroughbred	\$38,270,702	\$22,175,759	\$16,094,943
Standardbred	\$41,366,559	\$41,353,940	\$12,620
Totals	\$79,637,261	\$63,529,698	\$16,107,563

Source: Mass Gaming Commission *Total account includes payments and distributions through December 2019
**Gaming license fees and gaming revenue sharing payment (9% of Plainridge GGR and 0.6% of MGM and Encore GGR)

**MEMORANDUM OF THE NEW ENGLAND HORSEMEN'S
BENEVOLENT AND PROTECTIVE ASSOCIATION, INC. AND
MASSACHUSETTS THOROUGHBRED BREEDERS ASSOCIATION
REGARDING RACE-HORSE DEVELOPMENT FUND ALLOCATION**

I. INTRODUCTION

The New England Horsemen's Benevolent and Protective Association, Inc. ("NEHBPA") and the Massachusetts Thoroughbred Breeders Association ("MTBA") submit this memorandum to the Horse Racing Committee (the "Committee") regarding the allocation of the Race-Horse Development Fund ("RHDF") between thoroughbred and standardbred racing for 2020.

The Committee met on September 28, 2019 to determine the allocation for 2019 which was approved by the Massachusetts Gaming Commission (the "Commission") on November 7, 2019. Given that only a few months have transpired since the Committee and the Commission have reviewed the allocation, the NEHBPA and MTBA incorporate the arguments set forth in their September 4, 2019 memorandum and accompanying Ray Report which are attached hereto respectively as Exhibit A and Exhibit B. This memorandum will discuss the 2019 preliminary data provided by the Horse Racing Division of the Commission and review the impact of future cuts to the thoroughbred allocation and the corresponding uncertainty it will create. Finally, given that there has been no substantive change since the review of the 2018 data in September 2019, the Committee should maintain the allocation at its current levels.

II. ANALYSIS

A. There Has Been No Substantial Change Between 2018 and 2019 in the Relevant Factors Under M.G.L. c. 23K § 60(b) From the Preliminary Data Released by the Racing Division.

MGL c. 23K § 60(b) requires this Committee to consider the following non-exhaustive list of factors when determining the fund allocation between thoroughbred and standardbred racing:

(i) the average purses awarded at thoroughbred and standardbred racing facilities; (ii) the total employment numbers, both direct and indirect, attributable to each horse racing industry; (iii) the relative needs of each horse racing industry for increased purses; (iv) the amount of the live racing handle generated by each horse racing industry; and (v) the number of breeding and training farms of each industry that are located in the commonwealth.

See MGL c. 23K § 60(b). A review of the changes in the factors (i), (ii) and (iv) from 2018 to 2019 reflects the following:

2018	2019
Average Daily Purse: Thoroughbred: \$591,725 Standardbred: \$83,233	Average Daily Purse: Thoroughbred: \$595,266 Standardbred: \$86,896
Employment Numbers: Thoroughbred W2's: 116 Standardbred W2's: 52 Thoroughbred 1099's: 367 Standardbred 1099's: 525	Employment Numbers: Thoroughbred W2's: 125 Standardbred W2's: 50 Thoroughbred 1099's: 296 Standardbred 1099's: 552

Thoroughbred Occ. Licenses: 1307	Thoroughbred Occ. Licenses: 849
Standardbred Occ. Licenses: 1142	Standardbred Occ. Licenses: 974
Live Racing Handle:	Live Racing Handle:
Thoroughbred: \$1,698,286	Thoroughbred: \$1,446,807 ¹
Standardbred: \$1,601,453	Standardbred: \$1,528,201

With respect to these three factors outlined in the statute, there has been no substantial change from the Committee’s last meeting when it analyzed the 2018 data. Nothing has changed – accordingly, the NEHBPA and MTBA refer the Committee to its September 4, 2019 submission and the corresponding Ray Report with respect to its position on these factors and how they should inform the Committee on the allocation. Further, the Horse Racing Division of the Commission has not released any updated or revised breeding data as it is far too early in the year to know breeding data for 2019. Additionally, it is highly doubtful that in the past three months there has been any change in the number of breeding farms in MA.

B. The Massachusetts Thoroughbred Horsemen Cannot Afford Any More Adjustments to the Split in favor of the Standardbreds.

The final statutory factor that the Committee should consider in determining the allocation is the relative needs of the industry. As the Committee is well aware, there are three components to Race-Horse Development Fund distributions by the Commission. While it is the smallest in terms of percentage (4%), the health and welfare distribution is by far the most important to the horsemen as it provides critical resources to retired

¹ There were bad storms that resulted in the cancelling of a number of races on June 29, 2019 which impacted handle for that date.

horsemen. The Health and Welfare Budget (“Budget”) for the thoroughbred horsemen is approximately \$400,000.00 and with this Committee’s repeated decisions to adjust the split in favor of the standardbred industry, the Budget is now over \$150,000.00 in deficit with the difference currently being funded by reserves. Additional reductions in the allocation to the thoroughbred industry will force the New England Thoroughbred Horsemen’s Benefit Trust, the Tom Corey Old Age Fund and the NEHBPA to cut these programs, old age assistance and benevolence respectively.

New England Thoroughbred Horsemen’s Benefit Trust

The current benefits provided by the New England Thoroughbred Horsemen’s Benefit Trust (“Trust”) to Massachusetts trainers through funding from the RHDF are set forth in the annual Benefits Manual (“Manual”) published by the Trustees of the New England Thoroughbred Horsemen’s Benefit Trust pursuant to a Trust Agreement. A copy of that Manual is attached hereto as Exhibit C. The benefits include health insurance and medex (approximately \$80,000.00 annually), life insurance (approximately \$18,000.00 annually) and eyeglass supplement (\$2,400.00 annually). For instance, there are currently 140 individuals receiving life insurance benefits. A copy of the monthly premium statement for January 2020 with redacted names is attached hereto as Exhibit D. As a result of recent adjustments made by the Committee and the Commission to the split for the past few years, the Trust will need to cut benefits currently provided as there is no longer the funding available to fund the Trust.

Tom Corey Old Age Fund

The Tom Corey Old Age Fund (“Fund”) provides monthly benefits of \$400 to those trainers who are 62 years old or older. The Tom Corey Disability Bridge Plan (“Plan) is designed to provide eligible disabled Thoroughbred trainers, who are under the age of 62 and have a financial hardship, with temporary financial support. assistance until they reach the age of 62. A copy of the Plan is attached hereto as Exhibit E. A listing of the fifty-four individuals currently receiving that monthly benefit is attached hereto as Exhibit F. As a result of recent adjustments made by the Committee and the Commission to the split for the past few years, the Fund will need to cut benefits as there is no longer the funding available from the RHDF to fund the approximately \$250,000.00 annual budget of the Fund.

Benevolence

In 2019, the NEHBPA paid approximately \$12,000.00 in benevolence to various families. This includes paying for funerals where the horsemen’s family could not afford it or providing financial assistance to a family that was critically ill. A listing of the benevolence paid in 2019 is attached hereto as Exhibit G. This program is also subject to cuts because of this Committee’s recent decisions.

C. The Massachusetts Thoroughbred Horsemen Have No Other Funding Source for Health & Welfare Benefits Other Than the RHDF.

As the Committee is well aware, in early 2020, the Governor signed legislation that would allow Suffolk Downs to continue simulcasting and receiving ADW/simulcasting revenue without any live racing requirement. In sum, this has cut off the horsemen from receiving any fruits of their labor and from obtaining any financial revenue from simulcasting thoroughbred racing in the Commonwealth as is

commonplace in other jurisdictions. Finally, the Commission has completely restricted administrative funding to the NEHBPA in 2018 and 2019 (a policy reversal by its legal department from years past) and refuses to deposit the RHDF purse allocation and corresponding interest to the purse account on a weekly basis (or at all) as contemplated by M.G.L. 23K § 60.2 Accordingly, there is no other funding source available to the horsemen to fund these programs if the Committee reduces the allocation further.

In the last few years, the Committee's and the Commission's cuts to the thoroughbred allocation of the RHDF have reduced the thoroughbred's health and welfare benefit allocation by hundreds of thousands of dollars to its 2019 level of \$269,862.00 and reserves are being utilized to maintain benefits at their current levels. This Committee's recent 5% cut at its September 2019 reduced that budget further by thousands of dollars. Given what has happened to the thoroughbred industry and its families in Massachusetts in the past six years, it is unfathomable that this Committee would even consider defunding the benefits of the industry's retirees further and twice in a sixth month period.

D. The Massachusetts Thoroughbred Industry Cannot Afford Further Instability.

The Massachusetts Thoroughbred Breeders receive approximately \$1,000,000 from the RHDF on an annual basis. That is approximately 80-90% of their budget. They utilize these funds to pay incentive bonuses, out of state awards, restricted stakes awards and restricted stakes race funding. Further annual reductions by this Committee will cut

² Since the inception of the RHDF, the standardbred horsemen have received weekly deposits into the purse accounts from the Commission and the corresponding millions of dollars in interest earned on those funds. The thoroughbred horsemen have received \$0 in interest since 2014 and the previous \$12-\$13 million that has been allocated to the thoroughbred horsemen purse account by this Committee remains in the general fund of the Commonwealth. It was never distributed to the horsemen's purse account by the Commission.

these awards, reduce the incentive to breed and create further instability in the industry. Finally, there are groups exploring saving the thoroughbred industry in Massachusetts and further reductions in the RHDF allocation creates a disincentive to build a racetrack and save the industry in Massachusetts. A letter from those prospective investors is attached hereto as Exhibit H. Letters from horsemen impacted by the Committee's cuts are attached hereto as Exhibit I.

CONCLUSION

In sum, nothing has changed in three months that would justify a further reduction in the thoroughbred allocation – indeed it might deter investment in the construction of a thoroughbred track.³ Finally, there is no justification for this Committee to cut a retiree's monthly income, life insurance benefits and health insurance given the relative health of the standardbred industry compared to the thoroughbred industry in Massachusetts. Frankly, it would be cruel.

Dated: February 12, 2019

Respectfully Submitted,

NEHBPA and MTBA

³ The lack of currently scheduled race days for 2020 does not mean the split should move us to zero. Indeed, the regulations (205 CMR 149.00) contemplate that the split will not go to zero when there is no racing by establishing an escrow fund to hold purse money for three years when there is no racing. The Commission has yet to schedule a hearing pursuant to this regulation. This regulation would not have been enacted if lack of scheduled racing dates meant the split was to be 100/0. The only relevant facts for the Committee today are how 2018 compares to 2019 and the more general consideration of which breed is in current need of development assistance.

