

NEBRASKA RACING COMMISSION



2012/2013 REPORT

It is my pleasure to present the following report on the activities of the Commission for calendar year 2012 and 2013. The horse racing industry continues to change and face challenges of maintaining public confidence through wagering security and equine drug testing. The Nebraska State Racing Commission continues their commitment to ensure that racing is fair and honest.

The climate of horse racing in Nebraska has been changing and has changed dramatically in 2012 and 2013. Horsemen's Atokad Downs in South Sioux City, Nebraska did not conduct live racing in 2012 and shut their simulcasting operation down in September of 2012.

In 2013 only one live race day was conducted at the Lincoln Race Course site at State Fair Park. The State Fair Park location closed its doors in September of 2013. The bright spot is that the Nebraska HBPA and Lincoln Race Course constructed and opened a beautiful state of the art facility in South West Lincoln.

In 2013 Platte County Agriculture Society, did not apply for live race days causing the industry to be short the minimum number of live race days to conduct simulcasting.

After no live race days were requested by the Agriculture Society a group from Columbus formed Columbus Racing and Exposition and applied and was awarded 16 days of live racing.

The pari-mutuel handle in Nebraska continues to decline. In 2012 \$78,876,190 was wagered and in 2013 \$68,400,823 was wagered. The handle numbers dropped sharply in 2013 which can be contributed to the decline of 38 live racing days. The 2013 pari-mutuel handle declined 13 percent for the 2012 handle. But, with the change in live race days, comparing 2012 and 2013 handle numbers is difficult.

In 2012, \$8,445,542 was wagered on live racing and in 2013 \$5,559,889 was wagered. As you can see this is a considerable drop in handle due to the reduced live race days.

The Racing Commission continues to struggle with funding issues. The Commission is a cash-funded agency and is funded by receiving sixty-four one hundredths of one percent of the gross pari-mutuel handle. The Commission also receives revenue from issued occupational licenses.

As the handle decreases the Commission's revenue declines. The Commission needs to work with the industry to find ways to increase the Commission's revenue.

For FY 13 the Racing Commission received a one time supplement of \$15,000 from the general fund to help with equine drug testing. With the supplement funding, the Commission, starting with the 2013 Columbus Expo & Racing meet, began testing all first and second place horses. The Commission also changed from Elisa testing to direct instrumental testing.

Making horse racing an event continues to be a major focus for continued health in the sport. The racing participants, including horsemen, track management, and Commission

have to be good-will ambassadors for the sport encouraging good racing events, fair play, and entertainment for the fans.

Good Luck and Good Racing,

Tom Sage

The Nebraska State Racing Commission

Commissioners

Dennis P. Lee, Chairman	Second Congressional District
Janell Beveridge, Vice-Chair	Third Congressional District
Helen Abbott-Feller	First Congressional District
Jeff Galyen	At-Large/ First Congressional District
Kris Covi	At-Large/ Second Congressional District

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Nebraska State Racing Commission

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The Nebraska Racing Commission

The Nebraska State Racing Commission was established by the Nebraska Legislature in 1935. The purpose of the Racing Commission, with resources authorized by the legislature and approved by the governor, is to prevent and eliminate corrupt practices in horseracing and pari-mutuel wagering, to maintain a high level of integrity and honesty in the horse racing industry, to insure and promote the safety of racing participants and horses, and to receive and disperse funds pursuant to statutory requirements; and thereby to support and encourage agriculture and horse breeding in Nebraska.

During the 2010 legislative session LB861 was introduced. This Legislative Bill allowed Commissioners to own/race horses in Nebraska and allowed Commissioners to wager on simulcasting and live races in Nebraska. The Bill also changed the make up of the Commission from three to five members.

Racing Officials

The Board of Stewards

The Board of Stewards includes the State Steward and two Stewards appointed by the licensed race track subject to approval of the Commission. Stewards enforce the Rules of Racing at each licensed race meet.

Other Racing Officials

Racing Officials, in addition to the Board of Stewards, include the Racing Secretary, Horse Identifier, Clerk of Scales, Starter, Jockey Room Custodian, and Mutuel Manager. Racing Officials are appointed by licensed race track management subject to the approval of the Racing Commission. (Nebraska State Racing Commission Rules and Regulations, Chapter 13.)

