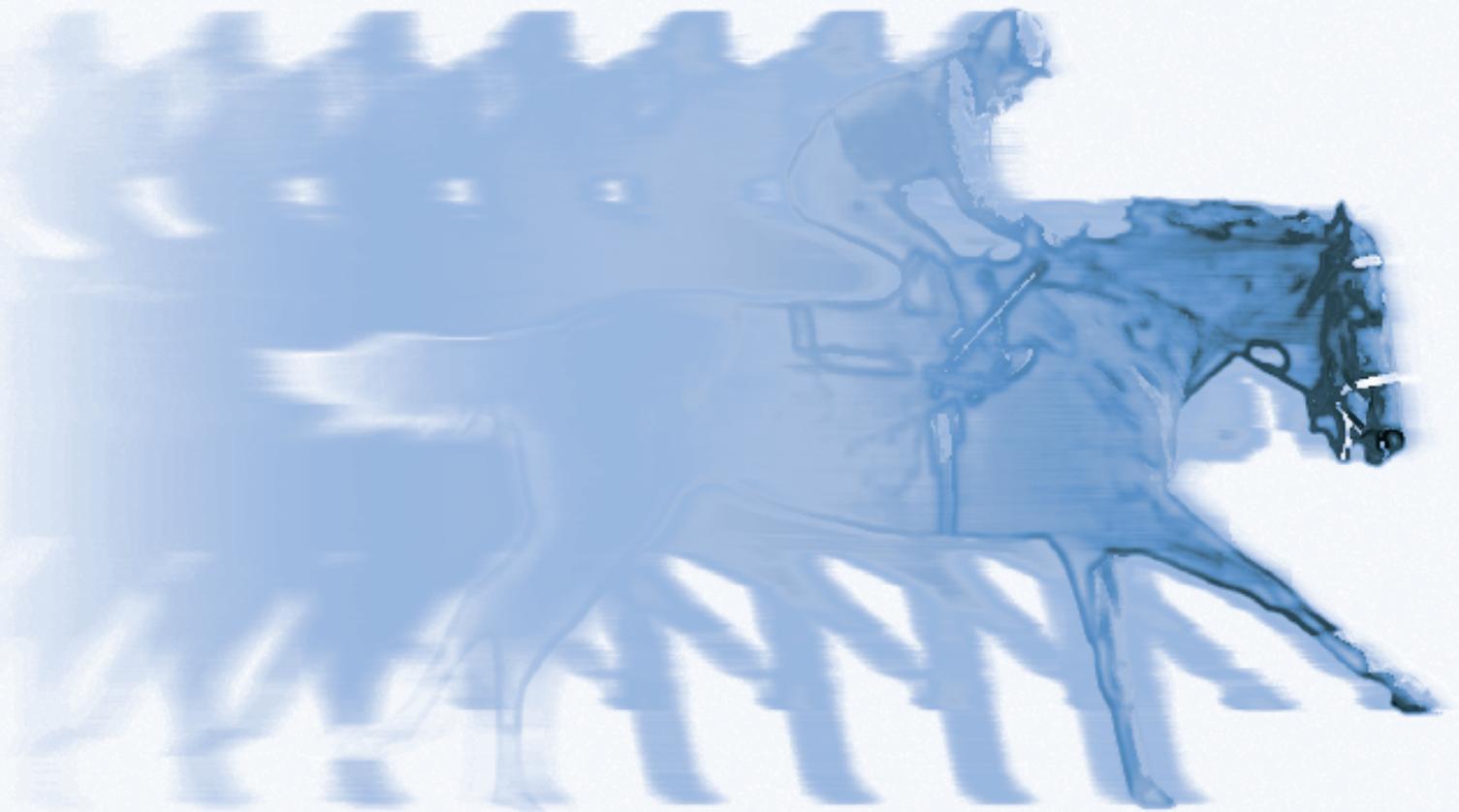


# DIVISION OF RACING EVENTS



Report of the Fifty-Ninth Pari-Mutuel Wagering Season 2007  
January 1, 2007 – December 31, 2007



Colorado Racing Commission • Department of Revenue

# STATE OF COLORADO



## DIVISION OF RACING EVENTS

Department of Revenue

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Bill Ritter, Jr.  
Governor

Roxanne Huber  
Executive Director

Daniel J. Hartman  
Division Director

Honorable Bill Ritter, Jr.  
Governor of the State of Colorado

Honorable Members of the 73rd General Assembly  
State of Colorado

Dear Governor Ritter and Honorable Members of the House and Senate:

It is with distinct pleasure that we provide you with the following Report of the 59th pari-mutuel wagering season, pursuant to Section 12-60-302(2), C.R.S. 1985-replacement volume 5. Included within this report are detailed figures and statements covering the 2007 racing calendar year.