Exhibit A

**MEMORANDUM OF THE NEW ENGLAND HORSEMEN'S
BENEVOLENT AND PROTECTIVE ASSOCIATION, INC. AND
MASSACHUSETTS THOROUGHBRED BREEDERS ASSOCIATION
REGARDING RACE-HORSE DEVELOPMENT FUND ALLOCATION**

I. INTRODUCTION

The New England Horsemen's Benevolent and Protective Association, Inc. ("NEHBPA") and the Massachusetts Thoroughbred Breeders Association ("MTBA") submit this memorandum to the Horse Racing Committee (the "Committee") regarding the split of the Race-Horse Development Fund ("RHDF" or the "Fund") between thoroughbred and standardbred racing. Between 2015 and 2018, the allocation of race days and purses in Massachusetts shifted dramatically away from thoroughbred to standardbred racing. As demonstrated in the attached "Update on the Massachusetts Horse Racing Industry 2012-2018" prepared by Dr. Margaret A. Ray ("The Ray Report" attached as Exhibit A), that experiment has failed. The reallocation of RHDF funding has had dire consequences for the Massachusetts thoroughbred industry, with a sharp decline in annual live handle and a steady decrease in breeding program numbers. Meanwhile, inflated standardbred purses have generated only infinitesimal growth in standardbred live handle and failed to attract competitive field sizes in standardbred races.

To that end, the five statutory factors that this Committee must consider in splitting the RHDF favor allocating a greater percentage to the thoroughbred industry. "Market signals indicate a much greater likelihood that purse money allocated to Thoroughbred racing will stimulate economic activity, develop an in-state breeding and training industry, and create a competitive and sustainable racing industry." *See Ray Report, p. 11.*

Accordingly, the NEHBPA and MTBA respectfully requests that this Committee distribute a greater percentage of the Fund to the thoroughbred segment. Further, the NEHBPA and MTBA strongly recommend that any change to the RHDF split should not apply retroactively.

II. ANALYSIS

A. The Factors Set Forth in MGL c. 23K § 60(b) Support Allocating Greater Funds to Thoroughbred Industry.

MGL c. 23K § 60(b) requires this Committee to consider the following non-exhaustive list of factors when determining the fund allocation between thoroughbred and standardbred racing:

- (i) the average purses awarded at thoroughbred and standardbred racing facilities; (ii) the total employment numbers, both direct and indirect, attributable to each horse racing industry; (iii) the relative needs of each horse racing industry for increased purses; (iv) the amount of the live racing handle generated by each horse racing industry; and (v) the number of breeding and training farms of each industry that are located in the commonwealth.

See MGL c. 23K § 60(b). As set forth in the Ray Report and summarized below, those five factors should guide the committee to distribute a greater share of the Fund to the thoroughbred industry.¹

¹ The Committee should not focus on the number of race days for either segment as the sole or primary factor in allocating funds. The legislature did not include the number of race days as one of the enumerated factors that the Committee is required to consider in allocating the RHDF. M.G.L. c. 23K, § 60. Rendering a decision based on this factor favors the standardbred industry and ignores key aspects and needs unique to the thoroughbred industry and thus does not serve the public interest expressed in the statute – the support of **both** industries. Furthermore, the industry has not set a firm race schedule for the 2020 season, and any adjustment of the split on future days would be purely speculative at this point in time. Finally, to the extent the Committee considers race days from 2018 and 2019, the 2017 Committee’s decision to adjust the split to 60% standardbred and 40% thoroughbred was made when the standardbreds were racing more days (125 days in 2017) than they currently are racing (108 days in 2019).

1) ***Higher Average Purses at Standardbred Racing Facilities Have Not Resulted in a Proportionate Increase in Live Handle.***

As set forth in the Ray Report, the standardbred/thoroughbred purse distribution changed from 21%/79% in 2013 to 70%/30% in 2018. The average daily purses for standardbred racing increased 335% during this period as a result of more robust RHDF funding. Ray Report, p 4. The average daily purses for thoroughbred racing also increased during this period due only to a steep decline in race days. Ray Report, p. 4. As set forth more fully below, *the significant increase in standardbred purses between 2012 and 2018 corresponded with only a minimal increase in live handle during the same period. Infra at § II(B)(3).* Live handle measures the demand for the wagering product. Despite throwing millions of dollars at Standardbred purses over the past few years, there has been no increase in demand in Massachusetts for standardbred racing. As a result, the Commonwealth is seeing no return for its investment in standardbred racing. There is no additional wagering handle that is being taxed (for the Commonwealth's benefit), being returned to the current licensee as track revenue or being returned to the horsemen as purse supplements. Moreover, the increased standardbred purse sizes have failed to attract additional horses into these races. Ray Report, p. 9. In 2017, the average standardbred field size in Massachusetts was more than one horse below the average at other standardbred racetracks. Ray Report, p. 9. Because these subsidized purse funds are not attracting larger fields, there has been no increase in demand for veterinarian services, agricultural services or a growth in the standardbred economy in Massachusetts. In short, inflated standardbred purses have not led to a proportionate increase in public interest, wagering, or field size.

2) ***Despite Limited Race Days and Decreased Purses, Thoroughbred Industry Produced More W-2s and Occupational Licenses in 2018.***

The Ray Report demonstrates that thoroughbred racing generates more employment in the Commonwealth than standardbred racing. Despite limited race days and the steep increase in standardbred total purses over the same time frame, the thoroughbred industry in Massachusetts generated more occupational licenses and W2 employees for Massachusetts in 2018 than the standardbred industry. Ray Report, p. 8. Between 2017 and 2018, thoroughbred occupational licenses increased while standardbred occupational licenses decreased. Ray Report, pp. 7-8. In sum, the employment numbers do not support the continued experiment of shifting funding away from the thoroughbred industry.

3) ***Thoroughbred Racing Still Generates 76% of Handle in the Commonwealth.***

“Wagering serves as the ultimate market signal as to the demand for racing,” and live handle data demonstrates a continuing market preference for Thoroughbred racing. Ray Report, p. 9. Thoroughbred racing brings in a disproportionately high percentage of live handle in the Commonwealth. “Despite the dramatic shift in the allocation of both purses and race days from Thoroughbreds to Standardbreds over the period 2012 - 2018, Thoroughbred racing still produces roughly 76% of handle in the Commonwealth while receiving only 30% of total purse money.” Ray Report, p. 5.

The reallocation of purse money from thoroughbred to standardbred racing has failed to generate more public interest in or live handle from the standardbred segment of the industry. Massachusetts saw a 57% decrease in total handle between 2012 and 2017. *Id.* The following year (2017-2018), after this Committee last voted to allocate more

funding to the standardbred industry, the overall live handle in the Commonwealth fell another 1.4% (despite a slight increase in thoroughbred handle). *Id.*

The live handle data demonstrates both that the public strongly prefers thoroughbred racing and that RHDF funds have a greater positive economic impact when directed to the thoroughbred segment. “[D]ata for purses and handle show that between 2012 and 2017 for every 1% decrease in purses, Thoroughbred live handle decreased by 1.39% while for every 1% increase in Standardbred purses, live handle increased minimally by only .075%.” *Id.*

4) *Thoroughbred Racing Has a Relatively High Need for RHDF Funds.*

With the closure of Suffolk Downs, the thoroughbred industry in Massachusetts has an increased need for RHDF funding. The statutory purpose of the RHDF is “to support the thoroughbred and standardbred horse racing industries” in the Commonwealth. *See* M.G.L. c. 23K § 60(b). To that end, 16% of any RHDF award to the thoroughbred segment goes toward the Thoroughbred Breeding Program, including breeders’ awards. *See* M.G.L. c. 23K § 60(c)(ii). Without an operational thoroughbred track, Massachusetts breeders must travel out of state to race their horses in New York or rely on breeders’ awards paid by the MTBA with RHDF funding as a source of income. Those breeders are eligible for, and increasingly dependent upon, breeders’ awards funded by the RHDF.

Additionally, 4% of any RHDF grants fund “health and pension benefits for the members of the horsemen’s organizations representing the owners and trainers...for the benefit of the organization’s members, their families, employees and others...” *See* M.G.L. c. 23K § 60(c)(iii). Until a Thoroughbred racetrack is up and running in the

Commonwealth, RHDF funds become a critical source (and for many the only) for health and welfare benefits as these horsemen have no method of earning a living if they remain in the Commonwealth.

To decrease RHDF funding for either the Massachusetts Thoroughbred Breeding Program or the health and medical benefits for NEHBPA members at this critical juncture would cripple the thoroughbred industry. This Committee should further its objective of preserving the racing industry by providing adequate RHDF funding for the thoroughbred program.

5) *Number of Breeding and Trading Farms Located in Massachusetts*

The data on breeding/trading farms in the Commonwealth highlights the negative effects of decreasing the thoroughbred share of the RHDF. *See Ray Report*, pp. 6, 9. In 2012, there were 40 thoroughbred foals born and registered in Massachusetts; by 2015, that number had fallen to 10. *See Ray Report*, p. 6. The Committee should be motivated to reverse the pattern of decline in thoroughbred breeding, since “Thoroughbred breeding has a larger impact on employment than Standardbred breeding” in the Commonwealth. *Id.* at 9.

In conclusion, the five factors set forth in M.G.L. 23K §60 all demonstrate the wisdom of and need for increased RHDF allocations to thoroughbred racing.

B. A Decision to Continue the Split RHDF in Favor of Standardbred Would Continue to Have Significant Negative Impact on the Thoroughbred Racing Industry in Massachusetts.

To continue allocating a majority of the RHDF to standardbred racing or to increase the Standardbred Allocation would have profound negative impact on the thoroughbred industry (and larger racing industry) in Massachusetts. Following the

closure of Suffolk Downs, thoroughbred breeders and horsemen are working to attract outside investment and establish new racing opportunities in the Commonwealth. The NEHBPA needs the support of the MGC and the Committee to revitalize thoroughbred racing in Massachusetts. Any redistribution of the RHDF away from thoroughbred racing—particularly a retroactive policy—would merely dissuade much needed investment.

Furthermore, with limited thoroughbred racing opportunities available in-state, the NEHBPA and MTBA currently rely heavily on both the 16% of any RHDF award allocated to the Thoroughbred Breeding Program, and the 4% allocated to health and pension benefits. *See* M.G.L. c. 23K § 60(c)(ii)-(iii).

The Massachusetts legislature drafted M.G.L. c. 23K § 60, created the RHDF, and commissioned this Committee with the stated intent of supporting the horse racing industry. With that goal in mind, the Committee should provide support and cover to the thoroughbred segment while it builds a strategy to move forward following the closure of Suffolk Downs. In this regard, the previous decision to make the change in the split retroactive was an unauthorized and unwise decision that should not be repeated here.