Official Registrar - Nebraska Bred Horses

The Commission may designate official registrars for the purpose of registration and to

certify the eligibility of Nebraska-bred horses. To encourage agriculture and horse breeding in Nebraska, every licensee shall hold at least one race on each racing day limited to Nebraska-bred horses. (Revised Statutes of Nebraska 2-1213)

Nebraska Race Tracks

The Nebraska Racing Commission has licensed five applicants for live horse racing in 2014- four race tracks offer exclusively Thoroughbred horse racing and one offering Quarter Horse Racing.

Nebraska Horse Racing Schedule 2014

Race track	Location	Opening	Closing	Race Days
Fonner Park	Grand Island	21-Feb	3-May	31
Lincoln Race Course	Lincoln	TBA		1
Horsemen's Park	Omaha	9-May	11-May	3
Columbus Exposition and Racing	Columbus	1-Aug	1-Sep	16
FairPlay Park	Hastings	TBA		<u>1</u>
	Total days approved			52

The 2012 schedule is similar to the racing schedule in recent years. Following the final year of live horse racing at AK-SAR-BEN in Omaha in 1995, Horsemen's Park opened in 1998, and the race track in South Sioux City was re-opened as Horsemen's Atokad Downs in 2001.

Lincoln Race Course was created in 2009 to be the licensed racing facility in Lincoln after State Fair Park closed and the State Fair moved to Grand Island. Lincoln Race Course is located at the former location of State Fair Park. Lincoln Race Course ran three days of live racing in 2009.

In addition to wagering on live horse racing, Nebraska Thoroughbred tracks have offered pari-mutuel wagering on simulcast horseraces since 1987. Nebraska law requires a race track to be approved for a simulcast facility license that may be granted only if the race track conducted live racing in the preceding year on at least seventy percent (70%) of number of live race days it was authorized to conduct live horse racing in 1988; and, only if all thoroughbred tracks together apply for and receive authority to conduct a number of

race days that is determined based on a statutory formula.

In 2008 and 2009 the minimum number of live race days required as a condition for approval of interstate simulcasting was 103.

In 2012 with the closing of State Fair Park the number of minimum of days as required to have interstate simulcasting is 73.

In 2013, with Platte County Ag, Society not requesting live racing days, the minimum number of day required to offer simulcsating was reduced to 49.

FairPlay Park in Hastings is licensed to conduct Quarter Horse Races. Re-opened in 2004 at the Adams County Fairgrounds site formerly licensed as Queen City Downs, FairPlay Park has offered a day for Quarter Horse races following conclusion of the Thoroughbred season.

Nebraska Thoroughbred Racing Schedule

Fonner Park - Grand Island

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Open Date		13-Feb	19-Feb	25-Feb	24-Feb	22-Feb
Close Date		2-May	8-May	7-May	5-May	4-May
Days Approved		35	31	31	31	31

State Fair Park - Lincoln

	Year	<u>2009</u>
Open Date		8-May
Close Date		9-Jul
Days Approved		34

Lincoln Race Course- Lincoln

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Open Date		10-Jul	14-May	13-May	11-May	8-Jan
Close Date		12-Jul	18-July	17-Jul	8-July	8-Jan
Days Approved		3	32	32	29	1

Horsemen's Park - Omaha

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Open Date		16-Jul	22-Jul	21-Jul	13-July	May 10
Close Date		19-Jul	25-Jul	24-Jul	22-July	May 12
Days Approved		4	4	4	6	3

Columbus Exposition & Racing

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Open Date						2-Aug
Close Date						2-Sep
Days Approved						16

Platte County Ag. Society - Columbus

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Open Date		24-Jul	30-Jul	29-Jul	27-July	No Live Racing
Close Date		7-Sep	12-Sep	11-Sep	9-Sep	
Days Approved		23	23	23	23	

Horsemen's Atokad Downs - South Sioux City

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Open Date		10-Sep	8-Aug	16-Sep		
Close Date		13-Sep	8-Aug	16-Sep		
Days Approved		4	1	1		

All Tracks

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Days Approved		103	91	91	89	51

Nebraska Thoroughbred Wagering (\$ millions)