We trust that the information proves to be informative and indicative of the benefits that properly regulated pari-mutuel wagering provides to the State of Colorado. The 294 live days and 500 horse and greyhound simulcast days in 2007 resulted in \$127,108,766 wagered in total, with \$2,792,776 in pari-mutuel taxes being deposited in the General Fund of the State of Colorado.

The Department of Revenue is required to report any information that may be related to taxes in aggregate form only. Therefore, we have grouped our data into "greyhound" and "horse" totals. Please note that this report does not intend to reflect profits or losses from any racetrack.

The Division expresses appreciation for the cooperation and service rendered by the Governor, the State Legislature, the Executive Director of the Department of Revenue and other public officials, as well as the various track operators, the law enforcement agencies of Colorado, the press and the Division staff.

Respectfully,

FOR THE DIVISION OF RACING EVENTS

A handwritten signature in black ink, appearing to read "Daniel J. Hartman".

Daniel J. Hartman

DIVISION DIRECTOR

# 2007 Annual Report

**ROXANNE HUBER**  
Executive Director  
Department of Revenue

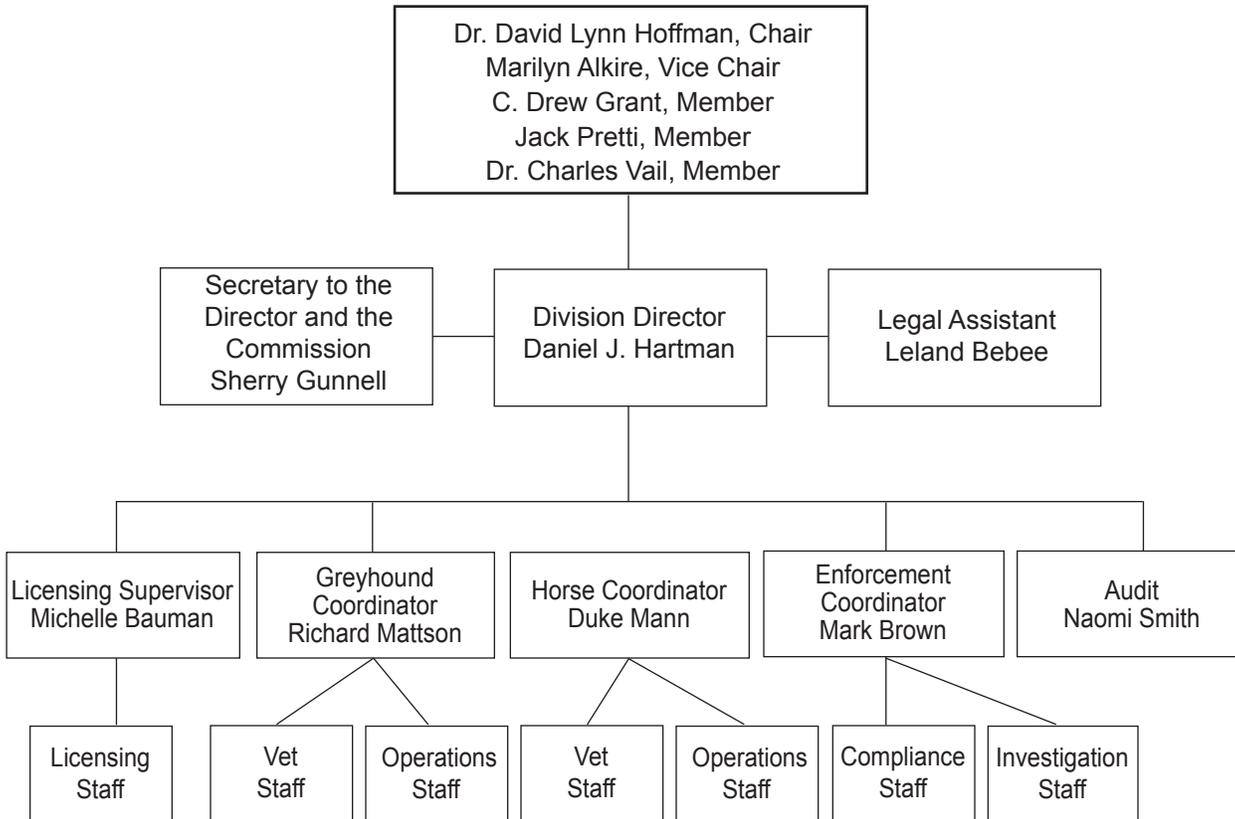
**DAVID LYNN HOFFMAN**  
Chair  
Colorado Racing  
Commission