The Commission and the Committee are the stewards of the thoroughbred racing industry in Massachusetts. In creating the RHDF, the Legislature has entrusted the Committee and the Commission with a great responsibility to ensure that the thoroughbred industry thrives in the Commonwealth. They are fiduciaries. To make any split adjustment retroactively is a breach of that responsibility and only fosters distrust between the Committee and the horsemen/breeders. Retroactive laws are grossly unfair and violate the basic sense of fairness that the rules should not change after the game has

been played. Retroactivity creates great uncertainty. The horsemen cannot properly plan and/or budget because the horsemen will not know when the Committee will adjust the split, what the split will be, whether the split will be retroactive and when those payments will reduce monthly outlays from the RHDF.

This is a time when stability should be paramount as various investors consider continued racing options. A process that retroactively adjusts a split does not enhance that process. Even if it were lawful, which it is not. See Exhibit B.

CONCLUSION

In sum, the experiment of shifting purse money from thoroughbred to standardbred racing in Massachusetts has failed. As set forth in the Ray Report, the thoroughbred segment of the racing industry is much more responsive to changes in purses than the standardbred segment, and “changes in the Thoroughbred segment of the industry have larger economic impact on the region.” Ray Report, p. 9. To that end, the infusion of RHDF funding into standardbred racing (at the expense of thoroughbred racing) has triggered only a minimal rise in standardbred handle and a steep decline in thoroughbred handle. Ray Report, p. 5. Seven years into this experiment, larger standardbred purses have not produced a significant increase in demand and/or wagering from that industry.

Furthermore, the Committee ignores national trends by continuing to provide the standardbred segment a greater share of RHDF funding. Between 2012 and 2017 the economic health of the U.S. Thoroughbred racing industry improved. Ray Report, p. 8. Meanwhile, the U.S. Standardbred racing industry has seen decreased wagering between 2016 and 2017 despite increases in total purses. *Id.* Reallocation of RHDF funding from

thoroughbreds to standardbreds runs counter to the economic indicators for the two segments of the racing industry. As Dr. Ray concludes:

The Thoroughbred segment of the industry is much better positioned to become competitive as a result of purse supplements. Handle is the best market signal of the ability of the activity to continue in the absence of subsidies and the Thoroughbred segment of the industry shows greater strength in these areas both in the Commonwealth and nationally.

Ray Report at 10.

Finally, as noted by Commissioner Cameron in a recent Commission meeting:

There are groups that are possibly working toward building tracks here in the Commonwealth. So that would certainly be ideal, and, yes, something to take into consideration with the work of the committee. I think that the work of the committee is not – it's not critical that we haven't met because there really is no change, meaning race days at Plainridge, race days for thoroughbreds...

As Commissioner Cameron noted, nothing has changed with respect to race days that would justify a further reduction in the thoroughbred allocation – indeed it might deter investment in the construction of a thoroughbred track. Rather, as set forth in Dr. Ray's 2019 report and recommendation, the thoroughbred allocation should increase.

Dated: September 4, 2019

Respectfully Submitted,



Joseph F. Savage, Jr., Esq.
NEHBPA and MTBA Representative to the Horse Racing Committee

Exhibit B

Update on the Massachusetts Horse Racing Industry 2012 - 2018

Report prepared for the NEHPBA

Prepared by

Dr. Margaret A. Ray

**Professor of Economics
University of Mary Washington**

August, 2019

This report presents an analysis of Standardbred and Thoroughbred racing data for the Commonwealth of Massachusetts and the United States between 2012 and 2018. The analysis focuses on the economic health of both segments of the racing industry (Standardbred and Thoroughbred) in Massachusetts with emphasis on how changes in the allocation of purses and the number of race days have affected industry performance and sustainability between 2012 and 2018.

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Executive Summary

- The racing industry in Massachusetts consists of two segments; Thoroughbred and Standardbred. While breeding, racing, and training horses for these two segments have much in common, there are also important differences in the structure of the segments and their impact on the Massachusetts economy.
- Purse supplements are allocated to the racing industry based on 5 criteria identified by M.G.L. c. 23K, section 60. The criteria address 3 general goals; economic impact, sustainability of the industry, and quality of life in the community.
- Since the 2014 Report to the Horse Racing Committee have been significant changes in the allocation of purses and race days in Massachusetts.
- Between 2013 and 2018 there was a shift in the allocation of purses and race days from Thoroughbred to Standardbred racing. Over this period, there was a 335% increase in Standardbred purses and a 49% decline in Thoroughbred purses and the number of race days increased for Standardbreds while it decreased significantly for Thoroughbreds.
- As a result of the reallocation of purses and race days, there was a significant decline in total handle bet on live races between 2012 and 2018. Total live handle in the Commonwealth fell by 57% between 2012 and 2017 (from \$7,836,862 to \$3,347,129) and fell another 1.4% between 2017 and 2018, despite an increase in Thoroughbred live handle.
- The Live and On Track Handle and Total Handle from racing in Massachusetts remain disproportionately from Thoroughbred racing in 2018. Despite the dramatic shift in the allocation of both purses and race days from Thoroughbreds to Standardbreds over the period 2012 - 2018, Thoroughbred racing still produces roughly 76% of handle in the Commonwealth while receiving only 30% of total purse money.
- Thoroughbred field size increased by between 2012 and 2018 (to higher than the national average) and continued to increase in 2018 despite no change in the number of race days. Standardbred field size showed a smaller increase over the time period. Thoroughbred field size remains significantly higher than Standardbred field size in Massachusetts in 2018.
- Data for employment and breeding in the racing industry illustrates that the Thoroughbred industry is much more responsive to changes in the allocation of purses and race days.
- Over the period 2013 – 2018 the allocation of purses and race days in the Commonwealth of Massachusetts has changed counter to the evidence of the health of the two segments of the racing industry nationwide.

II. Introduction

This report presents an analysis of Standardbred and Thoroughbred racing data for the Commonwealth of Massachusetts and the United States between 2012 and 2018. The analysis focuses on the economic health of both segments of the racing industry (Standardbred and Thoroughbred) in Massachusetts with emphasis on how changes in the allocation of purses and the number of race days have affected industry performance and sustainability between 2012 and 2018.

This report updates the analysis presented in the author's 2014 report to the Horse Racing Committee of the Massachusetts Gaming Commission. The analysis and conclusions presented here are based on available data for the period and years of experience as an economist and equine industry expert.

III. Data

Several sources of data for the U.S. and Massachusetts horse racing industries were used for this analysis. The data for years prior to 2014 is from the 2014 report provided to the Horse Racing Committee. The most recent data (2015 – 2018) is from the Annual Reports of the Massachusetts Gaming Commission Division of Racing, the American Horse Council, the United States Trotting Association, and the Jockey Club. It should be noted that data and information provided for the Thoroughbred segment of the industry are generally more comprehensive and reliable than for the Standardbred segment. Data is presented below for the 5 categories of data used in the 2014 report;

- (i) Purse data
- (ii) Handle data
- (iii) Breeding and farm data
- (iv) Comparison data
- (v) Employment data

(i) Massachusetts Purses and Race Days

<u>Total Annual Purse</u>	<u>2013</u>	<u>2017</u>	<u>2018</u>
Standardbred	2,513,101 (21%)	9,912,523 (72%)	10,932,409 (70%)
Thoroughbred	9,362,966 (79%)	3,844,306 (28%)	4,733,800 (30%)

Race Days

Standardbred	92	125	110
Thoroughbred	80	8	8

<u>Average Daily Purses</u>	<u>2012</u>	<u>2017</u>	<u>2018</u>
Standardbred	30,000	79,300	83,233
Thoroughbred	114,000	480,538	591,725

The Standardbred/Thoroughbred purse distribution has changed from 21%/79% in 2013 to 70%/30% in 2018. This represents a 335% increase in Standardbred purses and a 49% decline in Thoroughbred purses over the period. Average daily purses increased for Standardbreds between 2012 and 2018 as a result of the 335% increase in total purses. Average daily purses also increased for Thoroughbreds between 2012 and 2018 due to the steep decline in race days (which more than offset the 49% decline in purses). Between 2017 and 2018 Standardbred purses were increased and race days were decreased, causing average daily purses to increase 5%. Thoroughbred purses were increased by and race days stayed the same, causing a 23% increase in average daily purses.

(ii) Massachusetts Handle, Revenue and Field Size

<u>Live Racing Handle</u>	<u>2012</u>	<u>2017</u>	<u>2018</u>
Standardbred:	1,358,788	1,660,794	1,601,453
Thoroughbred:	6,478,074	1,686,335	1,698,268
TOTAL	7,836,862	3,347,129	3,299,721 (1.4 % decrease 2017-18)

<u>Simulcast Racing Handle</u>	<u>2017</u>	<u>2018</u>
Plainridge Park Casino	54,071,128	51,726,862 (-4.4%)
Sterling Suffolk Downs	155,618,333	164,176,239 (+5.5%)

Total Handle (2018)

Plainridge Park Casino	53,328,315 (24%)
Sterling Suffolk Downs	165,874,507 (76%)

Average Field Size

	<u>2012</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
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Standardbred:	7.07	7.22	7.39	7.57
Thoroughbred:	7.24	7.40	7.90	8.70

The significant decrease in the number of Thoroughbred race days between 2012 and 2018 (a 90% decrease from 80 to 8) is associated with a decrease in live handle from Thoroughbred racing of \$4.8 million (74%) over the period. The 335% increase in Standardbred total purses between 2012 and 2018 is associated with only an 18% increase in live handle. And between 2017 and 2018 the gap in the increase in purses between Thoroughbreds and Standardbreds widened but the increase in handle narrowed relative to the 2012-2017 change. Total live handle in the Commonwealth fell by 57% between 2012 and 2017 (from \$7,836,862 to \$3,347,129) and fell another 1.4% between 2017 and 2018 despite an increase in Thoroughbred live handle.

These data for purses and handle show that between 2012 and 2017 for every 1% decrease in purses, Thoroughbred live handle decreased by 1.39% while for every 1% increase in Standardbred purses, live handle increased minimally by only .075%.

The Live and On Track Handle and Total Handle from racing in Massachusetts remain disproportionately from Thoroughbred racing in 2018. Despite the dramatic shift in the allocation of both purses and race days from Thoroughbreds to Standardbreds over the period 2012 - 2018, Thoroughbred racing still produces roughly 76% of handle in the Commonwealth while receiving only 30% of total purse money.