Fonner Park - Grand Island

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Live Racing On Track		\$4.1	\$4.1	\$4.0	\$4.3	\$4.4
Intrastate Simulcast		\$0.5	\$0.6	\$0.6	\$0.4	\$0.1
Interstate Simulcast		<u>\$11.1</u>	<u>\$10.3</u>	<u>\$10.4</u>	<u>\$10.3</u>	<u>\$10.3</u>
Sub-Total		\$15.8	\$15.0	\$15.0	\$15.1	\$14.7

State Fair Park - Lincoln

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>
Live Racing On Track		\$2.2		
Intrastate Simulcast		\$0.7		
Interstate Simulcast		<u>\$15.8</u>		
Sub-Total		\$18.9		

Lincoln Race Course - Lincoln

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Live Racing On Track			\$2.3	\$2.1	\$2.1	\$0.02
Intrastate Simulcast			\$0.6	\$0.6	\$0.6	\$0.5
Interstate Simulcast			<u>\$16.9</u>	<u>\$16.6</u>	<u>\$15.3</u>	<u>\$12.5</u>
Sub-Total			\$19.8	\$19.3	\$18.1	\$13.0

Horsemen's Park - Omaha

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Live Racing On Track		\$0.7	\$0.6	\$0.6	\$0.08	\$0.4
Intrastate Simulcast		\$1.7	\$1.8	\$1.6	\$1.3	\$0.8
Interstate Simulcast		<u>\$42.3</u>	<u>\$40.4</u>	<u>\$38.6</u>	<u>\$36.3</u>	<u>\$35.0</u>
Sub-Total		\$44.7	\$42.8	\$40.8	\$38.5	\$36.2

Platte County Ag. Society - Columbus

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Live Racing On Track		\$1.4	\$1.3	\$0.9	\$1.1	
Intrastate Simulcast		\$0.4	\$0.3	\$0.6	\$0.3	\$0.2
Interstate Simulcast		<u>\$4.4</u>	<u>\$3.8</u>	<u>\$3.9</u>	<u>\$3.8</u>	<u>\$3.4</u>
Sub-Total		\$6.2	\$5.4	\$5.4	\$5.2	\$3.6

Columbus Expo. & Racing - Columbus

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Live Racing On Track						\$0.7
Intrastate Simulcast						N/A
Interstate Simulcast						<u>N/A</u>
Sub-Total						\$0.7

Horsemen's Atokad - South Sioux City

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Live Racing On Track		\$0.1	\$0.01	\$0.06	\$0.0
Intrastate Simulcast		\$0.2	\$0.2	\$0.2	\$0.1
Interstate Simulcast		<u>\$3.7</u>	<u>\$2.8</u>	<u>\$2.7</u>	<u>\$1.5</u>
Sub-Total		\$4.1	\$3.0	\$2.9	\$1.7

All Tracks - Thoroughbred

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Live Racing On Track		\$8.7	\$8.3	\$7.6	\$8.4	\$5.5
Intrastate Simulcast		\$3.6	\$3.6	\$3.6	\$2.9	\$1.6
Interstate Simulcast		<u>\$77.6</u>	<u>\$74.4</u>	<u>\$72.3</u>	<u>\$67.4</u>	<u>\$61.2</u>
Total		\$89.9	\$86.3	\$83.5	\$78.8	\$68.3

Purses Paid by Tracks (\$ thousands)

Fonner Park - Grand Island

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Paid by Track	\$1,980	\$1,910	\$1,729	\$1,772	\$1,852
Paid by Horse Owner	<u>\$8</u>	<u>\$22</u>	<u>\$15</u>	<u>\$17</u>	<u>\$15</u>
Sub-Total	\$1,988	\$1,932	\$1,744	\$1,789	\$1,867

State Fair Park - Lincoln

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Paid by Track	\$1,766				
Paid by Horse Owner	<u>\$4</u>				
Sub-Total	\$1,770				

Lincoln Race Course - Lincoln

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Paid by Track	\$1,530	1,780	\$1,682	\$1,543	\$3.9
Paid by Horse Owner	<u>\$3</u>	<u>\$4</u>	<u>\$4</u>	<u>\$12</u>	<u>\$0.0</u>
Sub-Total	\$1,533	\$1,784	\$1,686	\$1,555	\$3.9