**DANIEL J. HARTMAN**  
Division Director  
Division of Racing Events

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# COLORADO RACING COMMISSION AND DIVISION OF RACING EVENTS



## RACING HISTORY

The Division of Racing Events and the Colorado Racing Commission were established in 1949 to supervise pari-mutuel wagering in Colorado. Pari-mutuel means “betting among ourselves”. When placing a wager at a racetrack, a person is not betting against the “house” as he or she would at a casino. Pari-mutuel wagering is a form of betting in which the loser’s wagers (less a percentage for the racing associations and taxes) are distributed among the winners. The Division is a regulatory, enforcement and revenue-generating agency of State Government. The Colorado Legislature and the Racing Commission set a public policy in the area of racing regulation, which is then administered by the Division of Racing Events. The major functions of the Division and the Racing Commission are to promote racing and the recreational, entertainment and commercial benefits derived therefrom, to establish high standards of sport and fair-play, to promote the health and safety of the animals involved in racing and to foster honesty and fair-dealing in the industry. The Commission allocates race dates to various racing associations, adopts rules and supervises the conduct of race meets, racing officials and licensees. A staff of administrative, security and veterinary professionals, in conjunction with Division racing officials, supervised the daily activities at all the licensed facilities conducting pari-mutuel wagering and racing in Colorado during 2007.

In 2007, twelve Commission meetings were held. The Commission conducted a 2008 race date hearing, renewal application hearings for greyhound race meets in the northern sector of the state and a renewal application hearing for the one major horse race meet. Additionally, numerous disciplinary, administrative and appeal hearings were held as were rule-making hearings related to the adoption of various greyhound, horse, pari-mutuel and racing rules. Pursuant to its statutory obligation and mandate, the Commission continued its official regulatory, supervisory and enforcement control of pari-mutuel wagering.

### **MISSION STATEMENT**

TO PROMOTE AND FOSTER THE PUBLIC CONFIDENCE IN  
THE PARI-MUTUEL INDUSTRY, PROTECT THE WELFARE OF  
THE PARTICIPANTS THROUGH FAIR, CONSISTENT, PROACTIVE  
ENFORCEMENT OF APPROPRIATE POLICIES, STATUTES AND  
COLORADO RACING COMMISSION RULES

Visit us at our website at [www.revenue.state.co.us/racing\\_dir/home.asp](http://www.revenue.state.co.us/racing_dir/home.asp)

## 2007 EVENTS

### COMMISSION NEWS:

Charles Vail, DVM, was appointed to a four-year term as a Commissioner on November 20, 2007. Dr. Vail's term will expire on July 1, 2011.

Marilyn Alkire was re-appointed by Governor Bill Ritter and confirmed by the Senate to serve a second four-year term expiring on July 1, 2010.

In July, David Lynn Hoffman was appointed to serve as Chairman of the Commission and Marilyn Alkire was appointed to serve as the Commission's Vice-Chair. They will hold these positions for one year.

### DIVISION NEWS:

From February 16, 2007 throughout September, 2007, Division Director Dan Hartman served as the Interim Director of the Liquor Enforcement Division and the Tobacco Unit while continuing to head the Division of Racing Events.