Thoroughbred field size increased by 9% between 2012 and 2017 (to higher than the national average) while Standardbred field size only increased 4.5% over the same period despite the increased purses. Between 2017 and 2018, Thoroughbred field size increased an additional 10% to 8.7 and Standardbred field size increased by 2.4% to 7.57. The gap between Thoroughbred and Standardbred field size further increased between 2017 and 2018.

(iii) Massachusetts Breeding/Population Data

Number of Farms in Massachusetts (2013)

Standardbred	62
Thoroughbred	13

Massachusetts Racehorse Breeding Stock

Thoroughbred

Foals born and registered in MA	40 (2012)	10 (2015)
Mares bred to MA stallions	46 (2013)	19 (2016)
Active Stallions	19 (2013)	4 (2016)

Standardbred

Yearlings	49(2013)
Resident Broodmares	59(2012)
Active Stallions	0

Data for breeding stock and foal crop for Thoroughbreds in 2016 show the impact of the change in purses and races between 2012 and 2016 (please refer also to the graph in the Analysis section).

(iv) National Comparison Data

	<u>2016</u>	<u>2017</u>	<u>Change</u>
<u>U.S. Total Purse</u>			
Standardbred:	423,067,634 (28%)	432,995,289 (29%)	+2.35%
Thoroughbred:	1,083,695,684(72%)	1,079,739,805(71%)	-0.37%
<u>U.S. Total Wagered</u>			
Standardbred	1,446,768,707	1,383,189,222	-4.39%
Thoroughbred	10,732,724,106	10,903,635,795	+1.59%
<u>U.S. Wagering per Race</u>			
Standardbred	37,323	37,327	0
Thoroughbred	280,344	289,775	+3.36%
<u>U.S. Wagering per Race Day</u>			
Standardbred	393,679	383,155	-2.67%
Thoroughbred	2,298,720	2,384,351	+3.73%
<u>U.S. Race Days</u>			
Standardbred	3,675	3,610	-1.77%
Thoroughbred	4,669	4,573	-1.97%
<u>U.S. Average Field Size</u>			
	<u>2016</u>	<u>2017</u>	
Standardbred:			
Thoroughbred:	7.8	7.73	

The division of purses between Standardbreds and Thoroughbreds in the United States is the inverse of the division of purses in Massachusetts (29%/71% versus 70%/30%). Total U.S. Standardbred purses increased in 2017 while Thoroughbred total purses decreased slightly.

For the U.S., wagering on Thoroughbreds (both total and per day) increased between 2016 and 2017 for Thoroughbreds while it declined for Standardbreds. It is important to note that Standardbred wagering decreased while Standardbred purses increased. On the other hand, Thoroughbred wagering increased even while purses decreased slightly. U.S. wagering on Standardbreds per race day was virtually unchanged while wagering per day declined. Thoroughbred wagering in the U.S. per race and per race day increased. National purse and handle data indicate differences in the economic health of the two racing sectors. Thoroughbred racing has shown increases in wagering over the past three years while Standardbred wagering has declined.

The number of race days declined for all racing over the time period. Thoroughbred average field size in the U.S. decreased slightly between 2016 and 2017 while it increased in Massachusetts. The Standardbred field size increased slightly in Massachusetts. However, data on the Standardbred breeding industry indicate continued concern with the availability of quality horses. Daqrin Zoccali notes, "In the year 2020 there will be 7,000 fewer Standardbreds on the racetrack in North America than there were in 2015. Furthermore, the meat and potatoes of the horses that will make up the overnight horse population (between ages four and nine) in 2020 will be numbered at just 6,500 on this entire continent, compared to 10,582 in 2015. In 2002, there were over 20,000 of those horses competing. Thus, 60-percent of the decrease in horse population will be those horses that are filling up overnight cards on a daily basis. That is a major problem for the industry."

(v) Massachusetts Racing Industry Employment

	2013		2018	
	<u>W2</u>	<u>1099</u>	<u>W2</u>	<u>1099</u>
Plainridge	97	148	52	525
Suffolk	170	268	116	367
<u>Occupational licenses</u>	<u>2013</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Standardbred	983	1632	1162	1142
Thoroughbred	2135	1084	1025	1307

The increase in total purses is shown in the increase in 1099s for both Suffolk and Plainridge between 2013 and 2018. The 2017 employment data show a decline in both Standardbred and Thoroughbred occupational licenses and Suffolk and Plainridge W2s, consistent with the changes in race days over the period. The 2018 data show an increase in Thoroughbred occupational licenses from 2017 and a continued decline in Standardbred occupational licenses.

Despite the significant decrease in the number of Thoroughbred race days between 2012 and 2018 (a 90% decrease from 80 to 8) and the 335% increase in Standardbred total purses over the same time frame, the thoroughbred industry in Massachusetts generated more occupational licenses and W2 employees for Massachusetts in 2018 than the standardbred industry.

III. Analysis

Over the past several decades, horse racing in the United States has become increasingly dependent on the infusion of purse and incentive money funded by casino revenues. Between 1990 and 2003, slot revenues supported a boom in Thoroughbred racing handle. But Thoroughbred handle declined every year between 2003 and 2012. In 2010, the President and CEO of NTRA observed, "We need to get beyond this tough economic time and look carefully at all the things we can do to build our business, to rebuild handle now in horse racing." It had become clear that reliance on slot revenues had caused the industry to ignore market signals and led to inefficiency. Thoroughbred racing has begun to address this issue.

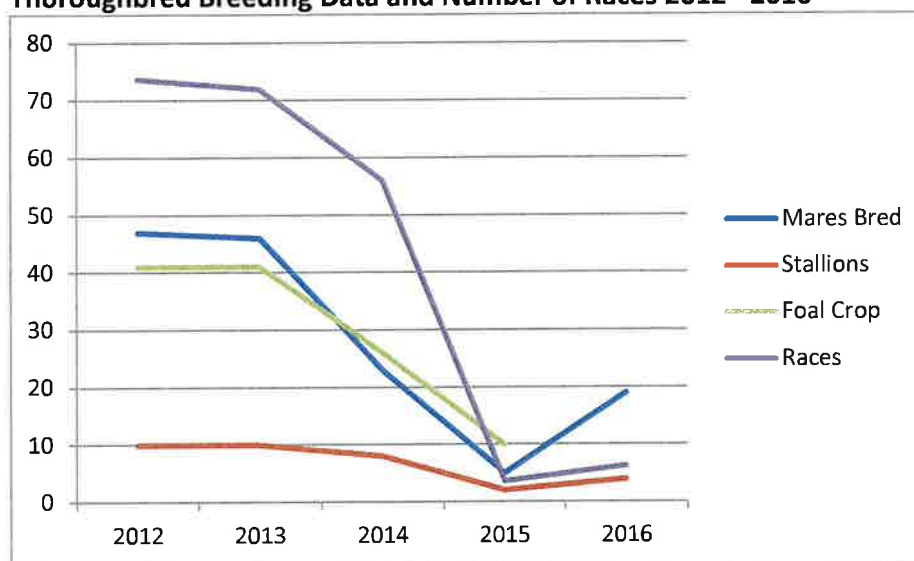
In describing Harness racing, Bob Marks notes, "Many of those who've grown up in the sport over the last quarter century are accustomed to empty grandstands and subsidization, and may even feel a sense of entitlement to that slot revenue." But increased reliance on subsidization is a risky strategy going forward. The "decoupling" of pari-mutuel racing and casinos appears to be an increasingly popular policy. While the Thoroughbred racing industry has shown an awareness of the need to respond to market forces, Harness racing seems father behind in this realization. In February 2018, Bob Marks observes, "...we go on as if it will never end" and "We can certainly examine the product to try and ascertain what works and what doesn't", but he questions whether there is a solution to the problems in harness racing. The data show that harness racing in the U.S. faces a very uncertain future.

Between 2012 and 2017 the economic health of the U.S. Thoroughbred racing industry improved. Declines in purses and wagering from 2012 - 2014 changed to steady purses and increases in wagering over the past 3 years. Meanwhile, the U.S. Standardbred racing industry has seen decreased wagering between 2016 and 2017 despite increases in total purses.

Since 2012, the allocation of purses and race days in Massachusetts has shifted from Thoroughbred racing to Standardbred racing. While overall purses increased by 15.84% between 2012 and 2018 (from \$11,876,067 to \$15,666,209), Standardbred purses increased by 335% while Thoroughbred purses decreased by 49%. The number of Standardbred race days increased over the period while the number of Thoroughbred race days decreased dramatically to only 8 days in 2018. This reallocation runs counter to the economic indicators for the two segments of the racing industry nation-wide and is nonsensical. Massachusetts is increasing its allocation of purses to Standardbred racing which is showing declines in wagering and wagering per race in the U.S. and the Commonwealth while decreasing its support for Thoroughbred racing.

Wagering serves as the ultimate market signal as to the demand for racing. However, in addition to providing entertainment, racing has an economic impact on the region. The data above show that the Thoroughbred racing industry in Massachusetts is much more responsive to changes in purses and race days than the Standardbred segment of the industry and that changes in the Thoroughbred segment of the industry have a larger economic impact on the region. The graph below shows the correlation between the races held each year and the Thoroughbred breeding industry. Since Thoroughbred breeding has a larger impact on employment than Standardbred breeding, changes in the number of Thoroughbred races has a magnified economic impact on the Commonwealth.

Thoroughbred Breeding Data and Number of Races 2012 - 2016



Average field size has increased significantly for Thoroughbreds between 2012 and 2018 as a result of the reduction in the number of races. The increase in Thoroughbred field size makes Massachusetts Thoroughbred field size greater than the national Thoroughbred average field size. Field size for Massachusetts Standardbreds also increased, but by a smaller amount. The average in Massachusetts is more than a horse below the 2017 average at other Standardbred racetracks (e.g. Hawthorn at 8.49 and Woodbine at 8.80). So while the Thoroughbred segment of the industry has more horses per race and breeding is responsive to changes in purses, the response of Standardbred field size to increased purses is weaker and reflects the trend of declining breeding in the national industry.

IV. Conclusions

Purse supplements are allocated to the racing industry based on 5 criteria identified by M.G.L. c.194 of the Acts of 2011, section 60. These criteria address 3 general goals of economic impact, industry sustainability, and quality of life in the community.

Economic Impact

From 2012 – 2018, there have been significant changes in the racing industry in Massachusetts as a result of reallocation of purse funds and race days from Thoroughbred racing to Standardbred racing. There was a 57% decrease in total handle in the Commonwealth between 2012 and 2017 and an additional 1.4% decline between 2017 and 2018. Between 2017 and 2018, Thoroughbred handle increased, but not enough to offset the larger decrease in Standardbred handle. Associated with the decrease in total handle is a decrease in the economic impact from racing. The reallocation from Standardbred racing to Thoroughbred racing resulted in less consumer demand for racing along with the income and employment that it creates.