Horsemen's Park - Omaha

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Paid by Track	\$350	\$350	\$350	\$368	\$268
Paid by Horse Owner	<u>\$3</u>	<u>\$4</u>	<u>\$4</u>	<u>\$3</u>	<u>\$0</u>
Sub-Total	\$353	\$354	\$354	\$371	\$268

Columbus Races - Columbus

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Paid by Track	\$1,049	\$1,091	\$965	\$1,006	
Paid by Horse Owner	<u>\$6</u>	<u>\$6</u>	<u>\$6</u>	<u>\$5</u>	
Sub-Total	\$1,054	\$1,097	\$971	\$1,011	

Columbus Expo. & Racing

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Paid by Track					\$697
Paid by Horse Owner					<u>\$2</u>
Sub-Total					\$699

Horsemen's Atokad Downs- South Sioux City

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Paid by Track	\$174	\$6.7	\$17		
Paid by Horse Owner	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		
Sub-Total	\$174	\$6.7	\$17		

All Tracks - Thoroughbred

	Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Paid by Track		\$5,472	\$5,174	\$4,743	\$4689	
Paid by Horse Owner		<u>\$24</u>	<u>\$36</u>	<u>\$29</u>	<u>\$37</u>	
Total		\$5,496	\$5,210	\$4,772	\$4726	

Nebraska-bred Horses

Nebraska law requires one race each race day limited to Nebraska-bred horses.

	2012	2013
Fonner Park - Grand Island		
Number of Races	310	255
Nebraska-bred Races	36	41
Nebraska-bred Races- Purses (x \$1,000)	\$311.8	\$430.8
Percentage of Races Nebraska-bred	11.6%	16.0%
Lincoln Race Course - Lincoln		
Number of Races	258	1
Nebraska-bred Races	42	1
Nebraska-bred Races- Purses (x \$1,000)	\$147.8	\$3.9
Percentage of Races Nebraska-bred	16.3%	100%
Horsemen's Park- Omaha		
Number of Races	36	15
Nebraska-bred Races	6	3
Nebraska-bred Races- Purses (x \$1,000)	\$123.8	\$90.0
Percentage of Races Nebraska-bred	16.6%	20%
Columbus Expo. & Racing		
Number of Races		124
Nebraska-bred Races		27
Nebraska-bred Races- Purses (x \$1,000)		\$226.6
Percentage of Races Nebraska-bred		21.7%
Platte County Ag Society- Columbus		
Number of Races	183	
Nebraska-bred Races	29	
Nebraska-bred Races- Purses (x \$1,000)	\$215.7	
Percentage of Races Nebraska-bred	15.8%	

Nebraska-Bred Certified Foals - Thoroughbred

Year Certified Year Foaled	2009	2010	2011	2012	2013
2004	2				
2005	17		1	1	
2006	60	5	2		1
2007	41	54	8		1
2008	3	25	35	8	1
2009		2	22	45	8
2010			2	21	27
2011	2			1	3
2012				1	1
Total	125	86	70	77	42

Nebraska Thoroughbred Foals by Year Foaled

As a % of Total US Foals

1975	473	1.60%
1980	572	1.70%
1985	745	1.60%
1990	602	1.50%
1995	320	1.00%
2000	147	0.40%
2005	187	0.50%
2006	161	0.50%
2007	158	0.50%
2008	120	0.40%
2009	129	0.40%
2010	81	0.30%
2011	46	0.20%
2012	29	0.10%

Source: The Jockey Club 2008 Online Fact Book
<http://www.jockeyclub.com/factbook.asp>

Nebraska Racing Commission Regulatory Program

Commission expense and revenue is recorded on a fiscal year basis from July 1 through June 30. Beginning FY 06 (beginning July 1, 2005) expenses for equine drug testing were included in the budget of the Commission, and reimbursement for salary of the State Steward, Official Veterinarian, and veterinary assistants were discontinued. The pari-mutuel wagering fee for Racing Commission operations was also increased from 0.40% of handle to 0.64% of handle.