Division Director Dan Hartman was awarded the Len Foote Award for "Outstanding Service" at the Racing Commissioners' International (RCI) Annual Conference held in Jackson Hole, Wyoming in April. This is a prestigious award given annually to a deserving Director of a Racing Commission. Dan, who is very active in the organization, acknowledged that it is especially nice to be recognized by one's peers. This was the first major conference held since the merger of the ARCI and the North American Pari-Mutuel Regulators' Association (NAPRA).

In May, Division Veterinarian Earl Carlson, retired from his position after more than twenty years of service.

## CURRENT MEMBERS OF THE COLORADO RACING COMMISSION

**David Lynn Hoffman: (D)** Dr. Hoffman, a representative who has been engaged in business, is a retired professor of management at the University of Northern Colorado (Greeley), who, upon occasion, teaches on an interim basis. He was originally appointed to the Racing Commission in 2001 and was re-appointed to the Commission in July, 2005 for a second four-year term expiring on July 1, 2009. Dr. Hoffman has served as President of the Board for Platte River Industries, is the former President of the Westminster 7:10 Rotary and a former member of the Vocational Service Committee, Foundation Request Committee and the Foundation Board of Directors. Additionally, he headed the Small Business Institute Directors' Association.

**Marilyn Alkire: (I)** Ms. Alkire, who is a representative of the racing industry, joined the Racing Commission on June 3, 2002. She was re-appointed to the Commission in July, 2006 for a second four-year term expiring on July 1, 2010. Ms. Alkire received her Juris Doctorate from the University of Denver College of Law in 1977 and spent several years as a partner in the law firm of Holme, Roberts and Owen. Her specialization was natural resources and environmental law. Ms. Alkire served as President of the Rocky Mountain Quarter Horse Association. She continues to be very active in community service. At the present time, Ms. Alkire is self-employed in breeding, showing and training world-class quarter horses, a business that affords her the opportunity to apply her lifelong knowledge and love of horses and the horse industry.

**C. Drew Grant, Jr.: (R)** Mr. Grant, a representative of the general public, retired from service as an Inspector in the Professional Standards Division of the Douglas County Sheriff's Office. He was appointed to the Commission on November 2, 2004 for a term to expire on July 1, 2008. Mr. Grant has served as the Chief Investigator for the District Attorney's Office of the 18th Judicial District in Centennial, a post he held from March 1993 until September 2004. Along with the array of supervisory and administrative duties that he has handled, Mr. Grant is an expert in the conduct of polygraph examinations. Currently, Mr. Grant is employed as a project manager in the construction business.

**Jack Pretti: (R)** Mr. Pretti, a representative of the racing industry, is a Colorado native and fourth-generation resident of Garfield County, born in Rifle and raised on the family ranch located at Silt. He was appointed to the Commission on October 20, 2004 for a term to expire on July 1, 2008. Mr. Pretti has operated Colorado Heritage Real Estate Company, a firm servicing all classifications of general real estate properties with offices located in Rifle and Battlement Mesa for over ten years. His early fondness and enthusiasm for racehorses, races and racing events has remained with him throughout his life. In the mid-1970's, when the Colorado Fair Circuit was active, Mr. Pretti was the Director, President and Association Steward for the Western Slope Race Association, which conducted a Fair Circuit race meet in Rifle.

**Charles D. Vail, DVM: (R)** Dr. Vail, a representative who is a practicing veterinarian, was appointed to the Commission on November 20, 2007 for a term to expire on July 1, 2011. Dr. Vail has had a long and distinguished career in veterinary medicine, which has included serving as an Assistant Veterinarian at the 1958 and 1959 summer race meets at Centennial Racetrack and Brush, Colorado. Upon graduation from the Colorado State University College of Veterinary Medicine in 1960, Dr. Vail entered private equine practice in Littleton, Colorado. In 1962 and 1963, Dr. Vail served as the Track Veterinarian at Centennial Racetrack. Following the 1963 season at Centennial, Dr. Vail accepted the position of Senior Partner in the Littleton Large Animal Clinic, one that he continues to hold. He is now a Partner and Owner of the Littleton Large Animal Clinic. During his career, Dr. Vail has been affiliated with and held offices in numerous professional associations and societies. In 1987, the Colorado Veterinary Medical Association selected Dr. Vail as the Veterinarian of the Year.