Thoroughbred racing is associated with larger income and employment effects than Standardbred racing (see the 2014 report to the Gaming Commission for details) and future increases in the allocation of purses to Thoroughbred racing will result in a net gain in the economic impact of the industry.

Industry Sustainability

When purses are funded through handle, the racing industry has a strong incentive to provide high quality racing as valued by the market. Higher handle translates into higher purses and raising handle is the only way to increase industry revenues. However, when purses are subsidized, the racing industry has no incentive to provide high quality racing. If purses do not depend on racing handle, the racing industry does not respond to market force and the large and steady stream of purse money will protect below average producers from market forces and be unsustainable without continued subsidization.

A goal of any purse supplements should be to maximize the probability that the resulting purse structure and industry activity is sustainable. Sustainability requires a purse structure that assures an average field size large enough to generate acceptable live racing handle and develop and maintain associated breeding and training facilities within the Commonwealth. In addition, it is necessary to consider sustainability in the context of potential changes in the future. That is, what is the likelihood that expansions in the industry that result from increased purse supplements could continue if there were, for example, a macroeconomic downturn or a reduction of purse supplements in the future? The Thoroughbred segment of the industry is much better positioned to become competitive as a result of purse supplements. Handle is the best market signal of the ability of the activity to continue in the absence of subsidies and the Thoroughbred segment of the industry shows greater strength in these areas both in the Commonwealth and nationally. Between

2017 and 2018, thoroughbred handle increased in Massachusetts while Standardbred handle fell and Thoroughbred field size increased more than Standardbred field size.

Quality of Life

The racing industry contributes to enhanced quality of life in the Commonwealth by providing an entertainment product, contributing to the economy, and preserving open space. Because the Thoroughbred segment of the industry generates more handle, employment and breeding per race than the Standardbred segment, the effect on each of these is higher from each dollar of purse money allocated to the Thoroughbred segment of the racing industry.

Considerable experience researching the racing industry, evaluation of national, regional, and Massachusetts data related to racing all point to a distribution of purses and race days allocated to the Thoroughbred racing segment of the industry in order to best achieve the goals of the Commonwealth. Market signals indicate a much greater likelihood that purse money allocated to Thoroughbred racing will stimulate economic activity, develop an in-state breeding and training industry, and create a competitive and sustainable racing industry.

The updated data included in this report reinforces the recommendation from the 2014 report that the Horse Racing Committee should allocate the Race-Horse Development Fund 85%-90% to the thoroughbred industry and 10-15% to the standardbred industry.

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EXHIBIT C

New England Thoroughbred Horsemen's Benefit Trust

Established by the New England Horsemen's Benevolent and Protective Association

Administered by the Trustees of the New England Thoroughbred Horsemen's Benefit Trust

2019

Benefits Manual

Rev Aug 2019

For

Trainer's and their eligible dependents and-beneficiaries

HBPA
NEW ENGLAND



The Trustees of the New England Thoroughbred Horsemen’s Benefit Trust and the NEHBPA Board of Directors are pleased to provide this Handbook of Benefit Programs offered to our member trainers and their eligible dependents and beneficiaries.

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INTRODUCTION

Trust Creation

In 1992, the New England Horsemen's Benevolent and Protective Association recognized the need to establish a Trust and funding source to offer benefit programs to eligible member trainers and their dependents and beneficiaries similar to plans offered employees in other industries.

Funding has been continuously provided to operate a trust fund held for the exclusive benefit of the Benefit Plan participants and their eligible dependents and beneficiaries.

Trustees were appointed to hold, invest, reinvest and otherwise to administer the funds and Benefit Plans pursuant to the terms and conditions of the Trust Agreement.

Definitions

The following terms, as used herein, unless a different meaning is implied by the context, shall be defined as follows; provided, however, that with respect to any matter pertaining to benefits payable under any policy acquired by the Trustees to provide benefits under the Plan, the definitions of such terms contained in such Policy shall be controlling over the following definitions of such terms:

Beneficiary

Any person with an interest derived in the Trust from a Participant or the Dependent of a Participant, to the extent so designated in accordance with the provisions of the Plan.

Dependent

A Participant's spouse and any unmarried child (who has not reached the age of nineteen (19)) of a Participant or his/her spouse residing with such Participant or his/her spouse.

Participant shall be defined as a thoroughbred trainer who:

- a) Is a member of the Association in good standing; and
- b) Is licensed by the Massachusetts Racing Commission in good standing; and
- c) Has submitted a written application requesting that the applicant and the applicant's spouse and dependents be covered by the specific plan; and
- d) Meets all eligibility requirements for the specific plan for which he/she seeks enrollment.

Benefit Plans

Eyeglass Plan

The Eyeglass Plan provides a reimbursement of up to \$200 maximum for one pair of eyeglasses per year to each eligible participant who presents a current-year original prescription (copies are not acceptable) in the name of the participant and signed by participant's optometrist for corrective eyeglasses. The participant's spouse and dependents are not eligible for benefits under the Eyeglass Plan.

Eyeglass Plan (eligibility)

A trainer is declared eligible to participate in the Eyeglass Plan by meeting the following eligibility requirements: Special Note – Eligibility is based on 2014 and prior racing years

- A.) The trainer must be a member of the New England Horsemen's Benevolent and Protective Association (NEHBPA) in good standing and shall have no outstanding balances from prior debts owed to the New England Horsemen's Thoroughbred Benefit Trust or the NEHBPA.
- B.) The trainer must achieve a minimum of eight (8) starts for the racemeet. All such starts shall have been made at Suffolk Downs.
 - 1.) The eight (8) starts must be completed in the year prior to the year that eligibility begins.
 - 2.) Eligibility must be renewed annually by achieving the eight (8) starts each year that the trainer participates in the Plan.
- C.) The trainer must have a minimum of one complete year of eligibility prior to applying for the Eyeglass Plan.
- D.) In addition to qualifying under item B (1), the trainer must have achieved 50% of the minimum starts required as per item B (1) in the year that the trainer is applying for participation in the Eyeglass Plan, in order to receive benefits provided by said Plan.
- E.) Failure to achieve annual starts, as per item B, by the end of the racemeet, will result in loss of the trainer's eligibility on the last day of the month in which the last race day occurs. Loss of eligibility shall result in immediate cessation of all Plan benefits and all payments by the New England Thoroughbred Horsemen's Benefit Trust involving the ineligible participant's Eyeglass Plan benefits.

Eyeglass Plan (trainer's obligations)

The trainer must submit a completed Eyeglass Plan application form along with proof that he/she meets the eligibility criteria (above) and a current-year original prescription (copies are not acceptable) in the name of the participant and signed by participant's optometrist for corrective eyeglasses.

Health Insurance Plan

The Health Insurance Plan is a contributory insurance program in which the monthly premiums billed by the insurance provider to the New England Thoroughbred Horsemen's Benefit Trust for the coverage elected by the eligible participant.

Health Insurance Plan (eligibility)

Existing Health Insurance Plan participants, as of February 27, 2013, are grandfathered as to eligibility requirements for the Health Insurance Plan; provided that they remain as active trainers during all racemeets at Suffolk Downs; and provided that each grandfathered trainer must have a minimum of 20 starts as official trainer, either while stabled on the grounds of Suffolk Downs for a minimum of 75% of the completed race days in each meet or while running off of a New England farm.

A trainer is declared eligible to participate in the Health Insurance Plan by meeting the following eligibility requirements:

- A.) The trainer must be a member of the New England Horsemen's Benevolent and Protective Association (NEHBPA) in good standing and shall have no outstanding balances from prior debts owed to the New England Horsemen's Benefit Trust or the NEHBPA.
- B.) The trainer must achieve a minimum of 40 starts for an 80 day racemeet or 50 starts for a 100 day racemeet. All such starts herein referenced shall have been made at Suffolk Downs.
 - 1.) The appropriate number of starts (above) must be completed in the year prior to the year that eligibility begins.
 - 2.) Eligibility must be renewed annually by achieving the appropriate number of starts (above) each year that the trainer participates in the Plan.
- C.) The trainer must have a minimum of one complete year of eligibility as per item B (1) prior to applying for Health Insurance Benefit Program.
- D.) In addition to qualifying under item B (1), the trainer must have achieved 50% of the minimum starts required as per item B (1) in the year that the trainer is applying for participation in the Plan, in order to be enrolled on September 1st of the enrollment year.
- E.) Failure to achieve annual starts, as per item B, by the end of the racemeet, will result in loss of the trainer's eligibility on the last day of the month in which the last race day occurs. Loss of eligibility shall result in immediate cessation of all payments by the New England Thoroughbred Horsemen's Benefit Trust involving the ineligible participant's health insurance coverage for the trainer and his/her spouse and dependents.
- F.) The trainer and his/her spouse must be under the age of 65 to maintain eligibility for the Health Insurance Plan coverage.

Special Provision- All participants are eligible for Health Insurance Due to special circumstances with limited race days All trainers are eligible upon review and approval by the board

Health Insurance Plan (trainer's obligations)

The trainer must submit a completed Health Insurance Plan application form along with proof that he/she meets the eligibility criteria (above).

On or before November 15th of each and every year, the trainer must submit proof, to the Plan Administrator, that he/she has met all eligibility requirements (above) during the current year in order to continue health insurance coverage into the next calendar year.

Upon the trainer and/or his/her spouse attaining the age of 65, the trainer (or spouse/dependent, in the trainer's absence) shall immediately inform the Health Insurance Plan administrator. The trainer may be eligible for the Medex Supplement Plan.

Health Insurance Plan (trainer's options - if ineligible)

Any Health Plan participant (non-grandfathered) who fails to maintain eligibility and continues to actively train at Suffolk Downs during each succeeding consecutive racing meet may elect to continue on the Health Plan; pending approval of the Health Plan insurance policy carrier; and provided that said trainer pays the full monthly premium amount billed to the New England Horsemen's Benefit Trust by the Health Plan provider; and provided that said trainer renders payment of the full monthly premium amount each month, at least, twenty days prior to the first day of each Health Plan coverage month.

Any grandfathered Health Plan participant who fails to have a minimum of 20 starts as official trainer, either while stabled on the grounds of Suffolk Downs for a minimum of 75% of the completed race days in each meet or while running off of a New England farm, and continues to actively train at Suffolk Downs during each succeeding consecutive racing meet may elect to continue on the Health Plan; pending approval of the Health Plan insurance policy carrier; and provided that said trainer pays the full monthly premium amount billed to the New England Horsemen's Benefit Trust by the Health Plan provider; and provided that said trainer renders payment of the full monthly premium amount each month, at least, twenty days prior to the first day of each Health Plan coverage month.