Operations Revenue and Expense

Fiscal Years ending June 30	FY09	FY10	FY11	FY12
Revenue				
Pari-mutuel Wagering Fee	\$692.8	\$683.1	\$633.9	\$658.6
Licensing Fees	\$56.9	\$51.9	\$48.1	\$41.6
Track License Fees	\$4.5	\$4.5	\$3.4	\$3.3
Official Salary Reimbursement				
Fingerprinting Fees	\$11.2	\$12.6	\$9.8	\$6.8
Investment Interest	\$7.6	\$5.9	\$2.5	\$2.9
Miscellaneous	<u>\$0.1</u>	<u>\$0.7</u>	<u>\$0.0</u>	<u>\$0.7</u>
Revenue Total	\$773.1	\$758.0	\$697.7	\$713.9
Expense				
Personal Services	\$494.2	\$434.6	\$428.5	\$358.4
Travel, Board, & Lodging	\$58.1	\$64.5	\$65.3	\$53.7
Equine Drug Testing	\$85.2	\$88.5	\$58.8	\$52.3
Operations Expenses	\$58.5	\$88.8	\$48.8	\$44.3
Small Track Fund				
Distribution	\$129.0	\$142.8	\$125.2	\$82.9
Capital Expense	<u>\$0.0</u>	<u>\$2.3</u>	<u>\$0.0</u>	<u>0.0</u>
Totals	\$825.0	\$821.5	\$723.9	\$591.6

Licenses Issued

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Horse Owner	572	586	513	373	437
Horse Owner Partnership	127	137	100		96
Horse Owner Stable Name	61	69	60		45
Owner/Trainer	178	179	163	125	127
Trainer	59	52	53	29	46
Authorized Agent	23	17	8	7	5
Horse Lease Agreement	10	7	8	5	8
Family Pass	25	37	31	19	38
Jockey	40	39	36	21	26
Apprentice Jockey	5	3	2	0	2
Jockey Agent	8	8	6	6	8
Assistant Trainer	6	8	8	4	6
Groom	116	134	114	46	69
Exercise Rider	49	46	39	19	28
Practicing Veterinarian	6	8	3	1	3
Veterinarian Assistant	0	2	1	0	1
Plater	13	13	10	12	10
Outrider	3	3	4	3	4
Valet	4	4	4	4	4
Pony Person	21	26	21	12	13
Officials and Assistants	69	41	47	25	32
Concession Operation	33	32	22	7	26
Mutuels Employee	227	216	199	123	152
Concessions Employee	241	254	260	130	268
Medical and Ambulance	21	22	22	11	14
Security Employee	65	56	54	20	29
Video & Photo Finish Employee	22	16	17	9	11
Wagering Systems Employee	9	10	11	8	7
Other Employees	130	120	146	46	52
HBPA	<u>3</u>	<u>3</u>	3	<u>3</u>	3
Total Licenses Issued	2146	2182	1994	1226	1570

Equine Drug Testing

The Nebraska Racing Commission employs the service of a professional analytical laboratory of the purpose of testing urine and blood samples from horses, and for the identification of substances and residues that may be relevant to enforcement of rules and racing integrity. The Commission began directly contracting for testing services in June 2005. Prior to that time, race tracks would contract for services subject to Commission approval.

Year	2011	2012	2013
Drug Testing			
Urine Drug Screens	1427	967	437
Blood Drug Screens	116	89	533
Blood NSAID Quantitations	1542	1056	1006

Confirmations Reported

Over Permitted Level - NSAID	7	8	5
Flunixin	2	2	
Ractopamine	6		3
Clenbuteral	2		
DMSO		2	
Demorphin		1	
Robaxin			1

Investigations

The Racing Commission employs investigative personnel to perform background checks on license applications, investigate alleged violations of administrative rules and state statutes governing horse racing, and administer field testing to prevent and detect use of prohibited substances and alcohol. Commission investigators assist local and state law enforcement in matters involving race track operations and licensees, and coordinate the

support of track security personnel. Due to funding issues the Commission has reduced its investigative direction to 2 part-time investigators.

During 2012 Racing Commission investigators documented 22 cases involving, falsification of applications, disturbances, human drug testing, horse positive drug tests and cases related to runs of races. The horse positive drug test involved a horse which tested positive for a class one drug.

During calendar year 2013 Racing Commission investigators documented 27 cases. These cases involved horse positive drug tests, human drug testing, disturbances, assaults and other rule violations. The horse positive drug tests involved Ractopamine and Robaxin.

Official Rulings

The Board of Stewards at each race track, and the Nebraska Racing Commission, conduct administrative hearings and based on evidence when warranted issue official rulings as sanctions for rule violations.