## **LICENSED RACETRACKS**

### **GREYHOUND TRACKS**

#### **MILE HIGH GREYHOUND PARK**

Bruce Seymore, General Manager  
6200 Dahlia Street  
Commerce City CO 80022  
(303) 288-1591

#### **INTERSTATE KENNEL CLUB**

Bruce Seymore, General Manager  
6200 Dahlia Street  
Commerce City CO 80022  
(303) 288-1591

#### **PUEBLO GREYHOUND PARK**

Bruce Seymore, General Manager  
3215 Lake Avenue  
P. O. Box 2220  
Pueblo, CO 81005  
(719) 566-0370

### **HORSE TRACK**

#### **ARAPAHOE PARK**

Bruce Seymore, General Manager  
26000 East Quincy  
P. O. Box 460370  
Aurora CO 80016  
(303) 690-2400

#### **CLOVERLEAF KENNEL CLUB**

John Manning, General Manager  
P. O. Box 88  
Loveland CO 80539  
(970) 667-6211

#### **POST TIME GREYHOUND RACING**

Bruce Seymore, General Manager  
3701 North Nevada Avenue  
Colorado Springs, CO 80907  
(719) 632-1391

## LICENSED OTB'S

### HAVANA PARK

10750 East Iliff Avenue

Aurora CO 80014

(303) 751-5918

Licensee: Mile High Greyhound Park

### RED AND JERRY'S

1840 West Oxford Avenue

Sheridan CO 80110

(303) 783-0655

Licensee: Post Time Greyhound Racing

## CUMULATIVE DATA

Year	Total Days		Pari-Mutuel Handle	Percent (compared to previous year)	Total Breakage	State Commission	Total Divisional Receipts
2002	f 727	d	219,180,341	-6.63	603,575.02	5,056,906.01	5,115,833.71
2003	f 799	d	206,686,801	-5.70	616,810.54	4,556,829.77	4,611,775.29
2004	f 815	d	186,170,578	-9.92	544,111.02	4,114,283.05	4,145,954.40
2005	f 795	d	159,464,155	-14.35	452,683.41	3,550,926.85	3,583,973.60
2006	f 770	d	149,213,563	-6.43	427,317.06	3,235,269.31	3,270,570.16
2007	f 759	d	127,108,766	-14.81	261,110.42	2,792,776.48	2,810,254.76

### Footnotes

- d Includes handle wagered from out-of-state sources on in-state races.
- f Both live and simulcast days are included in this calculation.

## 2007 PERFORMANCE MEASURES

	Sum of Average Percentage
Number of Greyhound Race Days	261
Number of Greyhound Performances	265
Number of Horse Race Days	35
Number of Business/Occupational Licenses Issued	902
Total Licensee Population	2,126
Number of Denied/Issued Conditionally	45
Number of Rulings Issued Resulting in Fines/Suspensions	93
Number of Commission Disciplinary Hearings	10
Number of Greyhound Drug Tests	3,542
Percent of Greyhound Drug Tests in Compliance	99.93%
Number of Horse Drug Tests	501
Percent of Horse Drug Tests in Compliance	98.50%
Number of Greyhound Injuries Reported	64
Number of Horse Injuries Reported	61
Number of Audits Conducted	57
Number of Tote Tests Conducted	8
Percent of Race Meet Audits Completed Within Ninety (90) Days	100%
Total Handle Wagered	\$127,108,766
Number of Kennel/Stable Inspections Conducted	244
Number of Simulcast Routine Checks Conducted	261
Number of Investigations Completed	220
Percent of Investigations Resulting in Criminal/Administrative Charges	83.55%
Percent of Investigations Completed within 60 Days	90.65%

## 2007 RACING SEASON - COMPARATIVE DATA

	# Days	# of Races	Handle	State Revenue	City Revenue	Tracks' Revenue	Owners/ Breeders Fund
GREYHOUND							
LIVE	259	3,943	33,883,776.00	910,681.17	202,373.45	7,917,858.21	NA
SIMULCAST TOTAL	250	53,177	31,413,647.80	1,413,614.15	NA	5,853,847.52	NA
TOTAL	509	57,120	65,297,423.80	2,324,295.32	202,373.45	13,771,705.73	NA
HORSE							
SIMULCAST TOTAL	250	33,916	57,576,564.70	452,791.65	NA	10,636,016.72	717,791.03
LIVE	35	361	4,234,777.00	15,689.51	NA	866,152.20	23,193.68
TOTAL	250	34,277	61,811,341.70	468,481.16	NA	11,502,168.92	740,984.71
GRAND TOTAL	759	91,397	\$127,108,765.50	\$2,792,776.48	\$202,373.45	\$25,273,874.65	\$740,984.71

**NOTES** Do not compare the horse numbers to previous years, as the calculation method has changed to show the difference between live and simulcast days.