Life Insurance Plan

The life Insurance Plan provides term life insurance coverage for an eligible participant and the participant's spouse. The life insurance coverage is structured by age ranges and age limitations. A participating trainer under the age of 70 is insured for a life insurance amount of \$10,000 and upon attaining age 70, the life insurance amount is reduced to \$5000. An eligible spouse under the age of 70 is insured for a life insurance amount of \$5,000 and upon attaining age 70, the life insurance amount is reduced to \$2,500.

Life Insurance Plan (eligibility)

A trainer under the age of 70 (and spouse under the age of 75) is declared eligible to participate in the Life Insurance Plan by meeting the following eligibility requirements:

- A.) The trainer must be a member of the New England Horsemen's Benevolent and Protective Association (NEHBPA) in good standing and shall have no outstanding balances from prior debts owed to the New England Thoroughbred Horsemen's Benefit Trust or the NEHBPA.
- B.) The trainer must achieve a minimum of eight (8) starts for the racemeet. All such starts shall have been made at Suffolk Downs.
 - 1.) The eight (8) starts must be completed in the year prior to the year that eligibility begins.
 - 2.) Eligibility must be renewed annually by achieving the eight (8) starts each year that the trainer participates in the Plan.
- C.) The trainer must have a minimum of one complete year of eligibility prior to applying for the Life Insurance Plan.

- D.) In addition to qualifying under item B (1), the trainer must have achieved 50% of the minimum starts required as per item B (1) in the year that the trainer is applying for participation in the Life Insurance Plan, in order to receive benefits provided by said Plan.
- E.) Failure to achieve annual starts, as per item B, by the end of the racemeet, will result in loss of the trainer's eligibility on the last day of the month in which the last race day occurs. Loss of eligibility shall result in immediate cessation of all Plan benefits and all payments by the New England Thoroughbred Horsemen's Benefit Trust involving the ineligible participant's Life Insurance coverage for the trainer and his/her spouse.

Life Insurance - Limited Burial Expenses (Financial Hardship)

The NEHBPA Board of Directors, as Trustees of the New England Thoroughbred Horsemen's Benefit Trust (NETHBT), established under the NETHBT's Life Insurance Program a self insured benefit, based on special situations having verified financial hardship, authorizing payment of burial expenses, up to a maximum of \$2,500, on behalf of eligible members and/or their legal spouses, who do not receive benefits from the NETHBT's Life Insurance Program; provided that a such payment is approved by majority vote of the Trustees. This amendment shall be effective as of February 17, 2016.

Life Insurance Plan (trainer's obligations)

The trainer must submit a completed Life Insurance Plan application form along with proof that he/she meets the eligibility criteria (above). Special Note – Eligibility is based on 2014 and prior racing years

Medex Supplement Plan

The Medex Supplement Plan provides a monthly allotment of up to \$200 to each eligible participant who has purchased additional insurance to complement Medicare insurance coverage. The monthly allotment shall not exceed the monthly cost of the participant's actual monthly cost for supplemental insurance and the annual allotment shall not exceed \$2,400.

Medex Supplement Plan (eligibility)

Existing Health Insurance Plan and Medex Supplement Plan participants, as of February 27, 2013, are grandfathered as to eligibility requirements for the Medex Supplement Plan; provided that they remain as active trainers during all racemeets at Suffolk Downs.

A trainer is declared eligible to participate in the Medex Supplement Plan by meeting the following eligibility requirements:

- A.) The trainer must be a member of the New England Horsemen's Benevolent and Protective Association (NEHBPA) in good standing and shall have no outstanding balances from prior debts owed to the New England Thoroughbred Horsemen's Benefit Trust or the NEHBPA.
- B.) The trainer must achieve a minimum of 40 starts for an 80 day racemeet or 50 starts for a 100 day racemeet. All such starts herein referenced shall have been made at Suffolk Downs.
 - 1.) The appropriate number of starts (above) must be completed in the year prior to the year that eligibility begins.
 - 2.) Eligibility must be renewed annually by achieving the appropriate number of starts (above) each year that the trainer participates in the Plan.
- C.) The trainer must have a minimum of one complete year of eligibility as per item B (1) prior to applying for benefits under the Medex Supplemental Plan.

- D.) In addition to qualifying under item B (1), the trainer must have achieved 50% of the minimum starts required as per item B (1) in the year that the trainer is applying for participation in the Plan, in order to be enrolled on September 1st of the enrollment year.
- E.) Failure to achieve annual starts, as per item B, by the end of the racemeet, will result in loss of the trainer's eligibility on the last day of the month in which the last race day occurs. Loss of eligibility shall result in immediate cessation of all payments by the New England Thoroughbred Horsemen's Benefit Trust involving the ineligible participant's benefits under the Medex Supplement Plan.
- F.) The trainer must have reached the age 65 or older to receive supplemental payments under the Medex Supplement Plan.

Medex Supplement Plan (trainer's obligations)

The trainer must submit a completed Medex Supplement Plan application form along with proof that he/she meets the eligibility criteria (above).

On or before November 15th of each and every year, the trainer must submit proof, to the Plan Administrator, that he/she has met all eligibility requirements (above) during the current year in order to continue health insurance coverage into the next calendar year.

Exhibit D



PREPARED: 12/15/19
PREPARED FOR:
NEW ENGLAND HORSEMEN'S BENEVOLENT
GROUP NUMBER 0018420
DIVISION NUMBER 00001

BOSTON MUTUAL LIFE INS. CO. - G
PO BOX 55154
BOSTON MA 02205-5154
800-669-2668 EXT.700

PAYMENT DUE: 01/01/20
PERIOD COVERED: 1 MONTH
PLEASE PAY TOTAL AMOUNT DUE. DO NOT
ADJUST THIS BILL. INSTRUCTIONS FOR
PAYING PREMIUMS AND REPORTING CHANGES
ARE ON THE REVERSE SIDE OF THIS PAGE

COVERAGE	LIVES	VOLUME	PREMIUM	ADJUSTMENTS	TOTAL PREMIUM
LIFE INSURANCE	91	737,000	1,326.60	18.00	1,344.60
DEPENDENT LIFE	39		102.96	2.64	105.60
			PREMIUM DUE THIS BILL		1,429.56
			ADJUSTMENTS		20.64
			TOTAL AMOUNT DUE		1,450.20

RETAIN THIS PAGE FOR YOUR RECORDS
FOLD AND DETACH HERE

MEMBER NOTICE

GROUP NUMBER 0018420
 DIVISION NUMBER 00001
 NEW ENGLAND HORSEMEN'S BENEVOLENT

PAGE 2
 BML
 01/01/20

CERTIFICATE NUMBER	EMPLOYEE NAME	CLASS	LIFE	DLIF	PREMIUM
011484843	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
023540975	[REDACTED]	01	10,000 18.00		18.00
032507721	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
027427336	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
025366054	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
000006926	[REDACTED]	01	5,000 9.00	Y 2.64	11.64
000003061	[REDACTED]	01	10,000 18.00		18.00
000003621	[REDACTED]	01	10,000 18.00		18.00
002482639	[REDACTED]	01	10,000 18.00		18.00
000004306	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
014440676	[REDACTED]	01	10,000 18.00		18.00
011227387	[REDACTED]	01	5,000 9.00		9.00
015422583	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
000002693	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
021387589	[REDACTED]	01	5,000 9.00	Y 2.64	11.64
000008714	[REDACTED]	01	5,000 9.00	Y 2.64	11.64
024265166	[REDACTED]	01	5,000 9.00		9.00

PREMIUM NOTICE

GROUP NUMBER 0018420
DIVISION NUMBER 00001
NEW ENGLAND HORSEMEN'S BENEVOLENT

PAGE
BME
01/01/20

CERTIFICATE NUMBER	EMPLOYEE NAME	CLASS	LIFE	DLIF	PREMIUM
034287118		01	5,000 9.00		9.00
021283301		01	5,000 9.00		9.00
030502597		01	10,000 18.00		18.00
024385013		01	5,000 9.00	Y 2.64	11.64
037305804		01	5,000 9.00	Y 2.64	11.64
228581545		01	5,000 9.00		9.00
000001252		01	10,000 18.00		18.00
000009829		01	10,000 18.00		18.00
014462249		01	10,000 18.00	Y 2.64	20.64
018287799		01	5,000 9.00		9.00
000004358		01	10,000 18.00		18.00
019440456		01	10,000 18.00		18.00
019440459		01	10,000 18.00	Y 2.64	20.64
039287659		01	5,000 9.00	Y 2.64	11.64
020283292		01	5,000 9.00		9.00
446505406		01	5,000 9.00	Y 2.64	11.64
000001085		01	10,000 18.00		18.00

PREMIUM NOTICE

GROUP NUMBER 0018420
DIVISION NUMBER 00001
NEW ENGLAND HORSEMEN'S BENEVOLENT

CERTIFICATE NUMBER	EMPLOYEE NAME	CLASS	LIFE	DLIF	PREMIUM
047446455	[REDACTED]	01	10,000 18.00		18.00
014562422	[REDACTED]	01	10,000 18.00		18.00
242788510	[REDACTED]	01	5,000 9.00	Y 2.64	11.64
			12/01/19 NEW COVERAGE ADJUSTMENT 5,000 9.00	Y 2.64	11.64
014549551	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
531668869	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
039328920	[REDACTED]	01	10,000 18.00		18.00
029522255	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
010300934	[REDACTED]	01	5,000 9.00		9.00
028389123	[REDACTED]	01	10,000 18.00		18.00
026322248	[REDACTED]	01	5,000 9.00		9.00
030422699	[REDACTED]	01	10,000 18.00		18.00
000008437	[REDACTED]	01	10,000 18.00		18.00
039426135	[REDACTED]	01	10,000 18.00		18.00
020568963	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
000005779	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
038325402	[REDACTED]	01	5,000 9.00	Y 2.64	11.64
000005643	[REDACTED]	01	5,000 9.00		9.00

PREMIUM NOTICE

GROUP NUMBER 0018420
DIVISION NUMBER 00001
NEW ENGLAND HORSEMEN'S BENEVOLENT

PAGE
BME
01/01/20

CERTIFICATE NUMBER	EMPLOYEE NAME	CLASS	LIFE	DLIF	PREMIUM
000001477		01	10,000 18.00		18.00
000009824		01	10,000 18.00	Y 2.64	20.64
000008075		01	10,000 18.00		18.00
012480673		01	10,000 18.00		18.00
000002720		01	10,000 18.00		18.00
035340700		01	10,000 18.00	Y 2.64	20.64
017648013		01	10,000 18.00		18.00
034423435		01	10,000 18.00	Y 2.64	20.64
581100713		02	1,000 1.80		1.80
015309339		01	5,000 9.00		9.00
036389394		01	10,000 18.00	Y 2.64	20.64
037229975		02	1,000 1.80		1.80
037286060		01	5,000 9.00	Y 2.64	11.64
085429372		01	10,000 18.00	Y 2.64	20.64
580507515		01	5,000 9.00		9.00
034540861		01	10,000 18.00	Y 2.64	20.64
000002425		01	10,000 18.00		18.00