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Fonner Park	27	14	17	21	14
State Fair Park	26				
Horsemen's Park	5	3	3	7	
Platte County Ag Society	21	14	5		
Columbus Exposition & Racing					6
Atokad Downs	1				
Lincoln Race Courses	2	20	23		
Commission	<u>10</u>	<u>9</u>	<u>14</u>	<u>15</u>	<u>24</u>
Totals	92	60	62	43	44

Fines Paid

Fines collected by the Racing Commission as sanction for violation of rules are deposited with the Nebraska State Treasure to the credit of the General School Fund in the county where the official order is entered.

	Hall County	Lancaster County	Douglas County	Platte County	Dakota County	Total
2007	\$8,750.00	\$6,300.00	\$0.00	\$4,750.00	\$0.00	\$19,800.00
2008	\$4,000.00	\$8,500.00	\$0.00	\$4,850.00	\$0.00	\$17,350.00
2009	\$5,450.00	\$6,025.00	\$1,050.00	\$2,350.00	\$500.00	\$15,375.00
2010	\$3,250.00	\$3,700.00	\$6,200.00	\$5,200.00	\$0.00	\$18,350.00
2011	\$4,700.00	\$11,600.00	\$950.00	\$1,100.00	\$0.00	\$18,350.00
2012	\$3,300.00	\$1,500.00	\$6,660.00	\$1,400.00	\$0.00	\$12,860.00
2013	\$1,650.00	\$100.00	\$200.00	\$1,550.00	\$0.00	\$3,500.00

Pari-Mutuel Taxes and Statutory Allocations

Nebraska State Statute 2-1208.01 requires payment of pari-mutuel tax based on calendar year handle at tracks with total handle in excess of \$ 10 million (Fonner Park and Horsemen's Park). State Fair Park is exempt from the tax. The tax rate is 2.5% of handle in excess of \$10 million, less a credit of 2% for capital improvements and maintenance (net rate of 0.5%). Beginning on January 1, 2010 Fonner Park became exempt from paying the pari-mutuel tax. This occurred because Fonner Park became the host of the State Fair.

Net Parimutuel Taxes Paid - 0.5% of handle over \$ 10 million (\$ 1,000s)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Fonner Park	\$29.10				
Horsemen's Park	\$203.00	\$164.46	\$154.00	\$142.60	\$131.34
Lincoln Race Course		\$49.40	\$46.90	\$40.90	\$15.10
Total	\$232.10	\$213.86	\$200.90	\$183.50	\$146.44

Capital Improvements and Maintenance – 2% of handle over \$10 million (\$ 1,000s)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Fonner Park	\$116.5				
Horsemen's Park	\$695.7	\$657.8	\$615.9	\$570.50	\$525.40
Lincoln Race Course		\$197.7	\$189.1	\$163.70	\$60.41

Total	\$812.2	\$855.5	\$805.0	\$734.20	\$585.81
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State Fair Park Maintenance	\$178.5
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Fonner Park Maintenance	\$101.4	\$100.1	\$103.14	\$95.5
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State Fair Park does not pay pari-mutuel tax. Required to apply two percent (2%) of amount wagered in excess of \$10 million for maintenance of buildings, streets, utilities, and other existing improvements.

Beginning on January 1, 2010 Fonner Park became exempt from paying the pari-mutuel tax. This occurred because Fonner Park became the host of the State Fair.

Nebraska Net Pari-Mutuel Tax Paid to the General Fund Since 2004

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
\$278,665	\$266,603	\$242,794	\$223,761	\$230,442	\$203,073	\$213,860	\$200,900	\$183,500	\$146,440

Sales Tax Collected from the Sale of Claiming Horses.

The sale tax is paid to the general fund and to local community's general fund.

	State Tax 2011	Local Tax 2011	State Tax 2012	Local Tax 2012	State Tax 2013	Local Tax 2013
Fonner Park, Grand Island	\$3,273	\$893	\$4,840	\$1,320	\$3,163	\$863
Lincoln Race Course	\$1,432	N/A	\$2,173	\$593		
Horsemen's Park, Omaha	\$880	\$240			\$522	\$143
Agricultural Park, Columbus	No Claims		\$825	N/A		
Columbus Expo & Racing					\$413	N/A
Totals	\$5585	\$1,133	\$7,838	\$1,913	\$4,098	\$1,006