	CSU Fund	Breakage	Pay to Public	Average Daily Handle
GREYHOUND				
LIVE TOTAL	NA	53,406.42	24,823,426.67	130,825.39
SIMULCAST TOTAL	NA	52,951.76	23,569,908.89	125,654.59
TOTAL	NA	106,358.18	48,393,335.56	128,285.70
HORSE				
SIMULCAST TOTAL	107,477.05	230,826.05	43,595,585.69	230,306.26
LIVE	3,183.50	(76,073.81)	3,402,631.93	120,993.63
TOTAL	110,660.55	154,752.24	46,998,217.62	247,245.37
GRAND TOTAL	\$110,660.55	\$261,110.42	\$95,391,553.18	\$167,469

APPROVED 2008 RACE DATES CALENDAR

GREYHOUND

SOUTHERN CIRCUIT:

NO DATES REQUESTED

NORTHERN CIRCUIT:

PUEBLO GREYHOUND RACING

(Commerce City)

JANUARY 1 – FEBRUARY 29, 2008

(Tuesday) (Friday)

(Envelope of 60 days)

MILE HIGH GREYHOUND RACING

(Commerce City)

MARCH 1 – JUNE 28, 2008

(Saturday) (Saturday)

(Envelope of 120 days)

INTERSTATE RACING ASSOCIATION JUNE 30 – OCTOBER 27, 2008

(Commerce City)

(Monday) (Monday)

(Envelope of 120 days)

PUEBLO GREYHOUND RACING

(Commerce City)

OCTOBER 29 – NOVEMBER 24, 2008

(Wednesday) (Monday)

(Envelope of 27 days)

NOVEMBER 26, 2008

(Wednesday)

(Envelope of 1 day)

NOVEMBER 28 – DECEMBER 23, 2008

(Friday) (Tuesday)

(Envelope of 26 days)

DECEMBER 26 – DECEMBER 31, 2008\*

(Friday) (Wednesday)

(Envelope of 6 days)

\* - November 27 (Thanksgiving Day), December 24 (Christmas Eve) and December 25 (Christmas Day) omitted from racing envelope

HORSE

ARAPAHOE PARK

(Unincorporated Arapahoe County)

MAY – SEPTEMBER, 2008

ALL APPROVALS GRANTED SUBJECT TO AVAILABILITY OF DIVISION FUNDING AND STAFFING

## HORSE BREEDERS AND OWNERS AWARDS AND SUPPLEMENTAL PURSE FUND

12-60-704, C.R.S. as amended, June 6, 1993 provides for the Horse Breeders and Owners Awards and Supplemental Purse Fund program. The fund consists of 0.5% of the mutuel handle on win, place and show wagers and 1.5% of the mutuel handle on all other wagers from all horse meets, including simulcast programs, plus uncashed ticket money from previous years.

The following accounting of the Owners'/Breeders' Awards and Supplemental Purse Fund money to be distributed to the various breed organizations is summarized for the calendar year 2007 as follows:

Earned from wagering in 2007	\$ 740,985.42
Earned from 2006 uncashed tickets	\$ 362,457.47
Interest in 2007	\$ 32,575.09
Less Bank Fees	\$ (3,500.00)
<b>TOTAL OWNERS' / BREEDERS' FUND</b>	<b>\$ 1,132,517.98</b>

Following is the approved Owners and Breeders Awards and Supplemental Purse Funds distribution amounts for calendar year 2007 submitted for approval at the February 2008 Commission meeting:

Thoroughbreds	\$ 782,014.39	
Quarterhorse		\$120,836.06
Arabian	\$ 51,886.22	
Paint	\$ 7,247.99	
Appaloosa	\$ 2,206.08	
Harness	\$ 44,327.24	
<b>TOTAL</b>	<b>\$ 1,008,517.98</b>	

Due to the Fund's fiscal year end of December 31, actual distribution of most of these funds from 2007 took place in 2008. However, during 2007, the Colorado Racing Commission approved an advance of funds to the Colorado Thoroughbred Breeders Association of \$124,000.00. The distribution amounts above reflect these advances.