PREMIUM NOTICE

GROUP NUMBER 0018420
 DIVISION NUMBER 00001
 NEW ENGLAND HORSEMEN'S BENEVOLENT

PAGE 6
 BML
 01/01/20

CERTIFICATE NUMBER	EMPLOYEE NAME	CLASS	LIFE	DLIF	PREMIUM
020449487		01	10,000 18.00		18.00
027444649		01	10,000 18.00		18.00
029465745		01	10,000 18.00	Y 2.64	20.64
000000605		01	5,000 9.00		9.00
			12/01/19 NEW COVERAGE ADJUSTMENT 5,000 9.00		9.00
027408782		01	10,000 18.00	Y 2.64	20.64
000000019		01	10,000 18.00		18.00
018363929		01	5,000 9.00		9.00
011440586		01	10,000 18.00	Y 2.64	20.64
039244343		01	5,000 9.00	Y 2.64	11.64
036501713		01	10,000 18.00		18.00
037282777		01	5,000 9.00		9.00
037307499		01	5,000 9.00	Y 2.64	11.64
000009068		01	10,000 18.00		18.00
038124960		01	5,000 9.00		9.00
000007892		01	10,000 18.00		18.00
000003908		01	10,000 18.00		18.00
000000972		01	5,000 9.00	Y 2.64	11.64

PREMIUM NOTICE

GROUP NUMBER 0018420
DIVISION NUMBER 00001
NEW ENGLAND HORSEMEN'S BENEVOLENT

PAGE 7
BML
01/01/20

CERTIFICATE NUMBER	EMPLOYEE NAME	CLASS	LIFE	DLIF	PREMIUM
000004093	[REDACTED]	01	10,000 18.00		18.00
037468539	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
000009494	[REDACTED]	01	10,000 18.00		18.00
000001751	[REDACTED]	01	10,000 18.00	Y 2.64	20.64
000005364	[REDACTED]	01	5,000 9.00	Y 2.64	11.64
024246660	[REDACTED]	01	5,000 9.00		9.00

Exhibit E

THE TOM COREY OLD AGE FUND

The Tom Corey Old Age Fund was created by a Resolve approved by the Board of Directors of the Thoroughbred Assistance Fund of Massachusetts (Directors) on June 14, 2005.

Operating under the direction and control of the Directors, the Tom Corey Old Age Fund's purpose is to provide supplemental assistance to retired Thoroughbred trainers who have provided active training service at New England racetracks.

The Directors have established the following guidelines, which may be changed by majority vote of Directors.

Tom Corey Old Age Fund Guidelines:

- 1.) All applicants must have reached the age of sixty-two (62) this is a main requirement regardless. See Disability Bridge plan if less than 62 years of age
- 2.) Eligibility will be based on Age in conjunction with Years of Service and Number of starts or any combination of the three
- 3.) All applications must be made in writing. The burden of providing documentation is solely upon the applicant. No action shall be taken on any application without complete documentation.
- 4.) The applicant must have held a trainer's license in the New England States (Massachusetts, New Hampshire and/or Rhode Island) for a minimum period of 10 years. The applicant must provide and be held responsible for the accuracy of documentation regarding verification of the applicant's years as an active licensed trainer in said New England States.
- 5.) The applicant must have been in "good standing", as defined in the New England HBPA Bylaws, actively training and starting horses and principally stabled in said New England States during this period. This guideline is grandfathered in back to the 2014 racing meet
- 6.) The applicant must be retired from training race horses to receive benefits. It will be left to the discretion of the Directors that the retiree may be able to own/train multiple horses upon retirement.
- 7.) All decisions concerning the Tom Corey Old Age Fund shall be made by the Directors. All applications are subject to approval of the Directors and shall be individually approved or denied by the Directors.
- 8.) The benefit level for a participant shall be determined by the Directors. However, the Directors may amend, increase, eliminate or dissolve the plan in total, or in the amount received by each individual participant at any time. All benefits provided shall be at the discretion of the Directors, who may discontinue or amend benefits to any individual participant at any time.

9.) The established benefit provided to each plan participant shall be tiered as follows

- a. 10-14 years and 250 or more starts \$100
- b. 15-20 years and 750 or more starts \$200 any less starts \$100
- c. 21-25 years and 1000 or more starts \$300 any less starts \$200
- d. 25 years or more and 1250 or more starts \$400 any less starts \$300

All benefit amounts shall be reviewed annually.

10.) All decisions of the Directors shall be final.

TOM COREY DISABILITY BRIDGE PLAN

Established February 17, 2016

The Tom Corey Disability Bridge Plan is designed to provide eligible disabled Thoroughbred trainers, who are under the age of 62 and have a financial hardship, with temporary financial assistance until they reach the age of 62. Upon reaching the age of 62 a participant in the Tom Corey Disability Bridge Plan shall immediately transition into the Tom Corey Old Age Fund and shall be subject to the same terms and conditions as required of any other participant in the Tom Corey Old Age Fund.

Application:

The applicant shall submit a completed application form and required documentation to the Thoroughbred Assistance Fund Board of Massachusetts. The burden of providing all required documentation is the exclusive responsibility of the applicant. Applications will not be considered without all required documentation.

Eligibility:

- a) The applicant must be under the age of 62.
- b) The applicant must be disabled, as certified by the United States Social Security Administration or certified by a licensed physician chosen by the Assistance Fund Board.
- c) The applicant must have a financial hardship, as certified by a federal or state government agency.
- d) The applicant must have been engaged in training Thoroughbred race horses as his/her full-time occupation.
- e) The applicant must have held an active Thoroughbred trainer's license in the state of Massachusetts for a minimum of 7 years and must have been in good standing, actively racing and principally stabled in said states.
- f) The applicant must have had a minimum average of 25 starts per year in the state of Massachusetts for any one of the following consecutive periods of years immediately preceding the date that the completed application is submitted:

- 7 years or more \$400 (Minimum of 150 starts)

Exception: Due to the unusual reduction in number of race days conducted during the period from January 1, 2015 to December 31, 2019, the applicant shall be grandfathered in 2014 and prior years. The applicant must be retired from training race horses, as per the Terms and Conditions listed below, to receive benefits under this plan.

Required Documentation:

All required documentation shall be submitted with the completed application form. Applications shall not be accepted nor considered in the absence of any required documentation. The following certifications, documents and verifications are required to be provided with the application:

- 1) A government issued photo identification (ID) of the applicant must be presented and a photocopy of the ID shall be attached to the application form, as proof of age.
- 2) Original certification of applicant's disability issued by the United States Social Security Administration.
- 3) Original certification of applicant's financial hardship status, as issued by a federal or state agency showing the applicant's participation in a financial subsidy program or a copy of the applicant's most recently filed Federal Tax Return (Form 1040 or equivalent).
- 4) Documentation that the applicant was licensed as a Thoroughbred racehorse trainer in the state of Massachusetts for a minimum of 10 years and in good standing, actively racing and principally stabled in Massachusetts.

- 5) Documentation that the applicant has met the eligibility requirements, as per the item " f " in the above Eligibility section, for starts in the state of Massachusetts in the years immediately preceding the date that the application is submitted.

Terms and Conditions:

All decisions concerning the administration, structure, terms, conditions and benefits of Tom Corey Disability Bridge Plan are solely determined by the Thoroughbred Assistance Fund of Massachusetts Board of Directors.

All applications for benefits from the Tom Corey Disability Bridge Plan shall be individually approved or rejected, at the sole discretion of the Thoroughbred Assistance Fund of Massachusetts Board of Directors. All such decisions shall be final.

The benefit(s) awarded, if any, to an applicant and/or participant shall be determined by the Thoroughbred Assistance Fund of Massachusetts Board of Directors. The Board, at its sole discretion, may amend, increase, decrease or eliminate benefits or dissolve the Tom Corey Disability Bridge Plan in total or in the amount received by each individual participant, at any time. All benefit amounts shall be reviewed annually.

Upon the discretion of the Thoroughbred Assistance Fund of Massachusetts Board of Directors., a participant in this Plan may train and race multiple horses that are wholly and exclusively owned

Revised December 2019 November 2019 September 2019, June 2019, September 2018 by said participant and again at the discretion of the board.

Exhibit F

Exhibit G

Thoroughbred Assistance Fund of Massachusetts
Account QuickReport
 January through December 2019

1:29 PM
 01/31/20
 Accrual Basis

	Type	Date	Num	Name	Memo	Amount
604 Benevolence						
606 Trainers						
	Check	02/22/2019	Benevolence			750.00
	Check	02/22/2019	Benevolence			500.00
	Check	03/06/2019	Benevolence		Funeral	1,500.00
	Check	04/15/2019	Benevolence			750.00
	Check	04/18/2019	Benevolence		Funeral	1,500.00
	Check	06/25/2019	Benevolence			750.00
	Check	08/08/2019	Benevolence		Cancer Stage (4)	750.00
	Check	10/02/2019	Benevolence		Cancer Stage (4)	750.00
	Check	10/28/2019	Benevolence			500.00
Total 606 Trainers						7,750.00
604 Benevolence - Other						
	Check	04/18/2019	Benevolence		Funeral	1,500.00
	Check	05/30/2019	Benevolence			500.00
	Check	06/13/2019	Benevolence			750.00
	Check	07/16/2019	Benevolence		Funeral	1,500.00
Total 604 Benevolence - Other						4,250.00
Total 604 Benevolence						12,000.00
TOTAL						12,000.00

Exhibit H



February 7, 2020

VIA FIRST CLASS MAIL

Massachusetts Horse Racing Committee
101 Federal Street
12th Floor
Boston, MA 02110

Re: Race-Horse Development Fund Split

Dear Members of the Committee:

I write in advance of the Massachusetts Horse Racing Committee's ("HRC") meeting on February 19, 2020.

As the HRC may be aware the Notos Group, LLC ("Notos" or "we") has announced its plan to develop a thoroughbred racing facility in Wareham, MA. The facility is intended to be a new home for the thoroughbred racing and breeding industries in the Commonwealth. We are striving to save these statewide industries, which once generated hundreds of millions of dollars and created thousands of jobs throughout the Commonwealth.