Current escrow totals are:

Harness	\$ 269,191.93
Appaloosa	\$ 23,165.09
<b>TOTAL</b>	<b>\$ 292,357.02</b>

**DIVISION RECEIPTS AND DISBURSEMENTS:**

**RECEIPTS:**

**State Commission on Pari-Mutuel Handle:**

Horse	\$	468,481.16
Greyhound		<u>2,324,295.32</u>
<b>TOTAL COMMISSION</b>	<b>\$</b>	<b>2,792,776.48</b>

**Occupational Licenses:**

	<b># Issued</b>	<b>\$</b>	<b>Received</b>
Horse	524	\$	9,352.45
Greyhound	200		3,392.65
Central	<u>129</u>		<u>3,530.35</u>
<b>TOTAL LICENSES</b>	<b>853</b>	<b>\$</b>	<b>16,275.45</b>

Lease Registration Fees Collected	\$	0.00
Fines and Penalties Collected		11,700.00
Investigation Fees Collected		1,085.83
Printing Fees Collected		<u>0.00</u>
<b>TOTAL RECEIPTS</b>	<b>\$</b>	<b>2,810,254.76</b>

**DISBURSEMENTS:**

Personal Services	\$	1,323,734
Operating Expenses		57,865
Laboratory Services		98,646
Legal Services		<u>10,963</u>
<b>TOTAL DISBURSEMENTS</b>	<b>\$</b>	<b>1,491,208</b>

NOTE: We have modified this report. Therefore, the reporting categories (and net balance) should not be compared to previous years.

## FUNCTIONS OF THE DIVISION OF RACING EVENTS

The Division of Racing Events is statutorily mandated to regulate the greyhound and horse racing industries in Colorado. The Division is responsible for ensuring honesty and integrity in racing and racing-related activities, such as simulcasting, and for protecting the citizens of the state from corrupt practices. In order to fulfill its mission and its obligations to the people of the state, the Division performs the following functions:

**Enforcement:** Various types of investigations are performed by staff members engaged in enforcement. This is to ensure that proper action is taken for violations of rules or the Racing Statute. Additionally, Division staff are responsible for kennel, stable and off-track wagering facility inspections. As needed, staff performing enforcement-related duties prepare and defend adoption of new or amended rule proposals before the Commission and implement policies and procedures to support them. They assist the Division's veterinary group in the enforcement of its policies and procedures, such as state and federal laws requiring vaccinations and the presentation of current health certificates for racing animals coming into Colorado.

**Licensing, racing operations and animal welfare:** The Division licenses all racing participants, oversees operations at racetrack and simulcast sites and ensures the safety and welfare of animals racing in Colorado. It is also responsible for maintaining up-to-date rules, policies and procedures to carry out its regulatory roles. All staff members are charged with the responsibility for ensuring honesty and integrity in racing as well as protecting the health and safety of greyhounds and horses racing in the state. Several approaches are used to achieve this goal, consisting of multiple inspections of animals, a human and animal drug testing program and an injury tracking system. A comprehensive drug-testing program, which is overseen by animal welfare specialists, is used to monitor drug administration in racing animals.

**Financial oversight:** In order to determine compliance with statutory requirements, the financial services staff members conduct audits and calculate pari-mutuel taxes due and paid, minimum purse amounts, payments to and proposed distribution amounts from the Horse Breeders' and Owners' Awards and Supplemental Purse Fund, payments to the Colorado State University School of Veterinary Medicine for equine research, uncashed ticket monies, pre-meet tests, price tests and revenue audits. They review all racing association financial statements and make observations and recommendations to the Commission regarding acceptability of each fiscal report. The Division also maintains statistical information regarding all pari-mutuel wagering in Colorado. It continues to ensure totalisator compliance by means of regular performance audits.