The Race-Horse Development Fund ("RHDF") is critical to our mission to save the horse racing industry. As the HRC is aware, developing and building a racetrack is difficult and costly. In order for this racetrack to be built, we need to preserve as much as possible in the RHDF to fund future purses. The average daily purse at Suffolk Downs was approximately \$500,000.00. Even with the prior unused allocation that was made to the thoroughbred industry, the industry would not have more than 30 days of purses available when our facility opens.

Further, we need stability in the Massachusetts thoroughbred racing and breeding industry. As the HRC is aware, there is a great deal of uncertainty surrounding the future of the thoroughbred industry in Massachusetts. It is difficult to develop financial projections and forecast operations if the RHDF allocation changes again. It makes it difficult for us to succeed. We would request that the HRC keep the allocation at its current levels for the foreseeable future.

Thank you for your time and attention to this matter.

Very truly yours,

A handwritten signature in black ink that reads "Thomas O'Connell". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Thomas O'Connell

Exhibit I

On Sunday, February 2, 2020 lisa welsch <[REDACTED]> wrote:

To Whom it may concern,

Please Please!! Do not consider giving the Standardbred Industry anymore of the RHDF. Massachusetts Thoroughbred horsemen want to come back home and continue racing with their family & friends. The NEHBPA continues to help all those who were unable to leave Massachusetts and have struggled financially. We are so grateful to the NEHBPA for offering affordable Health & Life Insurance to their members. I know I couldn't afford Health & Life Insurance without the NEHBPA, the help they give with my eyeglasses has made it possible for me to continue with my eye care as well. Many of my fellow horsemen are being helped by the NEHBPA for different needs. If the NEHBPA loses anymore money from the RHDF fund it will devastate Horsemen like myself who have already suffered greatly from the loss of full time racing. I understand there are three major investors working diligently to bring full time racing back to Massachusetts. Please allow the NEHBPA the funding they are receiving to continue helping our Thoroughbred horsemen while investors are working on a racetrack.

Thank You Kindly,
Lisa Welsch



Horsemen's Health and Welfare/RHDF

1 message



Mon, Feb 3, 2020 at 6:50 AM

To Wom this may concern:

{Gaming Commission} I am writing in interest Of Thoroughbred horsemen in MA. Please don't take our % of funding; I am a recently retired trainer and owner. . I am Retired no only because of health reasons { Cardiac problems to which I cannot work to my previous capacity. I have been recieving monthly funds from the horsemens retirement fund since last year. . I am in great need of that monthly funding just to make finacial ends meet each month .Many of us horsemen to who have world very hard their whole life depend on these funds. Please dont let these monies to be taken away!

Thank you

Carol A. Skawinski

2/9/2020

AOL Mail (44)

To whom it may concern

I Trained Thoroughbreds for many years. Without full time racing in Massachusetts it became rather difficult to earn extra income to keep up with bills. I am receiving Old Age Assistants from the NEHBPA and this money has helped take a lot of stress from me. I'm in hope that you will not allow any change in the RHDF because loosing this money will bring hardship for many of us.

Thank You

Andrew McGrath

From: Shirley Dullea

Date: Feb. 3, 2020

Re: Mass Gaming Commission

To whom it may concern:

My Husband and I have been in racing for may years. And its been very hard ever since racing stopped at Suffolk Downs. The money we receive from the RHDF has been very help to me ever since my husband took sick and all the operations he had to retire from racing. It was his whole life. And if we were to have it taken away it would put a big strain on our lives.. There are a lot of Horsemen receiving the RHDF money and to have to tell them that they would no longer receive it would be devastating.

So I'm asking you to please don't take this money from the Horsemen..

I do hope we get lucky and racing comes back to Massachusetts.

Shirley Dullea

From: Mary Ann Fruzzetti

Date: Feb. 3, 2020

Re: Mass Gaming Commission

To Whom it may concern. My husband and I own Central Farm in
E. Bridgewater Mass.

We've been racing thoroughbreds from our farm since 1969. Since Suffolk
closed we've been fighting to keep the farm going by racing in Fla. And N.J.
but always coming back to our farm here with the horses. We live here. This
is Our Home.

Please do not give the Trotters our money.

We need it to keep going and we are of very hopeful that thoroughbred racing
Will return to Massachusetts.

Sincerely,
Mary and Richard Fruzzetti
Owner and Trainers

From: Leona McKanas

Date: Feb. 3, 2020

Re: Mass Gaming Commission

To Whom it may concern. I was in the racing business for 30+ years at Suffolk Downs, it was my life. Upon retiring after Suffolk closed there was not much for me or many of my fellow horsemen to do. For most of us horses is all we know and it's not easy to go into the corporate world and get a job. Without the RHDF giving us what they do we could not survive.

Hopefully soon we will have another racetrack in Massachusetts but I believe without the RHDF nobody will want to build. Not only is it helping many people now it will help our future.

Leona McKanas

Trainer

Robert Manning

February 3, 2020

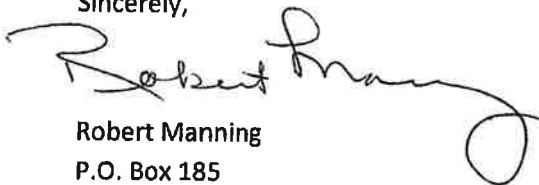
Mass. Gaming Commission
101 Federal Street
12th Floor
Boston, MA 02110

To whom it may concern;

I am writing today with respect to the HBPA funding. It has been brought to my attention that the state is looking to take additional funding away from them.

At this time I currently receive a monthly assistance check from the HBPA. As I am retired from training thoroughbreds, this helps to make ends meet. It would be detrimental to myself as well as others who are currently receiving funds.

Sincerely,

A handwritten signature in cursive script that reads "Robert Manning". The signature is written in black ink and is positioned above the typed name.

Robert Manning
P.O. Box 185
West Bridgewater, MA 02379

From: Florence Gemma Siravo

Date: Feb. 3, 2020

Re: Mass Gaming Commission

To Whom it may concern: It has been an extreme hardship losing racing in Massachusetts. I own a horse farm in Rhode Island and always depended on racing for income. The horsemen have no means of income after the track closed. We have no retirement or 401K like most people. I have been in racing for 50 years that's all I know. Now I am 76 years old and all I have is a small check from the HBPA Retirement Fund an Social Security.

Now I understand that the Mass Gaming Commission is trying to take that. I really depend on that money for myself and to help keep my farm alive. Hope you understand and give this much consideration.

Sincerely,

Florence Gemma Siravo

Owner and Trainers

From: Corinne Gilardo

Date: Feb. 7, 2020

Re: Mass Gaming Commission

To Whom it may concern. My name is Corinne Gilardo and I am a retired horse trainer. I spent 50 years of my life doing what I loved mostly at Suffolk Downs. Please don't take the funding away from the Horsemen. The HBPA does many good things for us. God willing Massachusetts will have Horse racing again in the future. Please leave the split alone.

Sincerely,
Corinne Gilardo
Owner and Trainers

[REDACTED]
[REDACTED]<info@newenglandhbpa.com>

Subject: New England HBPA Contact Form Submission

Date: Sun, Feb 9, 2020 11:17 am

[REDACTED]>

Message Body:

thank you for your tireless effort to revive thoroughbred racing in mass .Thoroughbred racing means so much to a great many people in mass.I miss racing in Mass -but hold out hope for its return. in the interim by being unable to earn a living in the profession i love and miss-and being at an age (68) and being disabled the benefits i receive from the HBPA are vital to my present day financial situation.Sure the harness industry makes a point that they race 110 days a year but the truth of the matter is live racing at Suffolk Downs (6 days)outhandled Plainridge (110 days) further demonstrating that the racing fund should restore the lost percentage to the thoroughbreds so that a truly viable industry can revive itself !!

Thank You

Sal Longo

Retired Thoroughbred Trainer Breeder Owner and HBPA Fund Recipient

This e-mail was sent from a contact form on New England HBPA (<http://newenglandhbpa.com>)

B**B****BUTTERS BRAZILIAN LLP**

JOHN H. BRAZILIAN
THOMAS J. BUTTERS
MATTHEW D. THOMPSON
JOSEPH A. COLUNTINO, JR.

699 BOYLSTON STREET, 12TH FLOOR
BOSTON, MASSACHUSETTS 02116
617.367.2600
f 617.367.1363
www.buttersbrazilian.com

February 18, 2020

Chairman Brian Fitzgerald
Commissioner Gayle Cameron, MGC Representative
Peter Goldberg, Standardbred Representative
Joe Savage, Thoroughbred Representative
Emily Kowtoniuk, Treasurer's Representative
Massachusetts Horse Racing Committee
101 Federal Street, 12th Floor
Boston, MA 02110

LENARD B. ZIDE
ALEC S. PINE
PATRICK HANLEY
OF COUNSEL

Re: Horse Park and Racetrack Development in Central Massachusetts

Dear Chairman Fitzgerald and Horse Racing Committee Members:

As the Horse Racing Committee begins consideration of the split of the Race Horse Development Fund, I write to alert you that I represent a group led by Armand Janjigian to develop a thoroughbred horse park and racetrack in central Massachusetts. I ask that you maintain the current split.

The Janjigian group is led by a horseman with a stellar reputation in the industry. Mr. Janjigian lives on a farm in the suburbs of Boston with his wife and his horses. He is a successful businessman, developing and running many businesses, including the Kingsbury Clubs located in Medfield and Kingston.

This horse park and racetrack project is more than an idea. The Janjigian group has begun working with the local community to generate buy-in and excitement, the thoroughbred owners, trainers and others in the industry to create a successful and safe horse park and racetrack, and potential investors and partners in order to build an attractive destination. The Janjigian group has secured property on which to build the horse park and racetrack. A public announcement will be made soon regarding the specifics of the site, but, in the interim, I can report that the project would require no legislative changes for it to be a success.

What is required for success is a robust Race Horse Development Fund to attract competitive horses and critical investment in the project. The purpose of this fund – development – is essential to the future development of the horse racing industry in Massachusetts. The Expanded Gaming Act had unintended consequences for the ecosystem of horse racing and the critical work that owners, breeders, trainers and others in this workforce perform each day. With the recent closure of live racing at Suffolk Downs there is an opportunity to build something new to support the existing workforce. As you know, the Expanded Gaming Act was a jobs bill. Maintaining the jobs of the thoroughbred industry is a must. This project will be a success if the Horse Racing Committee supports the current funding split under the authority of G.L. c. 23K, § 60.

I look forward to working with the Horse Racing Committee as this project develops.

Yours Truly,



Patrick Hanley

CC: Armand Janjigian
Paul Umbrello